Next Gen Personal Finance
510 Waverley Street
Palo Alto, CA 94301
www.ngpf.org

Chairman Brenner
Vice-Chair Blessing
Ranking Member Fedor
Members of the Senate Primary and Secondary Education Committee

Thank you for the opportunity to provide interested party testimony on Ohio Senate Bill 1, regarding teaching financial literacy in high school. My name is Brian Page and I am the Senior Director of Partnerships and Advocacy for Next Gen Personal Finance (NGPF), a nonprofit organization that partners with more than 40,000 teachers by providing relevant curriculum, effective professional development and advocacy tools to increase access to this essential course. Our curriculum is used by teachers that reach more than 70% of the high school population in the U.S. and in 2020 teachers have completed around 120,000 hours of professional development provided by NGPF. All of this at no cost to schools or districts as we are funded through an endowment created by one of our co-founders. Prior to working with NGPF, I spent 15 years as a public school teacher at Reading High School, where I was Ohio's recipient of the 2011 Milken National Educator Award.

Our organization funds research each year to uncover who has access to financial education in more than 10,000 schools in the United States. Currently, 29% of Ohio students attend a school that ensures financial education for all. We are seeing an uptick nationally in the speed of adding such a requirement. Over the past year, North Carolina passed a full-year requirement of personal finance and economics with required professional development. In just the last year alone, in the midst of the most challenging year in public education, more than 100 schools with 70,000 students committed to providing this essential course to ALL of their students. Unfortunately, this uptick outside of state mandates is uneven and is leaving students in low-income schools behind. More specifically, of all the students who attend Title I eligible schools, only 1 in 50 students are required to take a personal finance class to graduate.

We know from research that stronger requirements lead to graduates making better financial decisions. I do realize that such research simply proves what to most is common sense, but it is notable that the specific financial decisions we are referencing include:

- a reduction of the likelihood of financial fragility (i.e. higher savings rates and more assets)
- higher credit scores
- lower delinquency rates
- choosing lower interest rate credit products
- a decrease in the likelihood of carrying a credit card balance
- an increase in applications for need-based aid for college

We believe that every high school student deserves the opportunity to be financially capable. Such a requirement is in the best interests of the state because it will lead to a more economically prosperous populace. The specifics of financial literacy legislation varies from state to state. Although we cannot dive into the details of such specifics, we can stand behind financial literacy requirements that we know from research effectively leads to more financially capable graduates, requirements which would include passing a minimum full semester class devoted entirely to personal finance taught by a highly prepared teacher. Research from organizations such as NEFE shows that the most effective instruction is delivered by teachers who:

- have proven content expertise
- are trained to provide evidence-based pedagogy
- are capable of identifying or developing a high-quality curriculum
- deliver the instruction as a primary content area (i.e. multiple bells throughout the day)
- teach the class to students who are old enough to take action with what they are learning

Speaking from personal experience, I can tell you with great confidence that a semester-long personal finance class taught by a highly prepared teacher changes the lives of students. Many of our students rely upon schools as their only hope for the financial survival skills they need to make life-altering decisions right now. Take for instance a past student of mine Kirsten Brenner, the daughter of a single parent.

Early in my career, a news crew was covering what was happening in our personal finance class. While Kirsten was being interviewed, she was asked how she was using what she was learning in class. To my disbelief, the first thing she said on camera was that she was "using what she was learning in personal finance to help her mother avoid bankruptcy." I later learned that what Kirsten did for her mother is not uncommon. Multiple studies have found that personal finance leads to a "trickle-up effect". Kirsten eventually graduated from college debt-free, has an excellent credit score, and volunteers for Junior Achievement to share her personal finance wisdom with high school students.

The singular choices often made as high school students such as deciding how much to pay or borrow for college, turning 18, and beginning to build a credit score, or investing for retirement will have compounding effects for the rest of their lives. And as a parent myself, I simply lack the dedicated time I had in the classroom as a teacher to empower my own children to be fully financially literate; I need my local district as an educational partner.

I thank you again for the opportunity to provide interested party testimony. I welcome the chance to answer any questions that you may have at this time.

Brown, Alexandra, et al. "State Mandated Financial Education and the Credit Behavior of Young Adults." *IDEAS*, Board of Governors of the Federal Reserve System (U.S.), 2014, https://ideas.repec.org/p/fip/fedgfe/2014-68.html. Accessed 27th November 2020.

Dougall, John. “Utah’s General Financial Literacy Graduation Requirement A Program Review.” *Utah Office of the State Auditor*, 2018, https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=015410000038ypZAAQ. Accessed 27th November 2020.

Gupta, Raveesha, et al. “Financial Fragility in the US: Evidence and Implications.” *National Endowment for Financial Education*, 2015, https://www.nefe.org/_images/research/Financial-Fragility/NEFE%20Financial%20Fragility%20Report_web.pdf. Accessed 27th November 2020.

Next Gen Personal Finance. “Financial Education Access: Progress Report.” *U.S. Access Report*, Next Gen Personal Finance, 2020, https://drive.google.com/file/d/1yUWPoTQQ0oIzUUXOkquf85dC6HyCfuNv/view. Accessed 27th November 2020.

Next Gen Personal Finance, and Dr. Carly Urban. “United States Access Report.” *Got Finance? School Search*, 2020, https://www.ngpf.org/got-finance/. Accessed 27th November 2020.

Next Gen Personal Finance, and Dr. Carly Urban. “Financial Education in High Schools America.” *April 16, 2020* https://www.montana.edu/urban/Report.pdf

Urban, Carly. “The Effects of State Mandated Financial Education on College Financing Behaviors.” *National Endowment for Financial Education*, 2018, https://www.nefe.org/research/research-projects/completed-research/2018/effects-of-k-12-financial-education-mandates-on-student-postsecondary-education-outcomes.aspx. Accessed 27th November 2020.