



SURVEY OF THE **STATES**

**ECONOMIC AND PERSONAL FINANCE
EDUCATION IN OUR NATION'S SCHOOLS**

2016



**COUNCIL FOR
Economic
Education**

Teaching Opportunity®

INTRODUCTION

Every two years, the Council for Economic Education (CEE) comprehensively reviews the state of K-12 economic and financial education in the United States, collecting data from all 50 states and the District of Columbia. The biennial *Survey of the States* serves as an important benchmark for our progress, revealing both how far we've come and how far we still have to go. There has been notable progress since the first survey was published in 1998, yet the pace of change has slowed. The 2016 *Survey of the States* shows that there has been no improvement in economic education in recent years and slow growth in personal finance education.

Research shows that requirements are the main driver of economics and personal finance being taught in schools. CEE works with our nationwide network of affiliates to both advocate for requirements and assist in their implementation. To support local and state advocacy initiatives, we have developed voluntary standards in economics and personal finance; nationally-normed, curriculum-agnostic assessments in economics and personal finance; and an online advocacy toolkit. Please visit our website for information about these and other resources: <http://www.councilforeconed.org/policy-and-advocacy/survey-of-the-states>.

You can help strengthen economic and personal finance education by requesting a course in your school or district; by calling for more teacher-training; and by promoting standards and course requirements at the state level. To learn more, contact the Council for Economic Education or your local CEE affiliate: <http://www.councilforeconed.org/resources/local-affiliates>. ■

“Educating our younger generations about financial issues is crucial to both their individual economic security and our country’s ongoing prosperity. Fundamental knowledge of money management, savings, and personal financial decision-making are more important than ever given the rapid pace of financial technology and of today’s global marketplace. Working together, we can help demystify concepts that are very personal to people, yet intimidating to many, and enable them to reach their financial dreams, whether those are going to college, buying a home, or investing in a small business.”

—John G. Stumpf, Chairman and CEO,
Wells Fargo & Company

Please visit the interactive companion to *Survey of the States* at www.SurveyoftheStates.com for a more detailed look at the cost of financial illiteracy, state-specific requirements, and how you can take action.

SURVEY OF THE STATES BY THE NUMBERS

20

The number of states that require high school students to take a course in economics. This is **two fewer than in 2014 and still less than half** the country.

17

The number of states that require high school students to take a course in personal finance. This is **the same number as in 2014**. Still only 5 states require a standalone semester course in personal finance.

+2

Increase from 2014 in the number of states that include personal finance in their K-12 standards and require those standards to be taught.

0

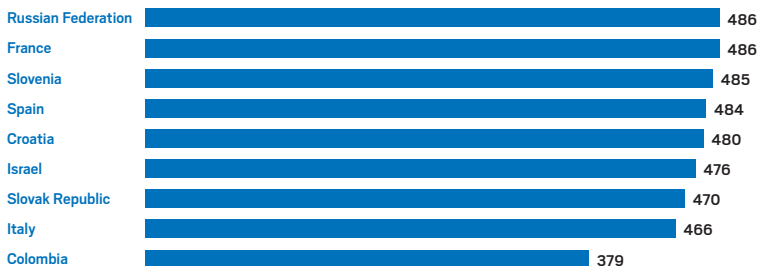
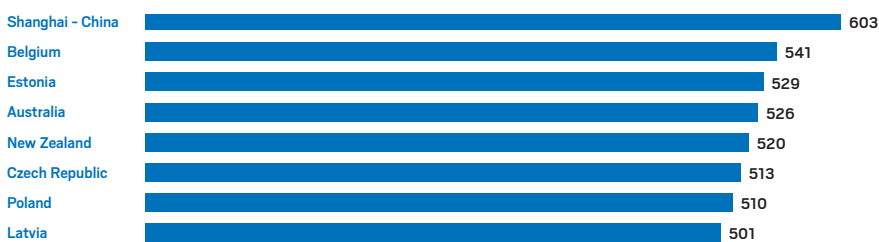
No change since 2014 in the number of states that require standardized testing of economic concepts.

