

BENJAMIN BROOKS
Legislative District 10
Baltimore County

Education, Energy, and the
Environment Committee



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TESTIMONY IN SUPPORT OF SB316
Education – Public High Schools – Financial Literacy Curriculum

Education, Energy and the Environment Committee
March 1, 2023

Chair Feldman, Vice-Chair Kagan and Members of the Committee,

Thank you for the opportunity to testify before you on SB316, Education - Public High Schools - Financial Literacy Curriculum. The purpose of this bill is to require the State Board of Education to develop curriculum content for a half-credit course in financial literacy; and make this course available to every public high school student in Maryland.

Every year, we hear about the importance of financial literacy and the need for further instruction in our public schools. Pursuant to COMAR, Section 13a.04.06.01, financial literacy is embedded in courses such as Social Studies, World History, or Government. Out of 23 counties, plus Baltimore City, only 8 counties have a stand-alone course. Despite these regulations, Marylanders continue to struggle with the basics of good finances.

The independent organization known as the National Financial Capability Study (NFCS) has been interviewing individuals from across the United States on their financial literacy knowledge since 2009. In their most recent study, the NFCS interviewed Maryland residents earning less than \$50,000 a year.

1. In 2009, 65% had adequate knowledge on inflation. In 2021, only 51% had adequate knowledge.
2. In 2009, 67% had adequate knowledge on interest rates. In 2021, only 61% had adequate knowledge.
3. In 2009, 31% of respondents overall had a high financial literacy knowledge. In 2021, only 20% had an adequate knowledge.

Sorting through the data, you can identify financial outcomes of Marylanders who learned financial literacy in high school. Those findings are concerning.

1. 63% spend more than their income
2. 22% don't have a savings account
3. 41% have paid the minimum balance on a credit card

Research conducted directly with the counties proved inconclusive results in determining the successfulness of our embedded programs. While some counties keep county-wide records on class performances, others do not collect that data. It is difficult to extract that information from embedded courses. Understandably, since many embedded financial literacy courses are taught in tangentially related subjects like World History or Government.

In short, we do not know whether students in certain school systems, especially ones with embedded courses, are learning financial literacy. SB316 would be a first step in streamlining financial literacy education in public schools. While it does not make this stand-alone course a graduation requirement, it will provide standard curriculum and offer a measurable means to determine whether students are retaining this knowledge. Our current model is not working.

SB316 merely asks the State Board to develop a standard financial literacy curriculum so it can be offered to students across Maryland. It doesn't require schools to eliminate or re-adjust current courses. Moreover, countless students, teachers, and education advocates have already called for the creation of a stand-alone financial literacy course. In fact, Allegany, Calvert, Caroline, Carroll, Charles, Frederick, Garrett, and Prince George's County have already adopted separate financial literacy courses in their schools because they know it is best for students.

For these reasons, I am asking the Committee for a favorable report on SB316.

With kindest regards,

A handwritten signature in cursive script that reads "Benjamin T. Brooks".

Benjamin Brooks

SB 0316

FINANCIAL LITERACY

Purpose of Bill

SB 316 requires the State Board of Education to develop curriculum content for a half-credit course in financial literacy. And it also requires each county board of education to make this course available to every public high school student. This bill does not make financial literacy a graduation requirement.



Are Students Learning?

Under COMAR 13, financial literacy education has been implemented into every Maryland school either as a **stand-alone** course or **embedded** into another required course. For example, Somerset County teaches it in U.S. History and other social studies courses.

We know students are being taught financial literacy but how do we know whether they are retaining this information? Stand-alone financial literacy courses have dedicated tests and grades. **However, financial literacy attainment is much more ambiguous in embedded courses.**

There is currently no method to see whether Maryland students are actually learning financial literacy. While the MSDE does not have a plan to measure attainment, the National Financial Capability Study does. Every three years, they survey Marylanders on their financial literacy knowledge and financial condition. **Here are some statistics from residents who took financial literacy in a Maryland high school*:**

63%

Are spending more or equal to their income

22%

Don't have a savings account

41%

Have paid the minimum balance on a credit card

*learning less than \$50,000/year

Current Curriculum

STAND ALONE COURSE

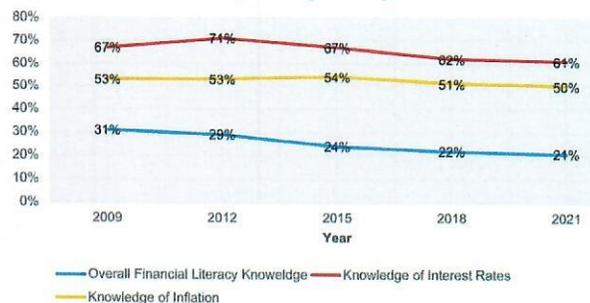
8 Counties: **30%** of Maryland students take a stand alone course

EMBEDDED COURSE

16 Counties: **70%** of Maryland Students take it in an embedded course

Financial Literacy is Falling

Maryland Financial Literacy Knowledge (Respondents making < 50k/year), National Financial Capability Study 2009-2021



Bringing Back Accountability

Except for the National Financial Capability Study, we have no way to see if Maryland students are learning financial literacy. According to their financial literacy report, the MSDE claims students are receiving financial literacy assessments. However, **there is no objective measure of attainment nor is there a way to see how these students are doing as an aggregate.** This is because an embedded course does not emphasize financial literacy attainment and mixes in financial literacy assessments with unrelated homework and test scores.

