



March 23, 2022

TO: Members, House Education Policy Committee

FROM: Dr. Julie Bunn, Executive Director, Minnesota Council on Economic Education

RE: Comments on DE-1 HF3401 (Richardson)

The **Minnesota Council on Economic Education (MCEE)** has long been an advocate for economic and financial literacy education for all Minnesotans and is committed to working with stakeholders to ensure young Minnesotans have the skills needed to succeed in the future. We are allies in the cause of promoting financial literacy, especially in communities of color and those facing systemic barriers to financial services and education.

We wish to thank Chair Richardson and members for including the personal finance high school course requirement language from HF4207 (Hassan) in the DE-1 amendment to HF3401.

MCEE fully supports a one-semester (.5 credit) personal finance high school course graduation requirement. A brief summary of these reasons include the following:

- a. Nationally and in MN, research shows that financial literacy is low and in MN competency is trending in the wrong direction, especially among young people.
- b. Research clearly demonstrates that a quality introduction to personal finance in high school produces a range of very desirable behavioral changes, and that these changes and outcomes are stronger for students receiving a full-course in personal finance than those in standards-only states.

And finally,

- c. Research shows that where there are standards and not course requirements, students in whiter and higher income school districts and communities have more access to financial literacy education than those in more diverse and lower income districts and communities.

Having said this, MCEE recommends either (1) forming a group of legislators and stakeholders to work together over the next year to write a more comprehensive personal finance course requirement language, or (2) further amending the personal finance course requirement language in the DE-1 to address the following before it goes to the floor and conference committee:

- a. Specify for how much credit (it should be a full semester course; ½ credit);
- b. Allow the course to be completed in either the junior or senior year, rather than just the senior year as in the current language, to provide students and districts greater flexibility;
- c. Stress in-person rather than distance instruction;

And, preferably also,

- d. Specify a process for establishing standards for the personal finance course; and
- e. Specify which teachers are eligible to teach the course, and how teachers become eligible to teach it.



Additional Information and Research in Support of Our Key Points:

Minnesota needs students who are prepared for the world after graduation; a world where they can expect to need to read a paycheck, pay taxes, and take out loans and use credit for housing, further education, and everyday purchases. The reality of K-12 education on personal finance and economic topics does not line up with these needs. The Minnesota Council on Economic Education (MCEE) is an advocate for evidence-based, equitable, and inclusive education on personal finance and economic topics that will help move our students and our state forward.

The personal finance course requirement language included in the DE-1 HF3401, pp. 26-27, provides a jumping off point for these critical conversations, but leaves two questions unexplored:

1. Does a required class more effectively teach students?
2. Does allowing for distance instruction of personal finance serve the needs of Minnesota students more than requiring in-person instruction?

Requiring a Personal Finance Class

Eleven states currently have, or have recently passed, a personal finance course requirement for high school graduation. Minnesota, like most other states, has required academic standards in personal finance education. In Minnesota, these are embedded in the economics standards within the social studies standards. Research has shown, however, that many schools and districts may not actually meet those standards in teaching students about necessary personal finance topics ([Urban](#)). Anecdotal evidence from around Minnesota supports these findings, with some teachers sharing that high school students will opt to take online economics courses that are easier than in-person offerings and which frequently may not address any personal finance topics.

Additionally, requiring a course in personal finance could help make financial education more equitable in the state. Many of Minnesota's poorest students and BIPOC students attend public schools in the greater Twin Cities area, where schools may not be sufficiently funded or staffed to provide support to students currently let alone go above and beyond the state standards to implement the kind of personalized and engaging personal finance instruction that research shows is most effective for students ([World Bank Economic Review](#)). In contrast, suburban schools, which may have fewer BIPOC students and more financial resources than their urban counterparts, are able to better meet and exceed the state standards to the benefit of their students. This inequity risks further exacerbating the pre-existing gaps in racial wealth and financial stability present in Minnesota and around the country ([Federal Reserve](#)). Furthermore, relying solely on standards doesn't adequately require school districts to use curricula and/or materials that will be tailored to their students' identities and needs which are key to promoting a fuller understanding of personal finance concepts ([National Bureau of Economic Research](#) & [Brookings Institution](#)).

Requiring a specific class on personal finance in school ensures the following:

- a. Students receive a consistent length of instruction delivered by a teacher qualified to teach in that content area (as opposed to personal finance topics 'embedded' in another class, which is less effective [[Journal of Economic Education](#)]).
- b. Students receive comparable personal finance content and instruction that will prepare them for success after their K-12 education, regardless of their identity or the community in which they live.



- c. Teachers receive the curriculum support necessary to effectively deliver individualized support and relevant and engaging personal finance content (a majority of teachers report a lack of curriculum support as a significant cause for poor instruction in personal finance [[PricewaterhouseCoopers](#)]).
- d. School districts have clear guidance on how to deliver personal finance content to students, eliminating confusion and inconsistencies between districts and individual schools.

The DE-1 HF3401 personal finance course requirement language, pp. 26-27, takes the important step of requiring a personal finance class in recognition of the fact that a topic of such importance deserves more than a quick mention in a class focused on another subject. If the goal of financial education is to ensure students are prepared for the real-world decisions and tasks that await them outside of school, the state must be willing to invest in those students by requiring a semester-long class and providing the resources and funding necessary to prepare teachers and districts to deliver it.

Requiring In-Person Instruction

With the advent of COVID-19, online/remote/distance instruction has rapidly become accepted and practiced by many school districts across Minnesota and around the world. The personal finance course requirement language in the DE-1 HF3401, pp. 26-27 allows school districts to implement the personal finance course requirement using in-person, distance, or blended learning media according to their choice. Research, along with anecdotal evidence from any parent of a child who learned via Zoom during COVID, suggests that distance learning is not as effective as in-person instruction for students ([Asian Journal of Economics](#)). Personal finance, as a topic, is vital for students to understand in order to succeed in the workforce and the world outside of school; to have the content delivered in a way that 98% of students find to be less effective than face-to-face instruction seems a great disservice to the goal of teaching personal finance at all (ibid).

Additionally, allowing distance instruction of personal finance may exacerbate the inequalities outlined previously in this memo; schools with greater resources will be able to provide more effective instruction while those without will be forced to use online courses that are less academically rigorous and may disadvantage students with limited access to broadband internet ([MN DEED](#)). In-person delivery of personal finance instruction enables students to learn alongside their peers in a more engaged and experiential environment, which has been shown to aid student learning and retention ([Journal of Adolescence](#)).

Amending the DE-1 HF3401 personal finance course requirement language to require in-person instruction of personal finance will help to better engage and motivate students, increasing the likelihood of those students' retaining personal finance knowledge and applying it over the course of their lives.

Conclusion

The Minnesota Council on Economic Education is a firm believer in the value of personal finance education for preparing Minnesota students to succeed in and out of the classroom; with greater investment in fact-based, equitable, and inclusive personal finance education, K-12 students will be empowered to tackle the challenges facing our state and world. DE-1 HF3401, with the amendments and clarifications outlined above, would be a powerful step towards equipping all Minnesotans to take control of their financial futures and succeed in an ever-changing global economy.

Contact: Dr. Julie Bunn, Executive Director MCEE: jbunn@umn.edu; 612-624-9477.