

Education Committee JOINT FAVORABLE REPORT

Bill No.: SB-1165

Title: AN ACT CONCERNING FINANCIAL LITERACY INSTRUCTION.

Vote Date: 3/10/2023

Vote Action: Joint Favorable

PH Date: 3/8/2023

File No.: 257

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SPONSORS OF BILL:

Education Committee

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Sen. Eric C. Berthel, 32nd Dist.
Sen. Paul Cicarella, 34th Dist.
Sen. Herron Gaston, 23rd Dist.
Sen. Henri Martin, 31st Dist.

REASONS FOR BILL:

This bill adds a half-credit of personal finance literacy to the high school graduation requirements, beginning with the graduating class of 2024. It also adds personal finance management and financial literacy to the state's required program of instruction for public schools.

Research has documented that many Americans have poor financial literacy, which has negative effects on financial wellness. This bill will address financial knowledge gaps at a critical time for young people, as they are beginning to form their money habits. Improving

financial literacy in Connecticut can help close existing wealth disparities by ensuring all students have access to these practical tools for adulthood.

RESPONSE FROM ADMINISTRATION/AGENCY:

State Department of Education (SDE), Commissioner, Charlene Russell-Tucker; expresses support for increased access to financial literacy/personal finance education for students across K-12, especially in grades 6-12. However, they have concerns that mandating an additional half-credit graduation requirement may reduce the number of opportunities for students to take elective courses aligned with their interests. Specifically, they note that it may impact the ability of students to complete a rigorous Career and Technical Education (CTE) Program of Study. They outline how a potential Work-Based Learning (WBL) slot in a student's schedule could now be taken by the required financial literacy/personal finance elective.

State Treasurer of Connecticut, Erick Russell; supports this bill stating that financial education can provide a foundation of knowledge that equips residents with the resources to be financially savvy. They also note that none of the schools that currently guarantee students with a standalone personal finance course are in any of Connecticut's largest cities, which exacerbates gaps in achievement and wealth.

NATURE AND SOURCES OF SUPPORT:

Connecticut Commission on Women, Children, and Seniors (CWCSEO), Executive Director, Steven Hernandez; supports this bill stating that access to financial literacy courses can help close the racial wealth gap and provide all students with an opportunity for economic inclusion. They also noted that there is a strong link between financial literacy and financial wellness. Specifically, they assert that those who are more financially literate are more likely to plan for retirement, have non-retirement savings, and better manage debt.

Connecticut General Assembly (CGA), Sen. Paul Cicarella and Sen. Henri Martin; jointly testify in support of this bill stating that Connecticut students must learn how to budget – if not, these students will have lifelong challenges in living within their means, saving for retirement, and paying their bills. They also assert that this bill gives young people the necessary tools to succeed, which will empower them to take charge of their futures and ensure prosperity for their families.

Connecticut General Assembly (CGA), Rep. Tom Delnicki; supports this bill stating that the state educational system has a duty to provide children with the proper knowledge to thrive as independent adults. They express that this bill helps achieve this goal by making financial literacy a focal point of educational values going forward. They also state that mastering financial literacy gives students the opportunity to build generational wealth and achieve the American Dream of home ownership.

Connecticut General Assembly (CGA), Rep. Al Paolillo; supports this bill stating that financial literacy teaches students the real-life skills they need to succeed and should be a part of school curriculum. They also note that just 15.3% of Connecticut high school students are currently required to take a semester of personal finance before graduation – for students

attending high schools with a Black or Hispanic population greater than 75%, the same number is just 3.9%.

School and State Finance Project, Executive Director, Lisa Hammersley; supports this bill stating that it eliminates existing disparities in student access to personal finance courses. They also assert that it ensures every high school graduate is prepared for their future and has the skills to manage finances responsibly. Finally, they express that Connecticut students will utilize what they learn from these courses every day, regardless of their post-high school paths.

Connecticut Education Association, President, Kate Dias; supports making financial literacy part of the curriculum of high schools. They also ask legislators to be cautious in requiring additional credits for graduation because it may make it more challenging for students to successfully complete the recently updated high school graduation requirements.

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Southern Connecticut State University (SCSU), Director of Financial Literacy and Advising, Lewis DeLuca; supports this bill stating that financial education results in less debt and increased savings, which enables better financial health. They share that in their personal experiences meeting with college students on finances, the students who already understood the basics of saving, credit, and investing had continued financial success.