A more standard, stand alone elective course in financial literacy is a step in the right direction. It would allow teachers, schools, and the MSEA to better evaluate student attainment of financial literacy. Poor leadership at the state-level has led to these lack accountability in attainment. **This is why SB 316 is necessary— to correct our past mistakes and give our teachers the guidance they need to teach financial literacy.**



**TESTIMONY IN SUPPORT OF SB316
Education – Public High Schools – Financial Literacy Curriculum**

February 6, 2023

The Maryland General Assembly
100 State Circle
Annapolis, Maryland 21401

To whom it may concern,

The American Public Education Foundation (APEF), is a public education advocacy non-profit founded in 2014. For almost a decade, APEF has been on the forefront of advocacy for public schools. The foundation focuses on two key areas: financial literacy and workforce development. We believe these areas are foundational to the success of every citizen. Each year, Americans graduate high schools without knowledge of the most basic and crucial of life skills: how to keep a budget, file taxes, open and maintain a bank account, and save for retirement. One in five adults have student loan debt, totaling \$1.56 trillion, yet many schools never teach students about interest rates and the economic value of postsecondary studies or training.¹

The consequences of financial illiteracy go far beyond poor financial decisions and habits. Financial illiteracy threatens the lives of our children:

- Financial stress is the second most common cause of suicide²
- Domestic violence occurs more often when a couple is experiencing financial stress³
- Those with high financial stress are twice as likely to report poor overall health and four times more likely to complain of headaches and depression⁴

¹ <https://www.forbes.com/sites/zackfriedman/2019/02/25/student-loan-debt-statistics-2019/#2278eb7f133f>

² <https://www.goodtherapy.org/blog/financial-stress-significant-risk-factor-for-suicide-0503123/>

³ <https://now.uiowa.edu/2016/04/are-money-problems-and-violence-related>

⁴ <https://www.forbes.com/sites/brettwhysel/2018/06/27/3-vicious-cycles/#45737ac1540d>





Before planning a way forward, we wanted to determine the status of financial literacy education in each state. We developed and published The Nation's Report Card which grades each state in the United States, in addition to the District of Columbia and Puerto Rico, in terms of K-12 financial education. These grades are based on currently available state-wide requirements, standards, and curriculum for personal finance. In our most recent update Maryland received a C because although the state has financial literacy standards for Grades 3-12 and requires each high school to implement a financial literacy instruction program, it is our opinion that Maryland needs to develop a stand-alone personal finance course. A stand-alone course provides more direct instruction time for students and ensures that each participating student has completed robust financial literacy training. *It is our strong recommendation that this course be a graduation requirement.* While this bill does not go as far as requiring students to take the course prior to graduation, we believe it is a positive first step in equipping Maryland's youth to be confident, financially savvy citizens.

For these reasons, we ask for a FAVORABLE REPORT on SB316.

Sincerely,

A handwritten signature in blue ink, appearing to read "David A. Pickler", is written over a circular blue stamp or seal.

David A. Pickler, CFP®, ESQ.
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American Public Education Foundation
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20 February 2023

The Honorable Delegate Sheree L. Sample-Hughes
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Re: HB 99/SB 316—Education—Public High Schools—Financial Literacy Curriculum—Support

We are writing to register our support for HB 99/SB 316, sponsored by Delegate Sample-Hughes and Senators Brooks, Jackson, Kramer, and Augustine. HB 99/SB 316 requires the State Board of Education to develop the curriculum for a financial literacy course, each county board of education to implement the curriculum, and each public high school to make the course available to students. The bill also repeals requirements for the State Department of Education to report certain financial literacy information at certain intervals.

The curriculum shall consist of instructional content based on the state board-approved instructional program on financial literacy for high school students, including lessons on budgeting, saving, managing debt, investing, earning interest, amortization, and other subjects the state board considers appropriate.

Potential conflicts of interest may arise, depending on who administers and facilitates this program. Most experts agree, though, that if the proper steps are taken to protect student privacy and safety as well as the integrity of the learning process that this program can be of significant benefit to students. For some students, this program may be the only opportunity they have to learn about budgeting, saving, investing, and financial planning. For others, these lessons would improve or update other financial experience and instruction they have received.

It is our hope that participation in this program will significantly enhance student financial resilience as they gain a better understanding of how money works in everyday life, at the moment when most will begin making their first significant financial decisions. Furthermore, it is our belief that a foundation in financial literacy provides citizens with a springboard toward future prosperity, particularly those in economically disadvantageous situations, and prepares all students for lives of independent and sustainably engaged citizenship.

Based upon our research into financial and fiscal literacy programs and secondary education, we support and encourage others to support HB 99/SB 316.

Sincerely,

Brian K. Bergen-Aurand, PhD

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