American Students Lack Financial Knowledge and Skills

In 2012, nearly 30,000 teenagers from 18 countries took part in the first large-scale international assessment of young people's financial literacy. More than one in six students in the United States failed to reach the baseline level of proficiency in financial literacy. Overall, American students fall in the middle of the pack globally, performing on average just behind Latvia and just ahead of Russia. ■

Programme for International Student Assessment (PISA) Results

Mean Financial Literacy Score of 15-year-olds



Source: OECD (2014). *PISA 2012 Results: Students and Money: Financial Literacy Skills for the 21st Century (Volume VI)*. PISA, OECD Publishing.

“This data is a call for action. We know now that most students are not financially literate; they lack this basic but fundamental skill to live in the 21st century. Ask for [financial education programs] in your school districts and encourage your business community to support the training of teachers. Everyone will benefit from higher financial literacy from the young.”

– Annamaria Lusardi, Ph.D., Denit Trust Chair of Economics and Accountancy at the George Washington University School of Business, and Academic Director of the Global Financial Literacy Excellence Center

Students Help Put Financial Education on the Map in Rhode Island

– Seth Magaziner, Rhode Island State Treasurer

As Rhode Island's State Treasurer, I am reminded every day of the critical importance of equipping our students with financial literacy skills so that they are able to make smart financial decisions throughout their lives. I am proud to be a part of recent efforts in Rhode Island to do just that.

The *Survey of the States* played an important role in propelling change in Rhode Island. The 2014 *Survey* showed that our state had no standards, course requirements, or statewide testing in personal finance. A group of concerned high school students in Rhode Island recognized that they are making life-altering financial decisions on education, housing, and transportation immediately after, and often even before, their high school graduation. They took it upon themselves to do something to improve the state's educational system. In November 2014, they successfully advocated for the adoption of CEE's *National Standards for Financial Literacy* as Rhode Island's first-ever statewide standards. As a result, Rhode Island is now “on the map” when looking at the status of personal finance education across the nation.

Yet there is still more work to be done. Here in Rhode Island, we continue to build on the financial literacy initiative that began with those few motivated Rhode Island teenagers. A coalition of interested policymakers, educators, and industry leaders has been working together to build the financial capability of our youth so that the next generation will be better able to make informed decisions that positively impact their financial future, as well as our society as a whole. Thanks to organizations like the Rhode Island Council for Economic Education, we're working to provide resources and professional development to teachers, and continuing to build awareness of the need for financial education throughout the state, region, and country. ■

Virginia Leads the Charge in Preparing Students for Lifelong Financial Success

– Daniel R. Mortensen, Executive Director, Virginia Council on Economic Education, an Affiliate of the Council for Economic Education

During the Great Recession, while individuals, businesses, and policymakers nationwide were trying to determine ways to solve current and pressing problems, visionary leaders in Virginia were taking steps to help prevent a recurrence. In 2009, the Virginia Board of Education amended the high school graduation requirements to include a requirement that every student pass a full-credit (full-year) course in economics and personal finance, seeking to better equip graduating students to be successful in the labor market and remain financially solvent. Virginia's graduating class of 2015 was the first to graduate with all students meeting this new requirement.

Virginia's Standards of Learning are among the strongest in the nation. They contain elements of economics

and personal finance in each grade, K-12, building on previously learned concepts from each level to the next. Since Virginia is one of only three states with a full-credit requirement in both economics and personal finance, Virginia's students are poised to have a competitive advantage.

Ensuring that Virginia's teachers have both the content knowledge and engaging, effective lessons to use in teaching their students is critical. In collaboration with the Virginia Department of Education and many in the private sector, the Virginia Council on Economic Education and its affiliated, university-based Centers for Economic Education have conducted economics institutes and personal finance institutes for more than 1,700 high school teachers, well over half of those teaching the course statewide.

Our strong public/private partnership will enable ongoing delivery of quality training and resources to meet the continuing needs of teachers and their students.

The full-year high school course in Virginia provides all students with essential life skills that will benefit them, regardless of their future vocation or personal circumstances. Economically and financially literate students will become more productive employees and possibly, entrepreneurs. They will become more savvy consumers and more responsible users of credit. And, they will become more informed citizens and voters. By educating Virginia's students in economics and personal finance, we are helping to create financially responsible adults and a more qualified workforce, ultimately leading to a stronger economy in Virginia. ■

IN A STUDENT'S WORDS:

Virginia's Course "Gets an A in My Book"

– Nicolas Jirinec, Chesterfield, VA

....As a 2015 graduating senior who was required to take [Virginia's full-credit economics and personal finance course], I can attest firsthand to its practicality and necessity in today's society. In fact, this class is very beneficial in teaching students about financing their future lives.

