

COMMONWEALTH OF PENNSYLVANIA  
HOUSE OF REPRESENTATIVES

EDUCATION  
COMMITTEE HEARING

STATE CAPITOL  
HARRISBURG, PA

IRVIS OFFICE BUILDING  
ROOM G-50

MONDAY, OCTOBER 6, 2014  
9:34 A.M.

PRESENTATION ON  
FINANCIAL LITERACY

BEFORE:

HONORABLE PAUL CLYMER, MAJORITY CHAIRMAN  
HONORABLE RYAN AUMENT  
HONORABLE HAL ENGLISH  
HONORABLE MIKE FLECK  
HONORABLE MARK GILLEN  
HONORABLE BERNIE O'NEILL  
HONORABLE KATHY RAPP  
HONORABLE WILL TALLMAN  
HONORABLE DAN TRUITT  
HONORABLE JAMES ROEBUCK, JR., DEMOCRATIC CHAIRMAN  
HONORABLE MIKE CARROLL  
HONORABLE MARK LONGIETTI  
HONORABLE MIKE O'BRIEN  
HONORABLE JAKE WHEATLEY

\* \* \* \* \*

*Pennsylvania House of Representatives  
Commonwealth of Pennsylvania*

## ALSO IN ATTENDANCE:

HONORABLE ROSEMARY BROWN

## COMMITTEE STAFF PRESENT:

JUDY M.D. SMITH

MAJORITY ACTING EXECUTIVE DIRECTOR

KAREN SEIVARD

MAJORITY SENIOR LEGAL COUNSEL

JONATHAN BERGER

MAJORITY RESEARCH ANALYST

ELIZABETH MURPHY

MAJORITY RESEARCH ANALYST

MICHAEL BIACCHI

MAJORITY RESEARCH ANALYST

EILEEN KRICK

MAJORITY LEGISLATIVE ADMINISTRATIVE ASSISTANT

CHRIS WAKELEY

DEMOCRATIC EXECUTIVE DIRECTOR

MARLENA MILLER

DEMOCRATIC LEGISLATIVE ASSISTANT

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SUBMITTED WRITTEN TESTIMONY

\* \* \*

(See submitted written testimony and handouts online.)

## P R O C E E D I N G S

\* \* \*

1  
2  
3 MAJORITY CHAIRMAN CLYMER: Well, good morning,  
4 everybody, and we welcome you to the House Education  
5 Committee public hearing. And the issue today is financial  
6 literacy, certainly an issue that encompasses all of us.  
7 Perhaps there are some Members here on the Committee that  
8 would benefit from this as well. We don't know that, but  
9 one never knows where the instruction will be of great  
10 benefit. But it is a very important issue, without  
11 question.

12 And I often thought of the Junior Achievement  
13 program and how well that is received, and it is so  
14 educational. It helps young people to understand a  
15 company. They participate in the stocks and in the  
16 dividends and in merchandising and marketing a product.  
17 It's firsthand information that's just very helpful and it  
18 gives them a good start.

19 But without further ado, I'd like to at this time  
20 introduce Representative Mark Longietti, who has remarks.  
21 This is one of the bills that he is very much interested  
22 in. So, Representative Longietti, you may begin your  
23 testimony.

24 REPRESENTATIVE LONGIETTI: Thank you, Chairman  
25 Clymer and Chairman Roebuck and fellow members of the House

1 Education Committee. I want to thank you for holding this  
2 hearing to discuss the importance of financial literacy  
3 instruction in our primary and secondary schools.

4           We all know that all students need money  
5 management and related skills both while they're in school  
6 and beyond, yet too often, they do not receive financial  
7 literacy instruction in school even though they expect to  
8 receive it there and they are hungry for it. As a result,  
9 they are ill-equipped to enter the financial world and make  
10 poor decisions regarding debt, saving and investing, and  
11 making everyday decisions involving money.

12           This is an issue that truly cuts across all  
13 demographics, as the Chairman alluded to in his opening  
14 remarks, and all socioeconomic status. So let me share  
15 some statistics regarding financial literacy instruction in  
16 schools and the attitudes of students, parents, and  
17 educators regarding the same.

18           In PA, in our Commonwealth, only 28 percent of  
19 high school students take a course devoted to economics or  
20 personal finance, so the vast majority do not take such a  
21 course. And only 38 out of 500 school districts in  
22 Pennsylvania, which is about 7.6 percent, require students  
23 to take a course in personal finance before graduation.

24           So should we be teaching financial literacy in  
25 high school? Well, there are a number of surveys that are

1 out there. One was a Visa survey back in 2010, and in that  
2 survey 93 percent of American say it should be a required  
3 high school course, so the public does expect it. And 89  
4 percent of K through 12 teachers agree that students should  
5 either take a financial education course or pass a  
6 competency test for high school graduation. And 86 percent  
7 of teens indicated that they would rather learn about money  
8 management in a class before making mistakes in the real  
9 world. Right? Wouldn't we like to learn it academically  
10 before we make those mistakes? And 81 percent said K to 12  
11 is the best time to learn money management.

12 So are they currently getting it in our schools?  
13 Well, only 5 percent of teens said they learned about money  
14 matters from a teacher, so 95 percent didn't. Are they  
15 getting it at home? For many of us, we received a lot of  
16 financial literacy education in our homes but what about  
17 today? Two in five adults give themselves a C, D, or an F  
18 on knowledge of personal finance. So if the adults are  
19 saying that they're not well-versed, how are they going to  
20 teach in the homes of their children? And one-third  
21 Americans, 77 million Americans, don't pay their bills on  
22 time. So the example isn't necessarily being set either.

23 Thirty-nine percent of Americans carry credit  
24 card debt from month to month. We know the problems with  
25 that revolving debt. Twenty-five percent of these said

1 that if started saving, they would keep their savings in  
2 cash at home. Twenty-five percent of Americans would keep  
3 their savings in cash at home.

