



Testimony before the Senate Finance Committee  
in support of SB 274

May 3, 2016

Chairman Oelslager, Vice-Chairman Coley, Ranking Member Skindell and members of the Senate Finance Committee, thank you for allowing me this opportunity to address the committee on Senate Bill 274, the establishment of a Smart Ohio program. My name is Dr. Julie Heath and I am the Director of the University of Cincinnati Economics Center. I am an economist with a background in economic education, labor and quantitative methods.

While there is widespread agreement that the current state of economic and financial literacy in our country is lacking, unfortunately, Ohio is one of the states where that lack is particularly acute. We know that children who are not taught economic and financial literacy in school grow up to be adults whose behavior puts themselves and the community at large at a disadvantage. Only paying the minimum on credit card balances, spending more than they earn, not saving sufficiently for retirement, not understanding the basics of how the financial system works—all are behaviors that put Ohio in the bottom 4 states in the country. In addition, all are behaviors that indicate a lack of fundamental knowledge and act as an anchor to our state's economy. I believe the solution is to start economic and financial education early, with Smart Ohio, so I would like to describe the particulars of the program and its implementation.

**Smart Ohio is focused on elementary education**

Several years ago, recognizing the need for increased financial education, Ohio passed Senate Bill 311, which required that 6 weeks of both economics and financial literacy be embedded in a required course for graduation. Obviously, the target student population in this initiative is high school students.

What we know from research is that waiting until high school is a classic example of “too little, too late”. If we view financial literacy in the same way as we view reading literacy, it becomes clear that financial literacy is best delivered in the same way: i.e., teaching basic concepts (the financial ABC's), then gradually, year after year, layering on increasing complexity to build competencies.

So, Smart Ohio is focused on elementary education because that's where we start all conceptually based education. We don't wait until high school to teach anything else; the same should be true of financial education

### **Smart Ohio integrates financial education into core academic subjects**

One of the most important things to understand about financial literacy is that it isn't about money. Or more accurately, it's not only about money. The foundation of financial education is teaching students how to make good decisions—how to make good choices. Financial education is a set of critical thinking skills, not a list of vocabulary words, or rudimentary skills like how to write a check. Financial education is a powerful tool that enables students to critically evaluate a whole host of options they will be faced with—some of them about money, some of them not.

Therefore, teaching teachers how to integrate financial education into the subjects that they have to teach anyway (like math and English/language arts), not only saves them time, but it properly models to their students how the critical thinking skills they have learned can be applied across a wide variety of contexts.

I started the Smart model when I was at the University of Memphis. After the first year of the program, I was visiting an inner city school—a 4<sup>th</sup> grade classroom—that had participated. We do assessments, but I wanted to talk to some students one-on-one about the program. I was talking to 10 year-old boy named Kobe. I asked him what he learned from the program. He told me that he had learned how to make good choices. I then asked him if he thought this would help him as a grown up. He told me, yes, ma'am. Now I know I shouldn't join a gang. That crystalized for me the power of financial education—that it had reach far beyond what most people think of when they think of financial literacy. It can literally change lives because it teaches a fundamental approach to whatever is happening in a student's life.

### **Smart Ohio is a voluntary program**

We open professional development workshops to teachers and they come to them of their own accord. At the University of Cincinnati, we've run several small pilot programs using this model funded with grant money, and we have waiting lists of teachers who would like to come. Teachers know their students should have this—they just don't know how to deliver it and they don't have the materials to do it easily and in a way that integrates into their classrooms.

### **Smart Ohio is assessed and it works**

As an economist, I'm very data driven. We assess everything we do, including this program. I started the program in Tennessee, where it is in its 10<sup>th</sup> year. The Smart Tennessee model was assessing at a 35%-45% increase in students' knowledge as a result of the program. Other states have copied the program: Texas, Indiana, Florida, and others—to similar results. In the pilots we've run in the Cincinnati area, the improvement in student knowledge is the same.

### **Smart Ohio utilizes a cutting-edge curriculum**

The curriculum used in Smart Ohio will be a digitally-based curriculum developed for the Economics Center. It is free to teachers (and anyone else, including parents), is fun and engaging for students. The assessment is built in and the standards alignment is already constructed, making it easy for teachers to implement. Most significantly, however, SmartPath was recently recognized as the best children's financial literacy curriculum in the nation, making it easy, fun and effective.

## Implementation

Smart Ohio will utilize the other centers (and OSU Extension) in the state to deliver teacher professional development and curriculum to teachers. The directors of these centers are academics who have extensive experience in conducting teacher training.

Gill Center for Business and Economic  
Economic Education, Ashland University

H. Kenneth Barker Ctr for  
Education, University of Akron

Northwest Center for Economic Education  
Economic Bowling Green State University  
Grande

Loren M. Berry Center for  
Education, University of Rio  
Grande

Ohio State University Extension Office

Youngstown Satellite Program for  
Economic Ed., Youngstown State

Economics Center  
University of Cincinnati

Center for Economic  
Education Wright State  
University



Trained teachers are the greatest return on investment—once a teacher is trained, he/she can use that same training and materials in classroom after classroom, year after year, reaching hundreds of students.

## **Return on Investment**

The legislation provides \$318,000 to train 500 elementary school teachers—approximately 13,000 students per year. In only 5 years of teaching, these teachers will directly impact over 65,000 students at a cost of only \$4.89 per student. With a small per student investment, we can give a child a skill that can last a lifetime—the ability to make good choices—a skill that is good for the individual and the state as a whole.

I would like to call your attention to the letters of support that accompany this testimony: from the OSU Extension Office, the superintendent of Wyoming School District, and several teachers and students. Note that some of these support letters refer to the House companion bill, HB381. Also note that we included a typed version of one of the student letters. That student is a special needs student and the writing was difficult to read—again, underscoring the far-reaching impact that economic and financial education can have. Finally, I have also submitted written testimony from Senator Mark Norris, the Senate Majority Leader in Tennessee, one of the key legislators I worked with to get the first “Smart” program implemented.

Thank you for your consideration of SB 274. Mr. Chairman, this concludes my prepared remarks. I am happy to answer any questions the committee may have.