



# Financial Literacy Implementation Committee Report

*Produced by the Ohio Department of Education  
in cooperation with Ohio Treasurer of State Richard Cordray,  
the Ohio Council on Economic Education and other valuable partners*

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## Introduction – The Committee’s Charge

*Amended Substitute Senate Bill 311 directed that all Ohio high schools, “beginning with students who enter ninth grade for the first time on or after July 1, 2010, ...integrate the study of economics and financial literacy, as expressed in the social studies academic content standards ...so that every high school student receives instruction in those concepts.”*

In response to SB 311 and other personal finance concerns within Ohio’s public, including record levels of mortgage loan foreclosures, predatory lending, high rate of personal bankruptcy, and excessive credit card debt, the Ohio Commission for Personal Finance Education was created in early 2007. Under the joint leadership of Ohio Treasurer Richard Cordray and House Minority Leader Joyce Beatty, the Commission was composed of a variety of stakeholders from the financial, business and education communities, along with strong education participation by the Ohio Department of Education.

The Financial Literacy Implementation Committee (FLIC), a subset of the Commission, was formed to identify a series of options from which schools could choose to fulfill the intent of the legislation. While the legislation directed schools to ensure that all students receive instruction in financial literacy, it did not:

- Specify how that instruction was to be delivered;
- Identify who was authorized to teach that content;
- Require that schools teach it at a specific grade level;
- Mandate that it be included within an existing course; or
- Prohibit the creation of a separate stand-alone course.

No mention was made of attaching credits to a financial literacy course or conducting a standardized evaluation of student learning.

Essentially, questions not required by the legislation were reserved for school districts to determine for themselves under the autonomy of local control. Hence, the role of the Financial Literacy Implementation Committee is to recommend guidelines, options and procedures for schools and districts to use to comply with the legislative intent.

# The Essential Questions

The intent of this provision of Amended Substitute SB 311 is to ensure that every student will graduate from high school with the skills and knowledge needed to make sound decisions managing their own personal finances. While a strong knowledge of the fundamentals of economics contributes to a better understanding of financial literacy, personal money management skills are essential for a lifetime of financial success and stability.

## 1. What is to be taught?

The specific content referenced by the legislation is found under 11th-grade economics part of the Social Studies Academic Content Standards:

**Benchmark E:** Explain the use of a budget in making personal economic decisions and planning for the future.

### Grade Level Indicators:

11. Explain why incomes will differ in the labor market depending on supply and demand for skills, abilities and education levels.
12. Explain the role of individuals in the economy as producers, consumers, savers, workers and investors.
13. Explain the consequences of economic choices made by individuals and the tools which they use to manage their financial resources including:
  - a. Budgets;
  - b. Savings;
  - c. Investments;
  - d. Credit;
  - e. Philanthropy.
14. Describe how interest rates affect savers and borrowers.

## 2. How is the content to be delivered?

The legislation does not specify how schools are to deliver the content, only that the specific content is to be delivered to all students before they graduate. Hence, there are a number of different ways that schools can deliver this instruction.

The legislation states that the content can be included “...into one or more existing social studies credits required ...or into the content of another class...” One critical attribute is to ensure that every student receives the instruction.

So, it is permissible to teach this content as a part of an American Government or American History class, both of which all students must take before graduating.

A school also may choose to teach financial literacy in other existing courses that adequately cover this content including those in Family and Consumer Sciences, Business Education and Economics. However, the school must guarantee that all students receive this instruction. These content areas are typically, though not always, electives in a school’s curriculum. The local Board of Education can require one of those classes as a local condition of graduation.

Another way that schools can fulfill this requirement is to create a stand-alone course. A yearlong course that includes the teaching of economics along with personal finance instruction should adequately prepare a student for a lifetime of sound financial decision-making. A semester course with a primary emphasis on personal finance supported with content from economics is another option to meet this requirement. Both courses will meet the financial literacy requirement.

## 3. Who can teach financial literacy?

The Certification and Licensure Dictionary found on the Web site of the Ohio Department of Education ([www.ode.state.oh.us](http://www.ode.state.oh.us)) clarifies who can be assigned to teach classes in financial literacy. The Certification and Licensure Dictionary is the written authority that identifies who can be assigned to teach what content in Ohio with regard to teacher training and course content.

Three content areas provide appropriate licensure for the teaching of financial literacy. Those three content areas are Social Studies; Family and Consumer Sciences; and Business Education.

With sensitivity to the referenced content standards in the legislation, licenses that include preparation in personal economics decisions such as budgeting, saving strategies, investing, credit use, philanthropy, etc., generally will prepare teachers to deliver the content.