The class taught us about the stock market, how it works and how to buy and sell stocks. It taught us how companies work, and even how to balance a personal checkbook. We learned about supply and demand, the Invisible Hand, the broken window fallacy and how companies finance capital. This was by far the most practical class ever offered at the high school level in my opinion; and should have been

required a long time ago.

We also engaged in a simulated stock market game, researched business financial reports and learned about productivity and human capital. I visited the Federal Reserve in Richmond as part of the class assignment on the circular flow of money.

This class has helped me create a useful résumé, get my first job at Chuy's Mexican Restaurant and acquire the necessary skills required to understand how to file my first set of tax returns. This class was practical, taught fundamentals that can be used every day and helped prepare students for the real world that lies ahead after high school. This course gets an A in my book. ■

Source: "Finance class taught real-world skills." Letter to the Editor. *Richmond Times-Dispatch*, May 27, 2015. Reprinted with permission from the author and publication.

State Requirements Matter

– J. Michael Collins, Ph.D., Center for Financial Security, University of Wisconsin-Madison

Schools play a significant role in the lives of young people as they develop into independent, capable members of communities. Starting at young ages, schools teach kids to be safe, to be healthy, to be civic-minded, and, at least in some states, to be responsible for their personal finances. But there is wide variation across states in terms of what sorts of economic and personal finance education is offered to students. Some states offer little guidance to school districts related to what personal finance content to offer in schools at each grade level; others have pushed ahead, requiring courses from elementary to high school-aged students, supporting and training teachers, and in some cases even testing students on learning outcomes.

The variation in approaches allows us to study how different strategies work. In states where personal finance is part of a formal course, teachers are trained on the content, and students are tested,

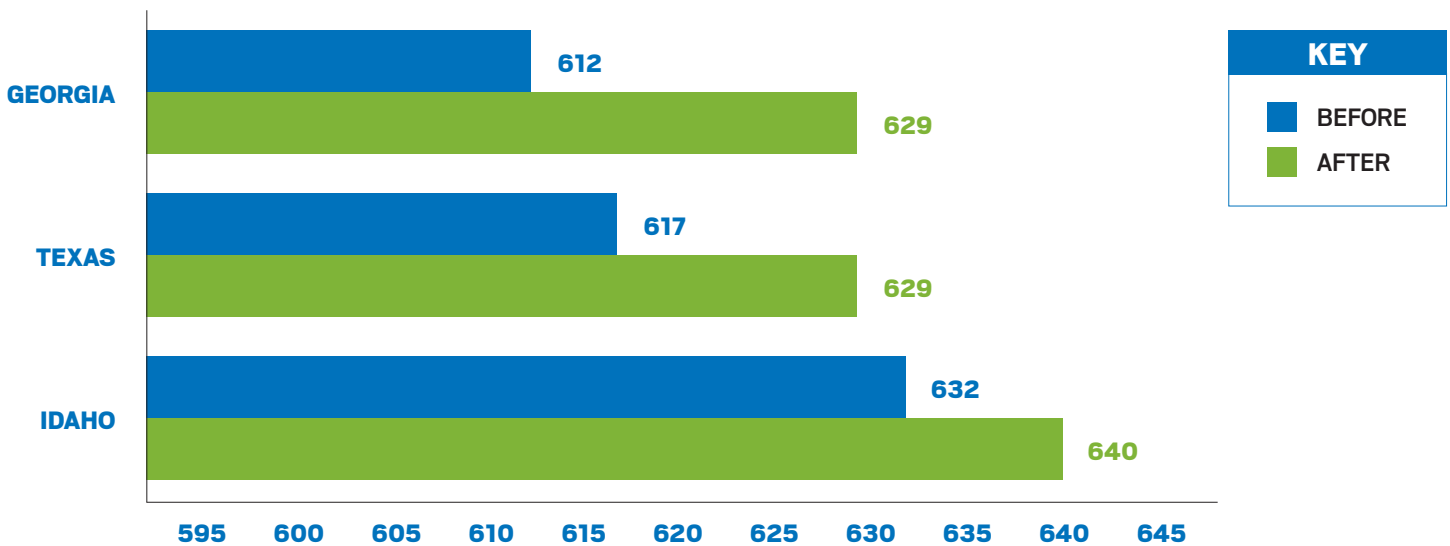
students develop better credit behaviors early in adulthood. Students who graduate after more rigorous standards are put into place are more likely to make on-time payments and keep up with their bills—they still use debt and credit, but seem to understand how to manage those obligations better than students who did not graduate under higher standards for personal finance and economics. The figure below shows the difference in credit scores for students who graduated before financial education mandates were imposed, relative to comparable states and controlling for local trends. Student credit scores are 8 to 17 points higher by age 22 in three key states that made a change in financial education policies in 2007.