4 Do they know it on their own? Do the students  
5 know it on their own? Well, 50 percent of teens are unsure  
6 of how to use a credit card effectively, yet 24 percent of  
7 them think that high school or younger is when they should  
8 get their first credit card.

9 Now, here's an interesting statistic we're going  
10 to have problems later on in the year. About 50 percent of  
11 senior girls shopped two weeks or more for a prom dress and  
12 50 percent of senior boys spent two weeks or more deciding  
13 who to ask. Yet almost 50 percent of seniors spent five or  
14 less hours learning how to pay for college, one of the  
15 largest debts that they may incur, spent little time on  
16 that.

17 Sixty-nine percent of college seniors have  
18 undergrad loans to repay, and 60 percent are very or  
19 somewhat worried about their ability to repay these loans.

20 Is now the right time to teach personal finance?  
21 Well, 81 percent of teens said that the recession motivated  
22 them to know more about managing money. So this painful  
23 recession that we went through has made them hungry, hungry  
24 to learn how to manage money.

25 Are teachers prepared to teach personal finance?



1 Only 11.6 percent of K to 12 teachers had taken a workshop  
2 in teaching financial literacy, and over 60 percent of  
3 teachers and prospective teachers said they do not feel  
4 qualified to teach their State's financial education  
5 standards. And teacher education faculty in those same  
6 States were no more familiar with the State financial  
7 education standards than the K to 12 teachers. So we can  
8 see that there's some professional development in here and  
9 we're going to hear a little bit more about that as the  
10 hearing goes on.

11 So once again I would like to thank the Chairmen.  
12 I would like to thank my fellow Committee Members for  
13 scheduling this hearing on this I think very bipartisan,  
14 very important topic, and I look forward to the testimony  
15 that we're about to receive.

16 So thank you, Mr. Chairman.

17 MAJORITY CHAIRMAN CLYMER: The Chair thanks the  
18 gentleman.

19 Also representing this very important issue is  
20 Representative Rosemary Brown. And, Rosemary, we extend  
21 the invitation for you to come and give your remarks this  
22 morning on this important financial literacy issue.

23 REPRESENTATIVE BROWN: Thank you, Mr. Chairman.

24 Good morning, everyone, and thank you---

25 MAJORITY CHAIRMAN CLYMER: Oh, wait a minute.

1 Let me introduce the other people that are with you.

2 REPRESENTATIVE BROWN: Okay.

3 MAJORITY CHAIRMAN CLYMER: Yes, I missed them.  
4 Joseph Tudda, a student, a junior at East Stroudsburg High  
5 School North and Uriel Trujillo, Director of Upward Bound  
6 Programs through East Stroudsburg University. So this is  
7 our first panel and we welcome each of you to give your  
8 testimony on this important issue.

9 REPRESENTATIVE BROWN: Thank you again,  
10 Mr. Chairman, and I thank Chairman Roebuck, the Education  
11 staff, and also all of the Committee Members for this  
12 morning for being here and thank you very much for holding  
13 this hearing on financial literacy, a topic that I believe  
14 is truly worthwhile. I think Representative Longietti did  
15 a tremendous job in giving us some statistics and talking  
16 to us about the importance of this in society.

17 And as you know, the Majority Policy Committee  
18 traveled across the State this past year and analyzing the  
19 state of poverty in Pennsylvania. And specifically the  
20 Committee was working to identify obstacles and improvement  
21 in policy that could really reduce poverty and empower  
22 Pennsylvanians. And as a Member of that Committee, I found  
23 myself extremely interested in financial literacy education  
24 and how policy working with this subject in our classrooms  
25 could make a significant difference to the futures of many,

1 many people.

2           And I've held financial literacy seminars in my  
3 district. Joseph actually was one of the members at my  
4 financial seminar. And it gained a tremendous amount of  
5 support from superintendents, from teachers, from parents,  
6 from students in strengthening this in our education  
7 system. And my hope is that after this hearing you will  
8 also agree that it really does need to be strengthened in  
9 our curriculum.

10           And Representative Truitt and myself have  
11 legislation also drafted in regards to this financial  
12 literacy and have many stakeholders that also now are  
13 supportive after we've worked through the draft for a few  
14 months now.

15           With that, I am very proud to have visiting us  
16 from Monroe County and Pike County Uriel Trujillo,  
17 Executive Director of Upward Bound at East Stroudsburg  
18 University; and Joseph Tudda, as the Chairman said, a  
19 junior at East Stroudsburg High School North. And I  
20 believe both of them will give you insight to the need for  
21 financial literacy and how their supplement to our  
22 education system has really been very beneficial and how  
23 it's really worked for the students.

24           So with that, thank you again, Mr. Chairman, and  
25 thank you for the Committee. And you can lead in the

1 direction you feel. Thank you.

2 MAJORITY CHAIRMAN CLYMER: Mr. Trujillo, if you  
3 would begin your testimony and then, Joseph, you follow  
4 through. How's that?

5 MR. TRUJILLO: Thank you. Thank you,  
6 Mr. Chairman, Chairman Clymer, Members of the Committee.  
7 It is an honor to be here today to address you on this very  
8 important topic. I'd like to thank also Representative  
9 Rosemary Brown for the invitation to present and share with  
10 you a little bit about Project Upward Bound at East  
11 Stroudsburg University and in particular our financial  
12 education initiatives there.

13 My name is Uriel Trujillo and I am the Director  
14 of Project Upward Bound. And Project Upward Bound is a  
15 federally funded precollege program created through the  
16 Economic Opportunity Act of 1964, and it is known as one of  
17 the War on Poverty programs established by President Lyndon  
18 B. Johnson. This year, Upward Bound celebrates 50 years  
19 nationally and 40 years of service at East Stroudsburg  
20 University. And according to the Council of Higher  
21 Education, over two million students have participated in  
22 the program nationally, and last year, Upward Bound served  
23 across the country about 76,000 students at more than 1,000  
24 locations in the 50 States.

