Testimony by Lynette Yevak
House Bill No. 2645 – Personal Financial Literacy Course

Thank you for this opportunity to address the Committee on Education in regards to requiring a course in Personal Financial Literacy for Kansas high school students. Because this committee is addressing this issue, it is apparent that you understand the value and need for such curriculum to be included in a complete and comprehensive high school education. The data collected through numerous research studies on Financial Literacy is staggering. For example, the results of a JumpStart Coalition survey in 2008 found the mean score for high school students on a personal financial literacy assessment was 47.5%. We all recognize that this is not acceptable and it is our responsibility to provide today's youth and future generations a solid foundation for a better understanding of these concepts.

For the past 11 years, I have had the opportunity to teach a course in Financial Literacy that is a graduation requirement at Emporia High School. In the 1970's, our local board of education determined that a course in Consumer Education was necessary to help students meet the demands of the economic conditions at the time. That course has evolved over the years to meet national and state standards as well as changes resulting from increased technologies, industry developments, and societal trends.

Many of the changes in the course we offer at Emporia High are a result of the emphasis away from just Personal Finance, which primarily focused on facts and understanding the math and money aspects, to a focus on Financial Literacy, which includes more application, management, and decision making skills. Our students must not only know facts and background information, but must know what to do with that information to be successful. That is the benefit of utilizing Career and Technical Education and Family and Consumer Science, in particular, in the teaching of Personal Financial Literacy. Several of the Career Pathways currently include a course which is aligned with the Family and Consumer Sciences and JumpStart Coalition National Standards. Both the Family and Community Services and Consumer Services Career Pathways include a Consumer and Personal Finance course. The competencies for this course include application of math concepts, background knowledge in financial planning, credit, risk management, saving and investing, housing, health care, identity theft, and taxes as well as how these decisions impact the future of the individual and the family.

One of the questions that often arises when considering curriculum changes is how will we know if we are successful? What assessments will be used to measure the effectiveness of the curriculum? Since 2009, there is a 3rd party national assessment which has been developed by the American Association of Family and Consumer Sciences (AAFCS). The Personal and Family Finance Pre-Pac Assessment has been designed for secondary students to measure their understanding of Financial Literacy and validated by professionals within the industry. This fall, 102 of my students did complete this national assessment and I was pleased to find that 39% of these students met the standard to receive pre-professional certification. This was even 2 weeks prior to the end of the course in which additional content was covered. In the spring semester, the Department of the Treasury offers a National Financial Capability Challenge. This on-line assessment is designed to also measure overall Financial Literacy. In the spring of 2011, the mean score of my students was 70% with 23% of my students scoring in the top 20% of the nation. For me, this is a validation that what we are doing in the classroom is working and it is the Consumer and Personal Finance competencies based on the Family and Consumer Sciences national standards.

Currently there are 205 school districts in Kansas who have approved Career Pathways of which 176 of these Pathways include the Consumer and Personal Finance course. If you are considering requiring a course in Personal Financial Literacy, it seems that school districts across Kansas have a logical way to implement this change. The vehicle is in place through the Family and Consumer Sciences programs. Because of the practical problem solving approach and resource management of Family and Consumer Sciences, the Literacy aspect has greater emphasis and supports the math concepts which are also important components of the curriculum.

While only 14% of the school districts in Kansas currently require a Personal Finance course for graduation, I believe that creating a state-wide requirement is a positive step in preparing students for their future adult roles. I have personally seen the benefits to the students at Emporia High School. Every year I hear from former students who relay stories to me of how what they learned in class has been helpful to them in their personal and family lives. It may be something as simple as "I'm the only one on my dorm floor who knows how to balance their bank statement." Or, "I still use that decision making model all the time." Or, "I couldn't believe that there were charges on my account that weren't really mine. I'm glad we talked about what to do in class." My favorite one to hear is how often they use and hear the concept of trade-off. That shows up frequently in our class.

It is not just the facts that have been beneficial to my students, but their abilities to utilize their knowledge and that is due to the nature of the course which incorporates decision making, problem solving, and resource management. These skills are what Career and Technical Education and Family and Consumer Sciences can provide.