States that combine personal finance and economics, support teachers, and hold students accountable for learning objectives have the best chance of promoting the development of young people who are bet-

ter financial managers and stewards of their credit—behaviors with which many, if not most, young people tend to struggle. Rigorous state standards can facilitate local schools to implement well-designed programs, which in turn expose students to concepts they otherwise would not learn. Communities may also benefit from having more financially competent households; perhaps stronger economics and personal finance standards could even be viewed ultimately as an economic development strategy, equipping young people with an increased ability to manage credit and invest in their future.

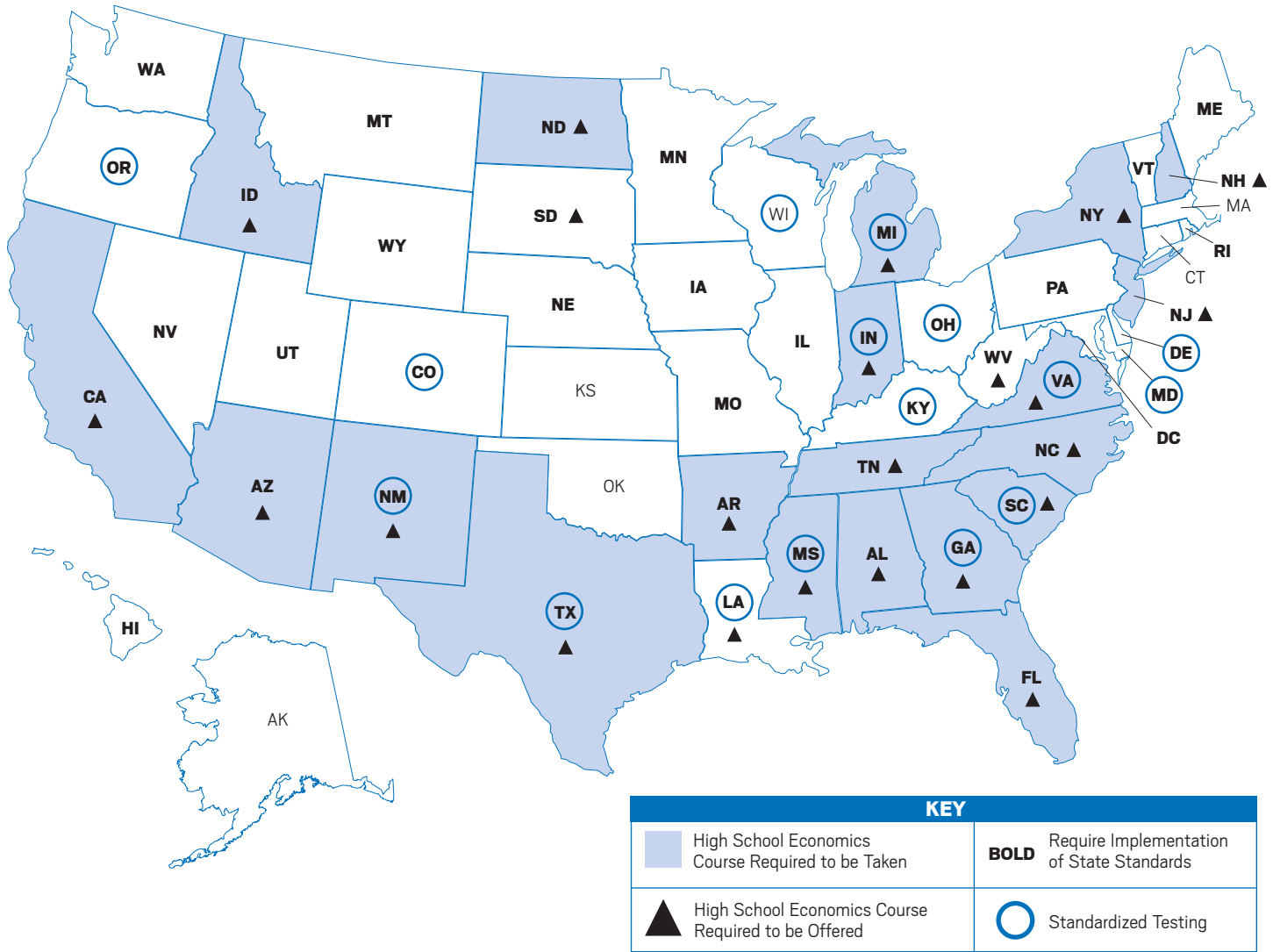
Policymakers seem to understand, at least in some areas, that state support for economics and personal finance matters. There is still much to learn about the optimal blend of topics, testing and grade levels, but support for economics and financial education, from grade school to high school, is valuable for students and communities. ■