25 Upward Bound projects provide academic

1 instruction in mathematics, laboratory sciences,  
2 composition, literature, foreign languages. We provide  
3 tutoring, counseling, mentoring, cultural enrichment, work-  
4 study programs, education or counseling services designed  
5 to improve the financial and economic literacy of students,  
6 and programs and activities as well that are specially  
7 designed for students who are limited English proficient,  
8 students with disabilities, homeless children and youth,  
9 students in foster care or are aging out of foster care  
10 system or other disconnected students, this description  
11 according to the Department of Education.

12           For 40 years at East Stroudsburg University's  
13 Upward Bound project, we have graduated hundreds of  
14 students who have gone on to complete college, become  
15 professional workers and productive members of our local  
16 communities. In fact, at the end of this month we'll be  
17 celebrating our 40th year and inviting many of those alumni  
18 back to our campus to celebrate with us.

19           The way we do this is we meet with our students  
20 in the schools for academic monitoring and counseling and  
21 our students attend what we call "Saturday College" each  
22 month at ESU. Saturday College is where they meet their  
23 instructors in core courses such as Composition, Algebra,  
24 Geometry, Pre-Calculus, SAT preparation.

25           Our students also receive assistance with course

1 selection, testing fee waivers, college applications, and  
2 financial aid applications. And the reason is that our  
3 students stay with us as rising freshmen through their  
4 senior year, and we see them through graduation, so we have  
5 those four years with those students to provide many of  
6 these core topics and services. So in case you're  
7 wondering, well, that's an awful lot of services. Well, we  
8 have them for four years continuously. And moreover, they  
9 consult with our program counselor, which we have on staff,  
10 and our interns on issues affecting their academic and  
11 personal growth.

12           The capstone and transforming experience for our  
13 students, however, is their participation in our six-week  
14 summer residential program where students live on campus,  
15 take classes, and experience what it is like to be a  
16 college student. The summer program is an intellectually  
17 challenging and intensive experience where students take  
18 classes which mirror the central concepts they will take in  
19 the following fall semester at their high schools. In  
20 addition to the academic instruction, they then participate  
21 in college visits, cultural enrichment trips to  
22 performances, museums, and are taught college and life  
23 skills.

24           The importance of students spending six weeks of  
25 their summers living in a residential community cannot be

1 emphasized enough. First, it gives time for trusting  
2 teaching and mentoring relationships to be established with  
3 adults who interact with them daily. These relationships  
4 and the highly structured environment containing clear  
5 rewards and sanctions for behavior and academic progress  
6 provide students with a community context they can then  
7 carry forward into their academic year.

8           In this community, students participate in  
9 community service projects; they do their own fundraising,  
10 nutrition seminars. Secondly, students from different  
11 backgrounds and regional high schools forge friendships and  
12 a reference group which bonds them not just to each other  
13 but to the goal of academic and social achievement. Third,  
14 they learn and adopt similar attitudes and behaviors  
15 expected and required to be academically successful in the  
16 context of their high schools. Finally, the six-week  
17 residential experience provided at this particular stage in  
18 their lives creates a powerful memory; it creates a schema  
19 for them to rely upon moving forward into their academic  
20 school year and beyond. All of these factors are based  
21 upon a fundamental premise which is "learning is social,"  
22 and what many students from underrepresented backgrounds  
23 need is for someone to provide a structured path to follow.

24           In addition to the academic instruction and the  
25 community context created in Upward Bound, students

1 participate in programs to develop their leadership and  
2 team-building skills. We have a Toastmasters Club  
3 administered by local professionals in addition to our  
4 course in public speaking offered during the summer  
5 program. Upward Bound provides leadership workshops and  
6 team-building for students to learn how to work together in  
7 teams. We also provide financial literacy education for  
8 our students.

9 I was hired as Upward Bound's Director in July of  
10 2007. In addition to my college teaching and  
11 administrative experience, I have worked as a financial  
12 advisor. And during these years, I witnessed the impact on  
13 family's lives when they gained some level of understanding  
14 and control over their financial circumstances. When I  
15 began working with high school students in Upward Bound, I  
16 thought it was essential for our students to be introduced  
17 to basic financial concepts, the banking system, and other  
18 financial institutions in which we all participate.

19 During the summer of 2008, we began providing  
20 financial education for high school students who  
21 participated in Project Upward Bound at East Stroudsburg  
22 University. We introduced a financial education course  
23 titled Money 101 during the summer of 2008. We have taught  
24 financial literacy each summer since that time and  
25 integrated these concepts as part of our Foundations



1 course.

2 Another way we have supported our students in  
3 learning about finance and economics is by their  
4 participation in an Entrepreneurial Boot Camp at East  
5 Stroudsburg University and also taking them on a tour of  
6 New York City's Wall Street area and the Mint in  
7 Philadelphia.

8 Teaching students about financial literacy is  
9 also teaching them the important aspects of the  
10 professional language of our world. The average adult's  
11 financial life has become increasingly complex, and without  
12 prior knowledge, it can be challenging to fully comprehend  
13 the short- and long-term impacts of the many decisions that  
14 we are required to make over a lifetime. Credit  
15 requirements have narrowed increasing interest rates for  
16 those who don't meet the requirements, late payment  
17 penalties, and increasing interest rates for those who  
18 don't meet the requirements.

19 Additionally, while electronic transactions have  
20 become easier to make, for instance, smart phones now  
21 enable one to pay for transactions, many youth are not  
22 aware of the myriad rules and regulations which govern  
23 these transactions or how they continue to change at a  
24 rapid pace.

