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Education, Energy, and the
Environment Committee
Energy Subcommittee

Chair, Joint Electric Universal
Service Program Workgroup



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TESTIMONY IN SUPPORT OF SB638
Education – Student Service Hours – Financial Literacy Course

Education, Energy and the Environment Committee
February 23, 2024

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

Thank you for the opportunity to testify before you today on SB638 - Education - Student Service Hours - Financial Literacy Course. The purpose of this bill is to encourage our students to become financially literate. Currently, Maryland public high school students are required to complete 75 hours of service-learning to graduate. This bill will allow high school students to supplement their required service hours with financial literacy courses approved by their local County Board of Education starting in the 2025-2026 school year. The county board of education will determine the weight of financial literacy courses compared to service hours. Under this legislation, Maryland public schools will produce well-rounded students equipped with both financial literacy skills and values of community service.

Currently, 15 out of Maryland's 24 Local Education Authorities (LEAs) do not offer financial literacy as a separate-credit course. Instead, financial literacy education is embedded into loosely related subjects such as World History and Government. Offering courses focused on financial literacy and incentivizing students to take them is an important step in ensuring our high schoolers enter the adult world with their best foot forward.

The National Financial Capability Study (NFCS), an independent organization, studies Americans' financial literacy knowledge by interviewing individuals across the United States.

In their most recent study, the NFCS interviewed Maryland residents earning less than \$50,000 a year:

- In 2009, 53% had adequate knowledge of inflation. In 2021, only 40% had adequate knowledge.
- In 2009, 67% had adequate knowledge of interest rates. In 2021, only 61% had adequate knowledge.
- In 2009, 31% of respondents overall had a high financial literacy knowledge. In 2021, only 21% had an adequate knowledge.

The study also investigated the financial outcomes of Marylanders who learned financial literacy in high school. Their findings are concerning:

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

These findings demonstrate the shortcomings of embedded financial literacy education and the need for dedicated financial literacy courses. Our students are being taught financial literacy, but they are not becoming financially literate.

Under this bill, an eligible financial literacy course can be offered at a high school, by an institution of higher education, or by an organization approved by the county board. While counties have the option to establish new financial literacy courses, this bill allows them to take advantage of already existing financial literacy courses and programs. In exchange for taking these courses, students will earn hours towards their community service hour graduation requirement.

As you all know, Maryland has some of the strongest community colleges in the nation. This bill has the added benefit of introducing high school students to a higher education environment. If a student takes a financial literacy course at a community college, a very financially literate decision, they may then choose to take advantage of a dual enrollment program offered through many of Maryland's counties to continue their college studies.

Financial literacy is equally as important as, if not more so, than other electives offered by public schools and warrants the same focus other subjects receive. Allowing students agency in choosing their education produces more active learners. By incentivizing students to substitute service hours for financial literacy courses, we can boost students' engagement with their education. We can make our students book-smart, but if they are not also money-smart, we have failed to properly equip them with necessary life skills.

For these reasons, I am requesting a favorable report on SB638.

With kindest regards,



Benjamin Brooks