CREDIT SCORES BEFORE AND AFTER 2007 FINANCIAL EDUCATION MANDATES

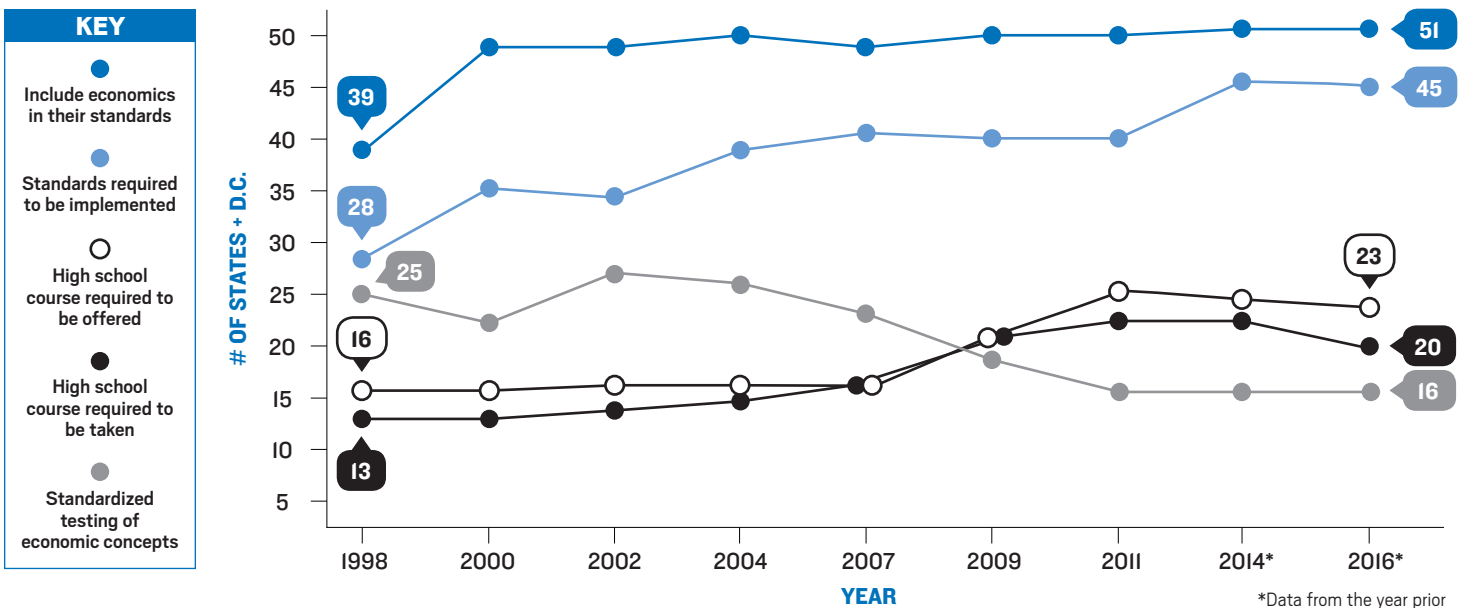


Source: Brown, A., J. M. Collins, M. Schmeiser, and C. J. Urban (2015). Evaluating the Effects of High School Personal Finance Graduation Standards on Credit Defaults.