25 Therefore, it is important for our students to

1 learn more about our financial institutions and understand  
2 basic concepts in personal finance like how to discern the  
3 difference between their financial needs and wants, credit  
4 card management, how to save and invest for emergency  
5 funds, college, autos, home, retirement, and other life  
6 events.

7           Finally, I think that the high school years,  
8 particularly the junior and senior years, are appropriate  
9 developmental stages in an adolescent's life that make it  
10 an effective time to teach these principles. I have  
11 witnessed the changes and commentary from students and  
12 parents who have learned more about finance.

13           I support the introduction of this legislation to  
14 provide our youth and future worker-citizens with the  
15 awareness and expertise to make informed decisions that  
16 will increase the stability of their families and our  
17 communities going forward.

18           Again, I would like to thank the Committee and  
19 State Representative Brown for the invitation and  
20 opportunity to address you today about how our Upward Bound  
21 project supports the teaching of financial education and  
22 life skills to high school students. Thank you.

23           MAJORITY CHAIRMAN CLYMER: The Chair thanks the  
24 gentleman.

25           Chairman Roebuck has arrived, so we welcome Jim

1 this morning.

2 MINORITY CHAIRMAN ROEBUCK: Good morning.

3 MAJORITY CHAIRMAN CLYMER: And now, Joseph Tudda,  
4 you have a few remarks you'd like to make before the  
5 Committee. You may begin.

6 MR. TUDDA: Thank you for allowing me to give  
7 testimony on a subject that I'm passionate about.

8 As you know, my name is Joseph Tudda, III. I'm a  
9 junior at East Stroudsburg Senior High School North, as  
10 well as an Upward Bound student. I have participated in a  
11 NEFE program at ESU and I also look forward to taking a  
12 NEFE class at Upward Bound.

13 My life as a student has been affected by  
14 financial issues as I've been struggling to stay  
15 financially balanced in my current household. It has been  
16 improved by what I've learned at the NEFE program. Before  
17 I participated in the NEFE program, I did not fully grasp  
18 the concept of money or how to use it properly. I would,  
19 for example, get \$100 and then go spend it on a \$60 game,  
20 among other things. The next thing I knew it was all gone  
21 and I would try to find a way to get more money just  
22 because I loved to spend it. Not knowing its importance or  
23 value, it was as if I just could spend it. If I was given  
24 money, I would without a doubt spend it on wants instead of  
25 prioritizing my needs.

1           People would always try to explain to me but I  
2 just would not listen. I said, oh, yes, I understand, when  
3 in reality I did not care or understand. Then I joined  
4 Upward Bound because I wanted to have my own career and  
5 wanted to strive towards my goal of going to college.  
6 Thanks to that program, I discovered the social side of  
7 myself and learned about ways to prepare for college and in  
8 high school. Every day I was at that program I learned  
9 more about the real world, and for the first time, nobody  
10 tried to shield me from the truth.

11           Then during the end of my sophomore year, I was  
12 invited to take part in a financial seminar. I decided I  
13 should do it just because I lived in a single-parent family  
14 and had a low level of knowledge about the financial world.  
15 When I attended the NEFE seminar, the instructors talked  
16 about some of the key points of money management. In money  
17 management, I learned how to prioritize my wants from needs  
18 in a way that I could still get the things I want but focus  
19 on things I needed.

20           The method called PYF, or Pay Yourself First, is  
21 the number one thing I had learned that helped me get into  
22 the habit of saving but to never give myself an excuse of  
23 saying I don't have the money. It is a way of saving money  
24 for financial goals while never having to take on debt from  
25 the more expensive things.

1           In addition to attending the NEFE financial  
2 seminar, I also attended a class at Upward Bound that  
3 discussed financial troubles that a student going into  
4 college may experience and how to overcome them. Some of  
5 the issues discussed were going into debt through student  
6 loans, not being able to afford tuition, and also how to  
7 prepare to pay for college. Not only did I take valuable  
8 information from this, but many other students have as  
9 well. And I have begun to prepare for college. We will  
10 also be helping others by spreading this knowledge, not  
11 amongst ourselves, but to other students.

12           I believe that programs like NEFE should be  
13 introduced to all other high school students to help them  
14 prepare for their future, not only futures involving  
15 college, but those involving other career paths and life  
16 choices. Not many students going into or leaving high  
17 school have any knowledge of how the world outside of high  
18 school works, especially about the way financial knowledge  
19 is needed in their day-to-day lives.

20           These days, students usually do not strive for  
21 college either because they did not do well enough in high  
22 school or they don't think they can afford it. In reality,  
23 if they really want to go to college, they may have  
24 opportunities that they did not know about such as  
25 scholarships and financial aid. That is not the only issue

1 as many students also do not know the value of the dollar.

2 From what I have observed at my school and with  
3 the general public is that teens that never learn the value  
4 of the dollar will continue to struggle in their first  
5 steps of being independent. The few teens that have taken  
6 some sort of financial course in their high school career  
7 always seem to be much better prepared for independence.  
8 In the area that I live in teens that I knew personally who  
9 have graduated high school are still living with their  
10 parents in their homes with little money from their jobs  
11 and then they go to some sort of postsecondary school of  
12 education. The thing is that they cannot just because they  
13 don't know how to properly fill out a scholarship  
14 application or did not know how harmful abusing a credit  
15 card is. They don't know how to budget or save money.

16 I know this because I see my own father struggle  
17 to pay off his credit cards and to pay off his rent. He  
18 struggles because he did not have the proper education.  
19 Even though today he knows safe money practices when it  
20 comes to saving and separating needs from wants, but it was  
21 too late for him to make up much ground. Today, we  
22 struggle less and I will not have to endure those same  
23 difficulties because of the new methods I learned through  
24 NEFE and the lessons taught to me in the Upward Bound  
25 Foundation to Junior Seminar programs. These programs need

1 to be mandatory in high school so we can prepare our future  
2 leaders to enter the real world.

