HOUSE DOCKET, NO. FILED ON: 1/13/2009

**HOUSE . . . . . . . . . . . . . . No.**

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The Commonwealth of Massachusetts

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PRESENTED BY:

**Sean Curran**

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*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General  
 Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act establishing a financial literacy curriculum.

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PETITION OF:

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| --- | --- |
| Name: | District/Address: |
| Sean Curran | 9th Hampden |

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 410 OF 2007-2008.]

The Commonwealth of Massachusetts

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**In the Year Two Thousand and Nine**

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An Act establishing a financial literacy curriculum.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

SECTION 1. (a) The Department of Education, hereinafter referred to as the department, shall establish a grant program, subject to appropriation, to be known as the financial literacy program, for the sole purpose of educating students on the subject of financial literacy. The course will be implemented in twelve pilot high schools throughout the state. The grant shall support the development of a financial literacy course which would: (1) allow school districts to coordinate efforts and provide services to twelve pilot high schools; and (2) allow school districts to coordinate efforts and establish a inter-district regional educational collaborative. The grant should encourage financial literacy. The grant may be used to establish a high school course which will encourage students to familiarize themselves with the intricacies of personal finance. The program shall be a course that is designed for students to be taken at the high school level and be a requirement upon graduation. It should be a full course taken through one academic year. The program shall make use of existing resources including those financial literacy courses already in progress at other high schools across the country, such as the course of study now implemented in the Utah public school system, the Commonwealth of Massachusetts’ HiFi program, the Boston Bar Association financial literacy program, Wachovia Financial Literacy Women’s Institute for Financial Education (WIFE), FDIC’s Hispanic Outreach Program, the Certified Financial Planning Board of Standards, Inc (CFP) and other applicable curricula deemed necessary to design a course of study in financial literacy. The course should at minimum allow students to understand banking and personal finance at a basic level. It should also explore investment instruments such as stocks, bonds, mutual funds, as well as retirement accounts. The program shall educate students to the same academic standards and curriculum framework as taught to all students in other mandatory courses at the high school level.

A grant awarded pursuant in this subsection, shall require the recipients undertake ongoing program evaluations that document of the effectiveness of the program in helping students to achieve financial literacy. The program shall assist students with the fundamentals of managing basic expenses and educational loans. In awarding the grant, priority will be given to programs that have been empirically validated and have received recognition for the results [and have demonstrated effectiveness with the material used in the classroom].

The department shall establish guidelines governing the financial literacy course. The guidelines shall include, but not limited to, a requirement that upon completion of the course, students shall be knowledgeable regarding principles governing personal finance.

In fact, the program, at a minimum, shall include:

(1) A personal finance plan

(2) A plan for frequent evaluation and assessment of the student’s personal

finance knowledge

(3) A requirement that the parents or legal guardians of the student attend

specified meetings or conferences with teachers, or utilize other means of

communication as determined necessary to facilitate communication, to review

and assist in the student’s progress

(4) A pre-test assessment and a post-test assessment of financial literacy

(b) The department shall establish a grant program, subject to appropriation, to assist school districts with the development and establishment of a financial planning curriculum. The grants shall support the development of active community involvement with the financial program including: (1) involvements with local banks, insurance and real estate firms, that would be interested in supplementing the course with information; and (2) provide ongoing training to inform and train teachers, administrators, and other personnel to understand and implement the course material.

The program shall allow students to conduct an in-person interview with one of the local providers. The program shall reduce the amount of debt the average student should incur after graduation. Other goals include educating students about investments, stocks, bonds, mutual funds, and how one is able to invest for retirement, finance a car loan, and how one is able to enhance one’s credit. The curriculum should also inform students about APR (annual percentage rates), interest rates, CDs, personal loans, and managing credit cards. There should be an improvement in information about repaying college loans, keeping financial records, and tax records.

The course shall allow students to have access to internet and technology based resources to supplement the material included in class regarding financial literacy courses. There should be an exam implemented at the end of the course measuring a student’s level of knowledge in personal finance. This course shall include, but will not be limited to, the following topics:

Budgeting& Checking Activity (including ATM fees)

Banking

Financial Literacy-Consumer Credit

Financial Literacy-Debt and Poor Money Management

Financial Literacy-Income and Deductions

How credit works

Financial Literacy-Financial Planning and Budgeting

Mortgages

Retirement Plans

Saving and Investing

Credit Cards

Interest Rates (On a savings account)

How to buy Stocks

Mutual Funds

Index Funds

Bonds and Bond Funds

At the completion of the course, students should be able to achieve long-term and short-term financial goals, demonstrate an understanding of personal financial planning and sound money management skills, actively participate in and understand management of personal savings and investments, and understand personal and societal consequences of financial decisions.

The Department of Education shall establish an advisory committee to assist implementation of the grant program and to assist public schools on how the course will be designed. Members of the advisory committee shall include but not limited to three educators. One committee member will serve as the chair, appointed by the commissioner of the Department of Education, two leaders in the field of financial planning, one leader in the field of banking, and one leader from a local college who teaches financial literacy or personal finance. The advisory committee, at its discretion, may select additional members with relevant experiences including, but not limited to, representatives from insurance and investment firms, real estate firms, and bankruptcy attorneys.

(c) The commissioner shall evaluate annually the effectiveness of the program established under this section including the potential for replicating this program throughout the Commonwealth. The annual intervention should also examine whether students in the financial literacy program funded under this section are being taught to the same academic standards required of all students across the country, how much time students are spending in the program. The commissioner shall provide technical assistance to school districts seeking to replicate programs funded under this section, and shall provide training for teachers in development of skills, techniques, and innovative strategies to assist the students. In evaluating programs funded under this subsection (b), the commissioner shall consult with the Department of Education of pursuant to said subsection (b).

SECTION 2. This act shall take effect upon its passage.