STATUS OF ECONOMIC EDUCATION ACROSS THE NATION - 2016



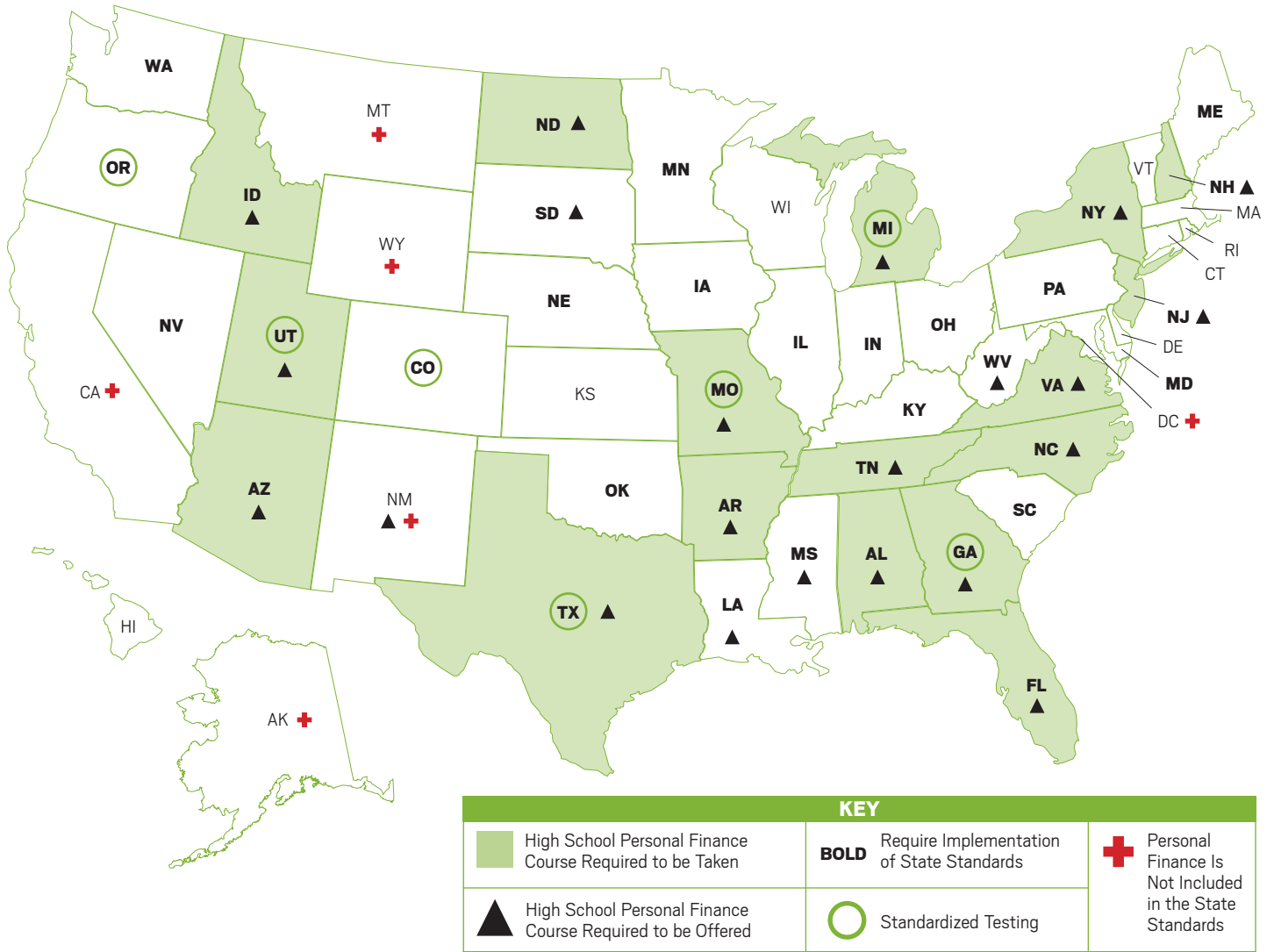
HISTORICAL COMPARISON – ECONOMIC EDUCATION 1998-2016