**Appropriate training and licensure are both required to teach financial literacy classes.**

#### 4. When can this content be taught?

The content **must** be taught before students graduate from high school. It **can** be taught in any grade, 9-10-11 or 12. If it is a part of an existing course (American Government, etc.), then it **will** be taught at the grade most appropriate for that course. A stand-alone course can be taught at any grade level that fits best within the scheduling constraints of the school. However, consideration should be given to the maturity level of the student and the timing between when the content is learned and when it will be practiced.

#### 5. Where should it be listed in a school’s program of studies?

A school may decide how to list the instruction in its program of studies. If the content is included in an existing course, then it should be part of the program of studies of that course with the teacher licensed accordingly. For instance, if the required course is “On Your Own” and is taught by a teacher licensed in Family and Consumer Sciences, then the course should be listed as part of the program of studies for Family and Consumer Sciences. The construct of the course should determine the program area.

A school may create a stand-alone course and assign teachers properly licensed in financial literacy from different content areas to teach it as long as it is not included as a part of a specific content area program of studies, but is listed as a stand-alone elective.

#### 6. Will financial literacy become a part of state-mandated tests?

The current Ohio Graduation Tests measure student learning through grade 10. The referenced content standards for personal finance are found in economics grade 11. It is highly unlikely that any questions on personal finance will be included on standardized tests unless the blueprints for those tests are changed dramatically or the questions are derived from economics standards from grades 9 and 10 (free enterprise, consumer choice, taxes, markets, etc.).

Schools may choose to develop a uniform district level test on personal finance that students must take before graduation to exhibit their level of understanding of the fundamentals of personal money management. It remains a local school district decision to administer any form of assessment covering this content.

#### 7. Can non-licensed professionals teach financial literacy?

The legislation directs schools to **“use available public-private partnerships and resources and materials that exist in business, industry, and through the centers for economics education ....”** Many skilled professionals in the area of finance possess the knowledge base to deliver this instruction. Although they are not licensed, they can be used to deliver this instruction as long as the class remains under the responsibility of a high school licensed teacher of record.

Bringing experienced real-world professionals into classrooms to serve as volunteers and to partner with regular classroom teachers in delivering high-quality instruction is another way to make learning more relevant for today’s youth. Bankers, certified financial planners, stock brokers, insurance executives and others who work in related fields are excellent candidates to work with local schools in this capacity.

## 8. What curriculum should a school use to meet this requirement?

There is no “official” course of study that schools must use to fulfill this requirement. Rather, courses should be based upon the referenced academic content standards and should include instruction on each of the elements stated therein.

Several excellent resources meet and/or exceed the minimum requirements to fulfill the financial literacy requisite. These can be found in existing classes in Business Education, Family and Consumer Sciences and the Social Studies programs. Other sources of acceptable curricula can be found from a variety of excellent resources such as:

- Ohio Council for Economic Education (OCEE);
- National Council for Economic Education (NCEE);
- National Endowment for Financial Education (NEFE);
- Family Economics and Financial Education (FEFE);
- National Business Education Association (NBEA);
- Jump\$tart Coalition for Personal Financial Literacy; and
- Junior Achievement (JA) and others.

## 9. Does any formal teacher training/professional development exist?

Yes. Teacher Academies hosted at Ohio’s nine university-based Centers for Economic Education have been designed specifically to prepare teachers to deliver this content. **Attending a Teacher Academy will not result in a license to teach financial literacy, but it will prepare a person to deliver the instruction.** Teacher Academies also expose each participant to a variety of rich educational resources that can be used in the classroom. The Ohio Council on Economic Education ([www.ocee.org](http://www.ocee.org)) Centers for Economic Education are:

- Barker Center for Economic Education, Akron
- Ashland University Gill Center
- Economics America, Cleveland Center of Ashland University
- Northwest Center for Economic Education, Bowling Green
- Economics Center for Education and Research, Cincinnati
- Central Ohio Center on Economic Education, Columbus
- Center for Economic Education, Dayton
- Loren M. Berry Center for Economic Education, Rio Grande
- Youngstown Satellite Program for Economic Education

In addition, other organizations such as banks, credit unions, The Ohio State University (OSU) extension offices, Junior Achievement, etc., provide teacher-training opportunities in financial literacy.

# Recommendations

The Financial Literacy Implementation Committee recommends:

- 1. Instruction in the fundamentals of economics as expressed in the Social Studies Academic Content Standards be integrated into classroom lessons beginning in kindergarten and extending through grade 12.**

There are many basic economic concepts that can be taught and learned as early as kindergarten. An understanding of the differences between wants and needs, the concept of scarcity or even the law of supply and demand, if introduced early in a child's education, can help make the learning and understanding of more complicated concepts at higher cognitive levels much easier as the child progresses from grade to grade.