3 Thank you again for allowing me the honor of  
4 giving testimony on such an important subject.

5 MAJORITY CHAIRMAN CLYMER: Well, Joseph, that was  
6 very good testimony and you really hit the high points.

7 Both Chairman Roebuck and myself sit on the PHEAA  
8 Board and we know that many students get themselves into  
9 financial difficulty because in some cases they're not  
10 managing their money. And as you have very articulately  
11 pointed out, there are scholarships, there are grants and  
12 aid, there are ways in addition to loans that students can  
13 acquire to reduce the cost of going to school. And there's  
14 different options from community college, as you well know,  
15 to a college, to a university.

16 There are so many things that are available to  
17 help a student to reduce the cost to go to higher education  
18 if they so desire that they do not take advantage of, but  
19 you have been well schooled and I congratulate you on that  
20 decision.

21 And also, Mr. Trujillo, you had mentioned the  
22 fact that you teach them financial literacy. Of course  
23 that's what we're here for but in a very practical way, and  
24 that is so important so that when they have an income, they  
25 know how to disperse that income to look at priorities.

1 Now it sounds so simplistic but far too many students and  
2 even adults I would say are not picking up on how to deal  
3 with that issue.

4 So the testimony has been very good. Thank you,  
5 Representative Brown, for bringing them.

6 Now, we have some Members who would like to ask  
7 questions. At this time the Chair does recognize Chairman  
8 Roebuck for questions.

9 MINORITY CHAIRMAN ROEBUCK: Thank you,  
10 Mr. Chairman.

11 I wondered, and I've only heard part of the  
12 testimony, but as I listen to the young man offer his view  
13 on developing financial literacy, when I was in elementary  
14 school -- and I can remember that far back -- actually, we  
15 were encouraged to develop habits of financial management.  
16 I remember there was a bank in Philadelphia called the  
17 Philadelphia Savings Fund Society, and every student had a  
18 passbook and every week you put your quarter or whatever  
19 you could and you put it in there and you got the sense of  
20 how money accumulated, how you develop good saving habits.

21 Am I hearing now that that's not something that  
22 is an experience that you had or was there a program in  
23 place before this point which encouraged you to save or  
24 familiarized you with the process of how banks function in  
25 general?



1           MR. TUDDA: Well, from what I know now -- and I  
2 still have a lot of things I need to learn about saving up  
3 money and all that, but I basically learned through my  
4 father and some teachers in high school who go out of their  
5 way to teach kids just because they know that they don't  
6 get that type of knowledge. Basically, I learned how to  
7 write up a check using a checkbook, how to go to a bank and  
8 get like a debit card type thing where basically you save  
9 money, put it into the bank, and you can spend it instead  
10 of having cash on you, that you could use the card, which  
11 is a little bit more secure.

12           But besides that, I have no full knowledge of how  
13 the bank system works except from what I've been taught in  
14 Upward Bound or in high school.

15           MINORITY CHAIRMAN ROEBUCK: So you got none of  
16 this before high school. Is that what you're telling me?

17           MR. TUDDA: No.

18           MINORITY CHAIRMAN ROEBUCK: I find that  
19 disconcerting at best. It taught me not only how to save  
20 but it also gave me a loyalty to a financial institution.  
21 There's no Philadelphia Savings Fund Society any longer but  
22 it's evolved into something called Citizens Bank, which in  
23 fact is still where I have all of my banking accounts. So  
24 it's not only in terms of my personal, but also in terms of  
25 the success of that particular financial institution or

1 creating the sense of commitment to that institution.

2 So I certainly think what you've said is very  
3 much on target and important, but I would wonder if in fact  
4 we should not look at ways of giving students the knowledge  
5 you have now much earlier in their careers.

6 So with that, Mr. Chairman, I thank you.

7 MAJORITY CHAIRMAN CLYMER: The Chair thanks the  
8 gentleman and recognizes Representative Aument.

9 REPRESENTATIVE AUMENT: Thank you, Mr. Chairman.

10 Joseph, I appreciate very much your testimony and  
11 you may have other groups in the room that may hire you to  
12 do this in the future. Very well said, concise, and to the  
13 point.

14 I see from your short biography here that was  
15 provided to us that you like to play videogames and learn  
16 about technology, and so my question to you at East  
17 Stroudsburg Senior High School, have you been exposed to  
18 any online content? Do you take any of your courses  
19 currently -- have you taken any courses online or in a  
20 hybrid learning mixed environment between digital online  
21 content and in-class work?

22 MR. TUDDA: We don't have like a hybrid type of  
23 learning, only classes that concern computers that you have  
24 to use it such as an electronics course where you need to  
25 use it to design whatever you need to make. We don't

1 really have classes that basically combine the two unless  
2 it's needed. If they don't trust students' handwriting,  
3 they have you type it. And it happened a lot in my school.  
4 And besides that, we don't really have a hybrid type of  
5 learning when it comes to computers or technology.

6 REPRESENTATIVE AUMENT: Is that something you  
7 think either a hybrid or an online course would be  
8 something that you would enjoy being exposed to or you  
9 think you'd benefit from potentially?

10 MR. TUDDA: Honestly, I think for hybrid, to take  
11 classes on the computer or whatever, I think that would  
12 come in handy if let's say school gets closed because of an  
13 incident inside of the building or winter, I think it would  
14 be for that situation, but inside of a classroom I think  
15 it's better to have a person-to-person communication,  
16 contact because you develop socially not only with other  
17 people and students but with your teachers themselves as  
18 well.