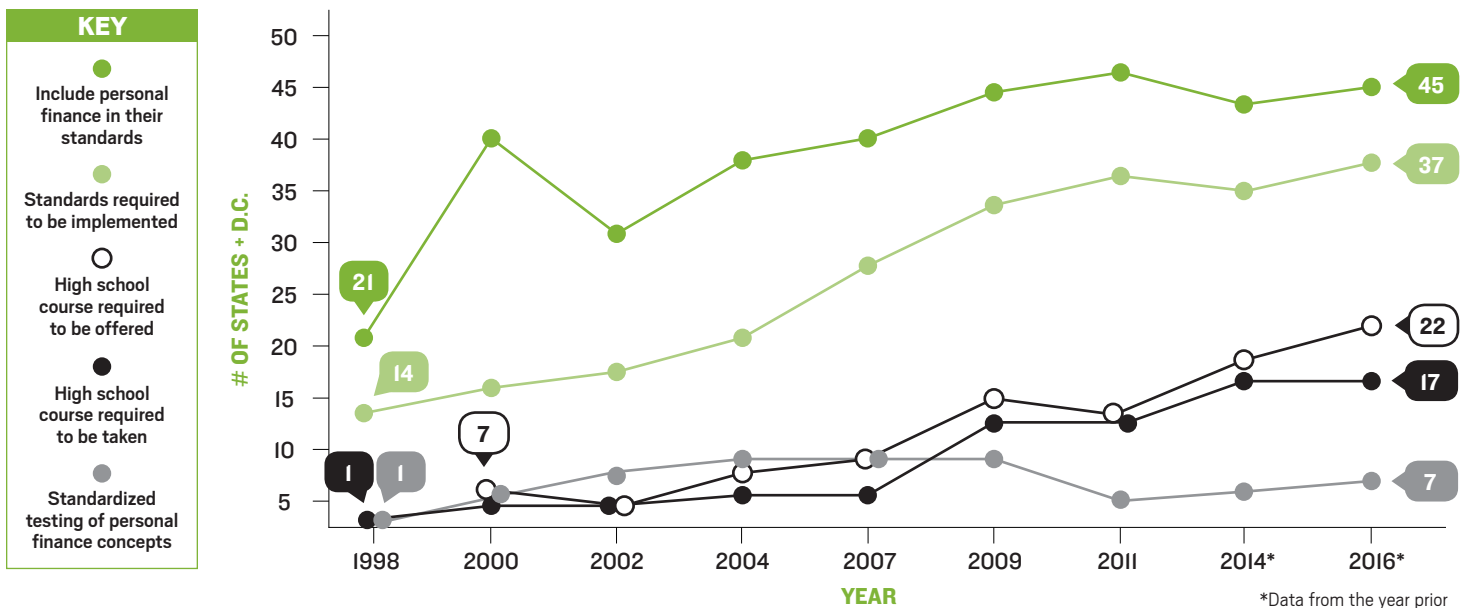
STATUS OF ECONOMIC EDUCATION – 2016

KEY	Included in the K-12 Standards?	Standards Required to be Implemented by Districts?	High School Course Required to be Offered?	High School Course Required to be Taken?	Standardized Testing?	Included in the K-12 Standards?	
						50 + D.C.	0
Alabama	██████████	██████████	██████████	██████████		50 + D.C.	0
Alaska	██████████						
Arizona	██████████	██████████	██████████	██████████			
Arkansas	██████████	██████████	██████████	██████████			
California	██████████	██████████	██████████	██████████			
Colorado	██████████	██████████			██████████		
Connecticut	██████████				██████████	44 + D.C.	6
Delaware	██████████	██████████			██████████		
Florida	██████████	██████████	██████████	██████████	██████████		
Georgia	██████████	██████████	██████████	██████████	██████████		
Hawaii	██████████	██████████					
Idaho	██████████	██████████	██████████	██████████			
Illinois	██████████	██████████			██████████	23	27 + D.C.
Indiana	██████████	██████████	██████████	██████████	██████████		
Iowa	██████████	██████████					
Kansas	██████████	██████████			██████████		
Kentucky	██████████	██████████			██████████		
Louisiana	██████████	██████████	██████████		██████████		
Maine	██████████	██████████			██████████	20	30 + D.C.
Maryland	██████████	██████████			██████████		
Massachusetts	██████████	██████████			██████████		
Michigan	██████████	██████████	██████████	██████████	██████████		
Minnesota	██████████	██████████			██████████		
Mississippi	██████████	██████████	██████████	██████████	██████████		
Missouri	██████████	██████████			██████████	16	34 + D.C.
Montana	██████████	██████████					
Nebraska	██████████	██████████					
Nevada	██████████	██████████					
New Hampshire	██████████	██████████	██████████	██████████			
New Jersey	██████████	██████████	██████████	██████████			
New Mexico	██████████	██████████	██████████	██████████	██████████	NO	# OF STATES
New York	██████████	██████████	██████████	██████████			
North Carolina	██████████	██████████	██████████	██████████			
North Dakota	██████████	██████████	██████████	██████████			
Ohio	██████████	██████████			██████████		
Oklahoma	██████████	██████████			██████████		
Oregon	██████████	██████████			██████████	YES	# OF STATES
Pennsylvania	██████████	██████████					
Rhode Island	██████████	██████████			██████████		
South Carolina	██████████	██████████	██████████	██████████	██████████		
South Dakota	██████████	██████████	██████████	██████████			
Tennessee	██████████	██████████	██████████	██████████	██████████		
Texas	██████████	██████████	██████████	██████████	██████████	YES	# OF STATES
Utah	██████████	██████████					
Vermont	██████████	██████████			██████████		
Virginia	██████████	██████████	██████████	██████████	██████████		
Washington	██████████	██████████					
West Virginia	██████████	██████████	██████████				
Wisconsin	██████████	██████████			██████████	YES	# OF STATES
Wyoming	██████████	██████████					
District of Columbia	██████████	██████████					