Connecticut Bankers Association, President/CEO, Tom Mongellow; supports this bill stating that many banks in Connecticut have recognized the need for financial education but do not have the capacity to reach every high school student in the state for programming. They also emphasize that high school students are at a critical time in their lives when they are beginning to make impactful financial decisions.

Connecticut Jump\$tart Coalition, President, Faye Griffiths-Smith; supports this bill stating that Connecticut has a responsibility to better prepare young people with the knowledge to make wise financial decisions. They note that these young adults are often on the cusp of making significant choices such as financing a car, pursuing further education, or entering the workforce.

Financial Planning Association of Connecticut, President, Salim Boutagy; supports this bill stating that it sets the groundwork for better financial knowledge and behavior. They also reference other states with similar requirements and research showing adverse effects of poor financial literacy.

Lewis S. Mills High School, Business Teacher, Barbara Angelicola-Manzoli; supports this bill stating that implementing a graduation requirement is the only proven way to ensure all high school graduates have a foundation in financial literacy. They also share their personal experiences with former students reaching out to express the positive impact that the financial literacy course had on their lives.

Newington Board of Education, Member, Jessica Weaver; supports this bill stating that their prime focus on the Newington Board of Education has been to expand financial literacy offerings. They note that for their school system, requiring the course would necessitate additional hiring, which was not possible with their already strained budget. As such, they recommend that the bill also include funding to ensure successful implementation at the local level.

Next Gen Personal Finance and NGPF Mission 2030 Fund, Director of Advocacy, Christian Sherrill; supports this bill highlighting research that shows required personal finance courses lead to higher credit scores, smarter student loan behavior, and avoiding high-cost predatory lenders.

The following individuals have submitted testimony in support of this bill. They state that financial education is as important as basic reading and mathematics. They also assert that the state would continue to perpetrate racial and economic inequalities without requiring a financial literacy course. Finally, they express that every student in Connecticut should graduate high school prepared to make adult financial decisions.

Credit Union League of Connecticut, President & CEO, Bruce Adams
American Eagle Financial Credit Union, EVP/COO, Teresa Knox
Charter Oak Federal Credit Union, President and CEO, Brian Orenstein
Connex Credit Union, CRO/EVP, Carl Casper
Connex Credit Union, President/CEO, Francesco Mancini
CorePlus Federal Credit Union, EVP/COO, Raymond Currier
CorePlus Federal Credit Union, President/CEO, Nicholas Fortson
Members Credit Union, VP of Lending & Community Outreach, Vanessa Kuduk
Members Credit Union, President/CEO, Kathy Chartier
Mutual Security Credit Union, President/CEO, Henry Baum
Northeast Family Federal Credit Union, President/CEO, Joanne Todd
Nutmeg State Financial Credit Union, CEO, John Holt
Seasons Federal Credit Union, SVP, Robyn Swanson
Skyline Financial Federal Credit Union, President and CEO, James Higgins

NATURE AND SOURCES OF OPPOSITION:

Town of Fairfield, Resident, Jennifer Jacobsen; opposes this bill stating that the new financial literacy graduation requirement would further reduce space on the student schedule for electives or advanced courses. They suggest making financial literacy an optional course for high school students instead to provide more flexibility.

Nicholas Coppola; opposes this bill stating that Civics and U.S History should be prioritized as additional credit requirements. If these subjects are added, they state that they would support the financial literacy inclusion as well.

NATURE AND SOURCES OF GENERAL COMMENT:

AFT Connecticut, Divisional Vice President, Mary Yordon; expresses concerns that the new graduation requirement may force students to give up an opportunity to take a highly desired course. While they note that there is an undeniable benefit to a financial literacy course, they state that it should not come at this cost. They suggest that financial literacy courses should be promoted, required for schools to offer, but not added to graduation requirements.

ConnCAN, Executive Director, Subira Gordon; expresses that improvements to financial literacy alone will not solve underlying economic inequality or ensure greater wealth for the most disadvantaged. However, they also emphasize that financial literacy is a necessary skill in the 21st century and an important element to financial independence.

Connecticut Association of Boards of Education (CABE); expresses concerns that this bill limits student choice, which is important to student engagement. They also note that a new graduation requirement would only allow students to take three elective courses that are outside of humanities and STEM.

Derby Public Schools, Superintendent of Schools, Matthew Conway; expresses concerns that adding another graduation requirement would reduce student choice. They note that it could also potentially decrease a student's GPA or class rank by preventing them from taking a course with additional GPA points. Finally, they assert that the decision of whether to offer financial literacy courses as electives or requirements should be left with local boards of education.

Reported by: Taha Anwar

Date: 3/13/2023