



February 23, 2021

TO: Members, House Education Policy Committee
FROM: Dr. Julie Bunn, Executive Director, Minnesota Council on Economic Education
RE: Response to Testimony on HF 562

The **Minnesota Council on Economic Education (MCEE)** has long been an advocate for economic and financial literacy for all Minnesotans. We believe that students, teachers, families, and communities throughout the state are strengthened by an understanding of how our economy works and are made more resilient through learning the skills and concepts needed to navigate it. In light of the changes to academic social studies standards proposed under HF 562, and specifically Inclusion of the language regarding “either economics or personal finance,” we feel the need to speak up in defense of the state standards in economics for Minnesotans.

While it is undeniably important for young people to understand concepts and practices related to personal finance, it is equally important that these students understand broad economic issues that affect their lives on a daily basis. The civics education that HF 562 would provide for students exposes them to a political discourse that frequently considers economic issues: global trade, taxes and tariffs, budget deficits and spending, inflation and price changes, and regulations for various economic activities. In order to participate in an informed political debate, today’s students must understand the economy.

Some testimony in support of HF 562 suggested that economics may only be necessary for those students attending college, but nothing could be further from the truth. When students weigh the price of food at the grocery store, they are using **both** economics and personal finance skills. Financial concepts build on basic economic understandings of how prices are set and transactions take place. To separate these by inserting new language into the state’s standards allowing for either subject to be taken would prevent students from having access to knowledge that fundamentally shapes the world they live in.

Each year MCEE offers dozens of workshops for K-12 educators from all backgrounds to receive training on teaching personal finance and economics in the classroom. Throughout our history, we have frequently trained and collaborated with CTE teachers to develop and deliver meaningful lessons in personal finance and economic concepts to students in grades 9-12. While these teachers are often unquestionably qualified to teach this content, the simple fact of the matter is that there isn’t sufficient supply of these teachers to adequately teach all students. There are approximately 3-5 times the number



of social studies teachers in high schools than there are CTE teachers in Minnesota. To change the standards would be to overwhelm the limited capacity of CTE teachers in schools and hamstring the ability of districts to teach history and civics by incentivizing new teachers to go into CTE with the promise of federal grant money to subsidize their salaries.

As highlighted by the MSBA and AMSD in their letter to the committee, the current state standards include personal finance content. The standards require instruction in the following, among other topics:

- Productivity and the development of human capital
- Creating a budget and tracking expenses and income
- Evaluating investment and insurance strategies on the basis of risk, return, liquidity, and time
- Evaluating the costs and benefits of credit, and explore requirements for borrowing
- Examining the pricing, sales, and marketing strategies from the consumer perspective

Based on an early first draft of possible revisions to the state's social studies standards, the proposed revisions to the standards would add additional content exploring systemic barriers to accessing financial services and credit, the dynamics of wages and income, critical thinking and decision-making strategies for problems with financial elements, and other topics that complement and contextualize the financial decisions that students will make outside school.

The Minnesota Council on Economic Education agrees with those who are concerned about the lack of financial and economic preparedness shown by students and is committed to working with all 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. It is important that all stakeholders work together to ensure that students receive a well-rounded education that prepares them for more than just filing a tax return or insurance claim, but empowers them to truly understand how they are affected by, and how their actions and decisions affect, the economy of their community, their state, and their country.

We believe that all Minnesotans deserve to understand the economic activities that influence our everyday lives. Teaching economics **and** personal finance is the key to that understanding and to ensuring informed voters and leaders of our democracy in the future.

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