- 2. Principles of personal finance be embedded in the curriculum during the primary grades, be introduced more formally in the middle grades and be emphasized at a higher-cognitive level in high school.**

While teaching a dedicated course in financial literacy in the primary grades is not the norm, embedding basic economic concepts in the instruction of different content fields helps the student become familiar with terminology and basic financial literacy principles.

Simple examples of economic decision-making can be part of daily instruction in the primary grades. Using examples from personal finance to solve simple math problems or as a basis for writing paragraphs helps the teacher present real-world lessons and familiarizes students with basic concepts. For example, to teach about limited resources, a teacher may assign students the task of writing about how several students could play checkers if only two checkerboards were available. A teacher could ask students to decide between going to the movies or staying home and watching TV to save their allowances for a special need.

As students become more mature, a more structured presentation of personal finance can be introduced. Math teachers can ask students what they do with their paper route earnings, lawn-mowing money, babysitting fees, etc. They can be asked about the difference in opportunity costs between buying a DVD and attending a concert in person. This can be taught as an applied math problem, in social studies (trade-offs, etc.) or in other courses. Community resources (bankers, insurance agents, JA classroom volunteers, etc.) can be used to make learning more relevant.

Once students reach high school, they will have been exposed to the fundamentals of financial literacy and be better positioned to understand the more complex issues of personal finance. At an older age, jobs and income become more likely as do paying for clothing, recreational activities, cars, etc. Saving for college is often a primary concern that can come to life through formal instruction in personal finance classes. Hands-on budgeting simulations, several of which are sponsored by financial institutions, help students understand the total picture of family planning. This also provides an excellent opportunity for the school to bring local business professionals into partnership with them to help prepare young people for a lifetime of successful economic decision-making.

**3. The most effective way to equip students with skills in financial literacy is to deliver this instruction through a stand-alone course dedicated to personal finance.**

While including financial literacy as a unit in an existing course is one way that this content can be delivered, the Financial Literacy Implementation Committee believes that dedicating a course to this content will be far more effective in building the skills intended by this legislation. The focus that can be given to different aspects of personal finance in a dedicated course is much greater than what can be accomplished when it is included only as part of a broader program.

The stand-alone course can expand a student’s understanding of not only the fundamentals of personal finance, but also of the economic principles that serve as the underpinning of an understanding of the financial literacy body of knowledge.

In a stand-alone course, the opportunities to enrich instruction via guest speakers who bring real-world experiences into the classroom provide an instructional environment that allows a more comprehensive understanding of this content. Time can be dedicated for simulations and other exercises, including off-site field trips with follow-up discussions that often are difficult to do when the content is integrated as a part of an existing course. Whether the stand-alone course is yearlong or semester in length must be determined by individual school constraints, such as available teachers, facilities, schedules, etc.

**4. Those assigned to teach financial literacy enroll in and attend a Teacher Academy or other related workshops or conference sessions focused on training teachers in financial education curriculum and supplemental resources.**

While those assigned to teach personal finance per the Certification and Licensure Dictionary have been trained in this area, refreshing that learning by attending a Teacher Academy can provide a stronger understanding of content and will result in an exposure to a wide variety of existing curriculum and supplemental educational resources.

The Teacher Academy curriculum exceeds the minimal needs of student learning. Teachers will be challenged to learn more about financial literacy by first gaining a strong foundation in the principles of economics and then experiencing hands-on exposure to the realities of personal money management. Teachers must know much more than the minimum content to provide quality in-depth instruction to students.

Teacher Academies will not only enhance teacher learning, but they will also provide attendees with a cadre of professional colleagues who share the same needs and goals. Those relationships may create lasting connections through which trained teachers can communicate over the years, share best practices and solve problems.

**5. Schools be encouraged to partner with local community organizations (banks, credit unions, OSU Extension, Junior Achievement, etc.) to enrich instruction through hands-on practical simulations, guest speakers, field trips and access to supplementary classroom materials.**

Every school has a number of local resources that should be tapped in support of financial literacy instruction. Local banks, credit unions, insurance agencies, brokerage firms, financial consultants, etc., are positioned to support sound instruction in personal finance. Through the gift of guest speakers, field trips and other business resources, local partners can provide a strong supportive influence to classroom instruction. When students see and hear firsthand how what they are learning today applies directly to their financial future, personal finance education makes good sense and catches their attention.

The Financial Literacy Implementation Committee believes that schools should be proactive in seeking support from local partners. When members of the local business community visit schools as resource specialists, their support and understanding of the school increases and the bond between the school and the community is strengthened. This becomes a win-win situation.