19 REPRESENTATIVE AUMENT: Yes. I think that's a  
20 great point and that's something that this Committee has  
21 looked at over the last year-and-a-half. And one of the  
22 opportunities I think that we discussed earlier this  
23 session, legislation that we passed and it's over in the  
24 Senate awaiting action over there -- we have a lot of  
25 legislation, Mr. Chairman, that seems to be awaiting action

1 over there -- but specifically an online clearinghouse.  
2 And so some students, as you've highlighted, may not learn  
3 best in that environment, in a digital, online, or a hybrid  
4 learning environment, but many students, we've got data  
5 that points to, they do learn and we've seen academic  
6 achievement improve as a result of students in that  
7 environment.

8           The only point that I'd like to make for folks  
9 who are listening who are in the room, Members of the  
10 Committee, the online clearinghouse legislation that we  
11 passed that's over in the Senate now I think would be a  
12 tremendous opportunity for courses such as this where East  
13 Stroudsburg University or Upward Bound could actually be a  
14 provider of online content and that you could be providing  
15 that content not just to schools in your area but frankly  
16 could be provided to schools all across the Commonwealth.

17           If you've got good content, strong curriculum  
18 that's been developed to be put in a digital format and you  
19 could be a provider of that course through an online  
20 clearinghouse and make this financial literacy course  
21 available to students all across this Commonwealth, I think  
22 that's exactly the sort of opportunity that would be  
23 available if we would continue to move forward with  
24 innovation just like that.

25           So I appreciate very much your testimony and your

1 comments.

2 Thank you, Mr. Chairman.

3 MAJORITY CHAIRMAN CLYMER: The Chair thanks the  
4 gentleman and recognizes Representative Truitt.

5 REPRESENTATIVE TRUITT: Thank you, Mr. Chairman.  
6 And thank you both for your testimony.

7 First, to Joseph, I want to commend you on your  
8 testimony today and for taking an interest in financial  
9 literacy as a youth, and the decisions that you're going to  
10 make at this time in your life, positive decisions are  
11 going to pay off for you in a big way down the road and  
12 negative decisions that you make are going to pay off for  
13 you in a big way down the road. And a lot of folks don't  
14 realize that.

15 We even see that at the State level. We've made  
16 some bad decisions; I'm not going to blame it on anybody in  
17 particular, but over a 10-year window the State has managed  
18 to dig itself into a \$50 billion hole that it's going to  
19 take us about 30 years to get out of. So it took us 10  
20 years to get into it and it's going to take us 30 years to  
21 get out of it, so that gives you an idea of the importance  
22 of making good decisions early on. So I want to commend  
23 you for recognizing that at this early stage in your life.

24 Mr. Trujillo, I would like to know, as we're  
25 developing legislation for this, it's become pretty clear

1 that one of the biggest things that we're going to have to  
2 figure out is what is the right amount of financial  
3 literacy education for students in middle school and high  
4 school? And I noted that you said you guys had introduced  
5 a financial education course titled Money 101. I was  
6 wondering if you could tell us approximately about how many  
7 hours of training were in that. I didn't see that in your  
8 testimony.

9 MR. TRUJILLO: Well, the Money 101 course that we  
10 offer, we had two courses at that time. It was Money 101  
11 and Financial Education course. They were taught by  
12 Dr. Richard Chandler. That course is taught over the  
13 summertime and so the students participated in that course  
14 for over six weeks and attended that for four days, so 24  
15 hours over the six-week session with assignments and so  
16 forth and online programs at local banks, at Wells Fargo  
17 and programs like that.

18 We learned that with Money 101, it was more  
19 focused on freshmen and sophomores, and we had the  
20 Financial Education course that focused more on juniors and  
21 seniors. And one of the things that I say in my testimony  
22 is developmentally from 9 through 12 you have these kind of  
23 changes that go on that as educators I'm sure you're aware  
24 of, and so how it is that we -- I think it's a great  
25 question, how many hours you provide but what kind of

1 content and how is it made meaningful to the student at the  
2 development stage they're at?

3 For instance, passbooks I remember, and then I  
4 think that putting quarters in a passbook or physically  
5 doing that and seeing it accumulate or going to the bank,  
6 it's a physical way; it's meaningful for someone who is in  
7 primary schooling. So I think that's an essential matter  
8 for educators in regards to financial education because it  
9 can be a very abstract kind of thing.

10 But in regards to the hours in a particular  
11 course, I hope I answered your question, Money 101 with 24  
12 hours.

13 REPRESENTATIVE TRUITT: Yes, so just the first  
14 course was 24 hours by itself---

15 MR. TRUJILLO: Yes.

16 REPRESENTATIVE TRUITT: ---so you would probably  
17 recommend more than 24 hours overall over the four years,  
18 let's say a student from 9th through 12th grade?

19 MR. TRUJILLO: Oh, yes. Yes, absolutely.  
20 Absolutely. I mean when we're in the summer program and  
21 you have that kind of continuity for six weeks, it becomes  
22 more intensive, and as I said, a couple of field trips and  
23 things like that, it becomes more meaningful.

24 REPRESENTATIVE TRUITT: Yes, you want to find a  
25 way to roll it into other -- you know, if you can---

1 MR. TRUJILLO: Yes.

2 REPRESENTATIVE TRUITT: ---blend it in to your  
3 math courses and your social studies courses and things  
4 like that, that's great. But I'm just trying to come up  
5 with a ballpark of how many hours are dedicated financial  
6 literacy instruction is appropriate for a student. So  
7 thank you.

