

**HOUSE . . . . . No. 410**

By Mr. Curran of Springfield, petition of Sean Curran for legislation to authorize the Department of Education to establish a financial literacy grant program. Education.

**The Commonwealth of Massachusetts**

In the Year Two Thousand and Seven.

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  
2 referred to as the department, shall establish a grant program, subject  
3 to appropriation, to be known as the financial literacy program, for  
4 the sole purpose of educating students on the subject of financial lit-  
5 eracy. The course will be implemented in twelve pilot high schools  
6 throughout the state. The grant shall support the development of a  
7 financial literacy course which would:—

8 (1) allow school districts to coordinate efforts and provide serv-  
9 ices to twelve pilot high schools; and

10 (2) allow school districts to coordinate efforts and establish a  
11 inter-district regional educational collaborative. The grant should  
12 encourage financial literacy. The grant may be used to establish a  
13 high school course which will encourage students to familiarize  
14 themselves with the intricacies of personal finance.

15 The program shall be a course that is designed for students to be  
16 taken at the high school level and be a requirement upon graduation.  
17 It should be a full course taken through one academic year. The pro-  
18 gram shall make use of existing resources including those financial  
19 literacy courses already in progress at other high schools across the  
20 country, such as the course of study now implemented in the Utah  
21 public school system, the Commonwealth of Massachusetts’ HiFi  
22 program, the Boston Bar Association financial literacy program,  
23 Wachovia Financial Literacy, Women’s Institute for Financial Edu-  
24 cation (WIFE), FDIC’s Hispanic Outreach Program, the Certified  
25 Financial Planning Board of Standards, Inc (CFP) and other

26 applicable curricula deemed necessary to design a course of study in  
27 financial literacy. The course should at minimum allow students to  
28 understand banking and personal finance at a basic level. It should  
29 also explore investment instruments such as stocks, bonds, mutual  
30 funds, as well as retirement accounts. The program shall educate stu-  
31 dents to the same academic standards and curriculum framework as  
32 taught to all students in other mandatory courses at the high school  
33 level.

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

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

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

47 (1) A personal finance plan;

48 (2) A plan for frequent evaluation and assessment of the student's  
49 personal finance knowledge;

50 (3) A requirement that the parents or legal guardians of the stu-  
51 dent attend specified meetings or conferences with teachers, or uti-  
52 lize other means of communication as determined necessary to  
53 facilitate communication, to review and assist in the student's  
54 progress;

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

57 (b) The department shall establish a grant program, subject to  
58 appropriation, to assist school districts with the development and  
59 establishment of a financial planning curriculum. The grants shall  
60 support the development of active community involvement with the  
61 financial program including:—

62 (1) involvements with local banks, insurance and real estate firms,  
63 that would be interested in supplementing the course with informa-  
64 tion; and

65 (2) provide ongoing training to inform and train teachers, admin-  
66 istrators, and other personnel to understand and implement the  
67 course material.

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

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

- 84 Budgeting & Checking Activity (including ATM fees)
- 85 Banking
- 86 Financial Literacy-Consumer Credit
- 87 Financial Literacy-Debt and Poor Money Management
- 88 Financial Literacy-Income and Deductions
- 89 How credit works
- 90 Financial Literacy-Financial Planning and Budgeting
- 91 Mortgages
- 92 Retirement Plans
- 93 Saving and Investing
- 94 Credit Cards
- 95 Interest Rates (On a savings account)
- 96 How to buy Stocks
- 97 Mutual Funds
- 98 Index Funds
- 99 Bonds and Bond Funds

100 At the completion of the course, students should be able to  
101 achieve long-term and short-term financial goals, demonstrate an  
102 understanding of personal financial planning and sound money man-  
103 agement skills, actively participate in and understand management

104 of personal savings and investments, and understand personal and  
105 societal consequences of financial decisions.

106 The Department of Education shall establish an advisory com-  
107 mittee to assist implementation of the grant program and to assist  
108 public schools on how the course will be designed. Members of the  
109 advisory committee shall include but not limited to three educators.  
110 One committee member will serve as the chair, appointed by the  
111 commissioner of the Department of Education, two leaders in the  
112 field of financial planning, one leader in the field of banking, and  
113 one leader from a local college who teaches financial literacy or per-  
114 sonal finance. The advisory committee, at its discretion, may select  
115 additional members with relevant experiences including, but not lim-  
116 ited to, representatives from insurance and investment firms, real  
117 estate firms, and bankruptcy attorneys.

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

1 SECTION 2. This act shall take effect as of December 1, 2008.