**6. Teachers of other academic disciplines be encouraged to use examples from personal finance as teaching tools to make financial literacy an interdisciplinary curriculum.**

Just as the skill of writing extends across the curriculum, so, too, should personal finance. Schools should challenge all teachers, not just those teaching personal finance, to make instruction come to life with real-world scenarios.

Expect students to use math skills to determine gross and net wages. Ask them to compute the rate of taxes taken from checks. Require students to complete an assignment that includes different aspects of economics such as supply and demand, scarcity, the circular flow of money, etc. There are many different ways to incorporate personal finance in other courses of study. Rather than making it the focus of the lesson, personal finance can easily be the vehicle through which the lesson is delivered.

# Summary

A strong understanding of the fundamentals of personal finance will help prepare today’s students for a lifetime of sound financial decision-making and will directly contribute to a successful and productive life. Knowing how to handle one’s personal finances is a skill that must be mastered if one is to prosper in a free-market economy.

The body of knowledge needed to function in a literate and productive manner should be delivered during a student’s formal education, rather than obtained through the “school of hard knocks.” Educators must be properly trained to deliver this content. Schools must make the necessary commitment to provide for financial literacy instruction within their curricular offerings.

Students should take this learning seriously and begin to practice the skills that will directly impact their lives forever. Understanding personal finance is not an end in itself. Rather, mastery in the use of that information is the key that opens the door to personal success.

## Appendix – Financial Literacy Resources

The following includes links that schools may access to find a variety of financial literacy resources. Some are based on a K-12 yearlong curriculum while others are designed to be a semester-long high school program. All support instruction is based on Ohio’s content standards.

### **Family Economics Financial Education (FEFE)**

<http://fefe.arizona.edu/educationalResources.php>

FEFE’s “Take Charge of Your Finances” is a semester-long personal finance course for students in grades 10-12. “Get Ready to Take Charge of Your Finances” is an 18-week Middle School curriculum. A Student Workbook aligned with this course is available.

### **Jump\$tart Coalition for Personal Financial Literacy**

[www.jumpstart.org/guide.html](http://www.jumpstart.org/guide.html)

Jump\$tart has developed K-12 standards to delineate the personal finance knowledge and skills that students should possess. It sponsors *The Personal Finance Clearinghouse* where educators may find free materials to support classroom instruction.

### **Junior Achievement (JA)**

[www.ja.org](http://www.ja.org)

JA has the world’s largest and fastest growing K-12 economic education program reaching more than 8.3 million students worldwide with supplementary lessons in economic education and personal finance through the use of trained classroom volunteers.

### **National Association of State Boards of Education (NASBE)**

[www.nasbe.org](http://www.nasbe.org)

NASBE provides standards-based resources and research to assist educators in the teaching of financial literacy.

### **National Business Education Association (NBEA)**

<http://nbea.org/curfbes.html>

NBEA provides a list of Business Education Standards, specifically Economics and Personal Finance, that constitute what students should know and be able to do to satisfy both personal and business needs.

### **National Council for Economic Education (NCEE)**

<http://ncee.net/resources/>

NCEE is a nationwide network that leads in promoting economic literacy with students and their teachers. NCEE’s mission is to help students develop the real-life skills they need to succeed: to be able to think and choose responsibly as consumers, savers, investors, citizens, members of the workforce and effective participants in a global economy. It provides online lessons for educators to use.

**National Endowment for Financial Education (NEFE)**

<http://hsfpp.nefe.org>

NEFE has developed a real-world-based semester-long course on financial literacy. It is called the NEFE High School Financial Planning Program (HSFPP), consisting of seven instructional units. It includes a large list of resources, articles and financial tools for students, teachers and parents. The HSFPP is currently partnering with Junior Achievement on a national delivery basis.

**Ohio Council for Economic Education (OCEE)**

[www.ocee.org](http://www.ocee.org)

OCEE has developed a “K-12 Personal Finance & Economic Literacy” curriculum that is free to educators. It was designed to help prepare individuals to be responsible for shaping the direction of their lives and accepting responsibility for management of their work and personal finance decisions. It includes suggested classroom activities and specific resources to support classroom instruction.

**Ohio Department of Education (ODE)**

[www.ode.state.oh.us](http://www.ode.state.oh.us), keywords *Financial Literacy*.

ODE has posted Frequently Asked Questions and other information about financial literacy.

**Ohio Treasurer of State (TOS)**

[www.yourmoneynowonline.org](http://www.yourmoneynowonline.org)

Ohio Treasurer Richard Cordray provides personal finance tips and tools like budgeting, saving and getting out of debt.

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