8 MR. TRUJILLO: You're welcome.

9 MAJORITY CHAIRMAN CLYMER: The Chair thanks the  
10 gentleman and recognizes Representative Gillen.

11 REPRESENTATIVE GILLEN: Thank you very much for  
12 your testimony.

13 Thank you, Representative Longietti.

14 Chairman Roebuck sparked a memory for me. He  
15 talked about putting quarters I think in a passbook around  
16 the World War I era. I can remember I think it was a  
17 dollar, you know, a little inflation through the years, but  
18 I suspect much -- like Chairman Roebuck, I was putting  
19 something in but there was some work ethic involved. There  
20 was some dropping of sweat, raking of leaves, mowing of  
21 yards, newspaper route. What role does that play in  
22 developmental financial literacy? We invested, it was a  
23 relatively small amount, but there was a principal. There  
24 was a learning experience. And because we earned that  
25 money, we didn't want to see it go down the tubes very



1 quickly.

2           And so for me a seminal moment in my life I think  
3 really was the newspaper route, the responsibility, but  
4 going out there in those days you collected the money on a  
5 Friday hoping that they were home and you didn't have to  
6 keep going back, and then you paid your bill and you set  
7 something aside. And when you were a spendthrift, you lost  
8 your own money. It wasn't somebody else's money. And so  
9 what role does that play vocationally, educationally in our  
10 learning experience and can we inculcate that value with  
11 regard to the financial literacy curriculum?

12           MR. TUDDA: In my opinion stuff like that where  
13 even teens now work hard to get money and how you said you  
14 don't want to see that money just go away, real-life  
15 situations like that should be incorporated in financial  
16 classes just because there's a lot of kids who don't know  
17 anything about the real world. They're in high school,  
18 they hide behind all this stuff where teachers tell them,  
19 yes, it's safe here, you learn everything in your classes  
20 and then you get out to the real world and it's like you  
21 get hit by something. I don't know what this is.

22           A real-life situation like newspaper routing,  
23 working in a small business like for your first time, stuff  
24 like that should be incorporated into those classes so that  
25 they get an understanding and a base of what the real life

1 is and so that they know, hey, I want to keep this money  
2 here or I want to work hard to get a better job where I can  
3 earn more and then I can get what I want and be able to  
4 survive in life with getting a house, providing for food,  
5 clothes, and all that while being able to be happy in your  
6 life instead of doing backbreaking work. And not many  
7 people like that.

8           There are people out there, however, that like to  
9 do that stuff, manual labor, but there's people who like to  
10 do different things in life and sometimes they don't have  
11 the opportunity to do that. So classes like that basically  
12 help kids understand basically how to strive further into  
13 what they want to do.

14           REPRESENTATIVE GILLEN: One of my daughters, my  
15 12-year-old daughter was putting fence posts out with me  
16 over the weekend, and so there certainly is a value in that  
17 and I appreciate your comments. And thank you very much  
18 for your distinguished testimony as well.

19           Thank you, Mr. Chairman.

20           MAJORITY CHAIRMAN CLYMER: The Chair thanks the  
21 gentleman.

22           I was telling Chairman Roebuck when he was  
23 talking about those quarters, well, that's what I put in,  
24 quarters. I go back to that time. But that was kind of  
25 neat because each week you'd see the passbook and you'd see

1 the amount increase and that was quite interesting and very  
2 exciting for someone in elementary school.

3 That concludes the questions so the Chair thanks  
4 Representative Brown and our two testifiers that were with  
5 us this morning, very good. The young man did a good job  
6 and I hope you have a good influence on your friends back  
7 at East Stroudsburg.

8 So thank you again.

9 REPRESENTATIVE BROWN: Thank you.

10 MAJORITY CHAIRMAN CLYMER: We appreciate it.

11 MR. TRUJILLO: Thank you.

12 MAJORITY CHAIRMAN CLYMER: And our next testifier  
13 this morning is Donna Gavitt, who is the Legislative Chair  
14 of the Pennsylvania Business Education Association.

15 So, Donna, appreciate you being with us this  
16 morning. And I believe we have your testimony so you can  
17 begin.

18 MS. GAVITT: Good morning. And I want to  
19 recognize Chairman Clymer. Thank you. Chairman Roebuck,  
20 thank you and the Members of the Education Committee.

21 When I was emailing Judy Smith last night, I  
22 emailed her my outline and she said but do you realize you  
23 only have five minutes? So I have my watch. And I'm going  
24 to have a conversation with you. I changed everything.

25 My name is Donna Gavitt and I'm a business,

1 computer, and information technology teacher at Selinsgrove  
2 High School. I'm the regional Future Business Leaders of  
3 America, FBLA, advisor for 15 schools in my region and the  
4 Pennsylvania Business Education Association Legislative  
5 Chair. And as a side note, I'm also a school board member  
6 in Pennsylvania.

7           And I don't often get the opportunity to say  
8 thank you in person, but I want to thank you for your  
9 ongoing work at equalizing the funding for basic education  
10 and for specialized special education. Thank you. I know  
11 that's work in progress.

12           What we're asking, PBEA, Pennsylvania Business  
13 Education Association, is for you to support House Bill  
14 1739, and you have a copy of that in your packet. It asks  
15 that finance and economic courses be taught by business,  
16 computer, and information technology teachers. Why? Well,  
17 because every student leaving our schools needs a  
18 functional financial literacy education to survive in an  
19 increasingly complex financial landscape. We must change  
20 how we prepare our students to be successful when they  
21 leave high school, when they get credit cards, when they  
22 incur education loans for college, when their identity is  
23 stolen, when they run for town council and have to fix the  
24 budget, when they don't have Social Security and pensions  
25 and 401(k)s to fall back on. And they have to save, save,

1 save. I'm currently teaching compound interest and the  
2 power of the time value of money. And they need to know  
3 and be prepared for when their belongings are stolen from  
4 their dorm room. Did they have insurance?

5 We must do a better job for our kids. Business  
6 education and preparation for business, computer, and  
7 information technology teachers has changed to become more  
8 rigorous and focused on the changes brought to us by  
9 deregulation, those ugly mortgage creatures, a focus on  
10 long-term goals, investments in securities. We have to go  
11 deeper.

