

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Sean Curran

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.

PETITION OF:

NAME:

Sean Curran

DISTRICT/ADDRESS:

9th Hampden

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

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

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:

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

24

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

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

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

35

36 (1) A personal finance plan

37 (2) A plan for frequent evaluation and assessment of the student's personal
38 finance knowledge

39 (3) A requirement that the parents or legal guardians of the student attend
40 specified meetings or conferences with teachers, or utilize other means of
41 communication as determined necessary to facilitate communication, to review
42 and assist in the student's progress

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

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

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

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

66

67 Budgeting& Checking Activity(including ATM fees)

68 Banking

69 Financial Literacy-Consumer Credit

70 Financial Literacy-Debt and Poor Money Management

71 Financial Literacy-Income and Deductions

72 How credit works

73 Financial Literacy-Financial Planning and Budgeting

74 Mortgages

75 Retirement Plans

76 Saving and Investing

77 Credit Cards

78 Interest Rates (On a savings account)

79 How to buy Stocks

80 Mutual Funds

81 Index Funds

82 Bonds and Bond Funds

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

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

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

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