State Representative Rob McColley
Sponsor Testimony – House Bill 108 – 132nd General Assembly
House Education and Career Readiness Committee– March 21, 2017

Chairman Brenner, Vice Chair Slaby, Ranking Member Fedor and Members of the House Education and Career Readiness Committee, thank you for allowing my joint sponsor and me the opportunity to provide testimony for House Bill 108. As Representative Hagan mentioned, it is becoming more and more difficult for students entering college to fully understand the implications of financing their education. Even when they leave college with a degree, many students are shocked by how much their education cost them, and how much debt they now are responsible for. To put it into perspective, the average amount of debt that students in Ohio leave a 4-year institution with is $29,353, and the proportion of Ohio students that graduate with debt is a surprising 67%. (The Institute for College Access & Success).

House Bill 108 attempts to reduce these numbers by doing two things. First, as my joint sponsor described in detail, the legislation creates an Informed Student Document which serves to educate students entering college on the job outlook for their specific areas of interest, the average amount of debt that students at that institution incur while working towards their degree, information on how to pay back that debt, and many other helpful points of data.

In addition, House Bill 108 also seeks to increase the financial literacy of high school students by requiring a minimum of one half unit, or sixty hours of instruction, be included in the social studies requirement already prescribed in high school curriculum.

Several studies show just how important a basic financial education can be in improving the financial futures of young people. One study done by the Investor Education Foundation, for example, looked at Idaho, Georgia, and Texas, three states that implemented state mandates to teach financial literacy, and compared the average credit scores of those students to students in states that did not require a financial education curriculum. This study found a substantial increase in the credit scores of students in Idaho, Georgia, and Texas starting the second year after teaching financial literacy courses and increasing even more as time went on. Moreover, in a similar trend, the implementation of financial education mandates also decreased the chance of students in those three state being more than 90 days' delinquent on any credit account. (Urban, Carly, Maximilian Schmeiser, J. Michael Collins, and Alexandra Brown. "State Financial Education: It's All in the Implementation." (2015): n. pag. Web. 12 Feb. 2016.)

The instruction in economics and financial literacy provided for in this legislation will include reviewing information included in the informed student document described above, and lessons in sound money management, credit, investments, and instruction on how to calculate on loans, all of which is important information to have in order to be financially stable.

Thank you, Chairman Brenner and the rest of the committee. We would be happy to answer any questions that you may have.