STATUS OF PERSONAL FINANCE EDUCATION ACROSS THE NATION - 2016



HISTORICAL COMPARISON – PERSONAL FINANCE EDUCATION 1998-2016



STATUS OF PERSONAL FINANCE EDUCATION – 2016

KEY	Included in the K-12 Standards?	Standards Required to be Implemented by Districts?	High School Course Required to be Offered?	High School Course Required to be Taken?	Standardized Testing?
<p> YES</p> <p> Personal finance instruction integrated in another course</p>					
Alabama					
Alaska					
Arizona					
Arkansas					
California					
Colorado					
Connecticut					
Delaware					
Florida					
Georgia					
Hawaii					
Idaho					
Illinois					
Indiana					
Iowa					
Kansas					
Kentucky					
Louisiana					
Maine					
Maryland					
Massachusetts					
Michigan					
Minnesota					
Mississippi					
Missouri					
Montana					
Nebraska					
Nevada					
New Hampshire					
New Jersey					
New Mexico					
New York					
North Carolina					
North Dakota					
Ohio					
Oklahoma					
Oregon					
Pennsylvania					
Rhode Island					
South Carolina					
South Dakota					
Tennessee					
Texas					
Utah					
Vermont					
Virginia					
Washington					
West Virginia					
Wisconsin					
Wyoming					
District of Columbia					

Included in the K-12 Standards?	
Standards Required to be Implemented by Districts?	
High School Course Required to be Offered?	
High School Course Required to be Taken?	
Standardized Testing?	
<p>KEY</p>	



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ABOUT THE COUNCIL FOR ECONOMIC EDUCATION

The Council for Economic Education (CEE) is the leading nonprofit organization in the United States that focuses on the economic and financial education of students from kindergarten through high school, and we have been doing so for more than 65 years. We carry out our mission by educating the educators: providing the curriculum tools, the pedagogical support, and the community of peers that instruct, inspire, and guide. All resources and programs are developed by educators, and delivered by our national network of affiliates. Each year, CEE's programs reach 55,000 teachers in person, and more than 1 million unique visitors access EconEdLink.org – the go-to place for free online teaching resources.

SURVEY OF THE STATES METHODOLOGY

CEE conducts a survey with expert representatives from all 50 states and the District of Columbia. These representatives include social studies specialists at state departments of education and the chief executives of state councils on economic education affiliated with CEE. To ensure the integrity of the study, CEE also conducts a careful review of current policies and legislation specific to each state, and where there are discrepancies, follows up with survey respondents to confirm that their responses provide the most complete and accurate snapshot of their state.

In this iteration of the printed version of *Survey of the States*, CEE provided some additional context with regard to economics assessments (noted in the key on p. 6) and the implementation of personal finance course requirements (noted in the key on p. 8). For more information regarding each state's standards, course requirements, and assessments, please visit the interactive companion website to *Survey of the States* - www.SurveyoftheStates.com.

**WELLS
FARGO**

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