12 You have another handout. It's just an overview  
13 of what our new standards are, and these standards were  
14 approved by the State Board Of Education November 2013.  
15 PBEA and the BCIT teachers have prepared by, number one,  
16 writing standards in personal finance and economics for a  
17 deeper understanding of more complex finances. It's not  
18 just your family budget anymore; it's your organization  
19 budget, it's your town budget, it's Harrisburg's budget. I  
20 had to do that.

21 We have a more challenging Praxis exam. That  
22 changed two years ago. Professors at universities across  
23 Pennsylvania helped to rewrite our education testing  
24 service Praxis exams. You also have three Praxis exams in  
25 your handouts, and if you compare those exams, I challenge

1 you to see who is better prepared for teaching financial  
2 literacy.

3           With finance and economic standards, BCIT-  
4 certified teachers and the new citizenship certification --  
5 that's citizenship K to 12, BCIT K to 12 -- these teachers  
6 are best certified to deliver the content. I know it's  
7 called cross training in business. There's such a thing as  
8 cross certification in education. It is done. I have five  
9 certifications.

10           The work of the task force that you have here  
11 today is really important. What they've done is  
12 phenomenal. I applaud their work. We've been working at  
13 the same problem, financial literacy, from two different  
14 angles and you'll see that in Act 101, the Omnibus Bill.  
15 Business education standards were part of that bill, as was  
16 the task force creation was part of that bill. So we were  
17 both working toward the same goal. Their work is  
18 important.

19           We agree with Professor Trujillo that juniors and  
20 seniors in high school are the best audience for this  
21 education. We agree with one of the recommendations of the  
22 task force. That one recommendation is that there be a  
23 capstone course in high school before students leave high  
24 school and go to the workforce or go into college. As a  
25 school board member, I can tell you I don't like mandates.

1 You know that. How can we do that as not a mandate? I  
2 don't know. I really don't know but I think it's really  
3 necessary that we do a better job for our students.

4 We support every single organization in this room  
5 because I know we're all fighting for the same end,  
6 financial literacy for every high school student, not wait  
7 until they get to college. We again, Pennsylvania Business  
8 Education Association and business, computer, and  
9 information technology teachers, ask you to support House  
10 Bill 1739.

11 And I leave you with these thoughts -- not doing  
12 bad, Judy -- I'm from north central Pennsylvania, a very  
13 conservative part of the country I might add, and they had  
14 an editorial in the newspaper, "Financial education needs  
15 an upgrade in our schools."

16 Some of the failings in the priorities we set for  
17 schools seem obvious. One is financial literacy. In  
18 essence, that means teaching students how to handle  
19 personal finances and basics on the economy as a whole. I  
20 use Jump\$tart materials. I use NEFE materials, the  
21 National Endowment for Financial Education. I use  
22 Pennsylvania Economics PA materials. There are some  
23 outstanding organizations that supply us with the resources  
24 that we use to teach financial literacy. I no longer use a  
25 book.

1           An international assessment of financial literacy  
2 among students has been completed by the Organisation for  
3 Economic Co-operation and Development. Though American  
4 students did not turn in embarrassing scores, they  
5 certainly did not shine. Their financial literacy was  
6 ranked 9th among the 18 groups.

7           And lastly, this month's *TIME* magazine, Rana  
8 Foroohar, I love her column, she says, "There's an  
9 unbalanced recovery and it's student debt." According to a  
10 recent study by Wells Fargo, one-third of Millennials say  
11 they would have been better off working than attending  
12 college. We need to get them ready a lot sooner. House  
13 Bill 1739 would go a long way to doing that.

14           Thank you.

15           MAJORITY CHAIRMAN CLYMER: Thank you for your  
16 testimony, Donna. It's very informative and very helpful.

17           The question I have is that there are seminars  
18 that are held by so-called business experts. Sometimes you  
19 can meet with them; they gather people in a motel---

20           MS. GAVITT: Carefully.

21           MAJORITY CHAIRMAN CLYMER: ---or they're on  
22 television, they come on and I've listened to them and it  
23 makes common sense like how to buy life insurance. If  
24 you're a single person, if you're a married person, how to  
25 go get a mortgage. If you want to invest in municipal



1 bonds, here's the reasons why you invest in them rather  
2 than go into the general bond market. What kind of stocks  
3 you need to buy, what are safe, what are preferred, what  
4 are common. And it seems to me that they make sense. I  
5 don't know if people really grasp what these experts are  
6 saying but it seems like they have a story to tell and they  
7 do get a wide audience. What are your thoughts about these  
8 additional venues that are out there to help people  
9 understand how to make good investments?

10 MS. GAVITT: I think there are a lot of good  
11 venues and I pull from a lot of those. For example, I've  
12 pulled from the Suze Orman show. I've pulled from Shark  
13 Tank because I teach entrepreneurship. I've pulled from  
14 Visa, Discover. Economics PA is a big one for me. They  
15 now have one on financial literacy of energy.

16 And in the school where I'm on the school board,  
17 we're doing a lot with energy and STEM education. And so  
18 I'm going to say to them but how do you finance it? Let's  
19 look at the finances. Let's integrate all of these  
20 concepts. We're at a critical point in financial education  
21 but we can do it because all the pieces are in place. Yes,  
22 I use those shows---

23 MAJORITY CHAIRMAN CLYMER: Okay.

24 MS. GAVITT: ---and that information, Jim Cramer,  
25 too.

1 MAJORITY CHAIRMAN CLYMER: So you're well  
2 involved.

3 And my final question is that you said that you  
4 are involved with the Future Business Leaders.

5 MS. GAVITT: Yes.

6 MAJORITY CHAIRMAN CLYMER: Okay. What motivates  
7 those individuals to be a Future Business Leader, I mean to  
8 be part of the capitalistic system? What is it that you  
9 see in their background or what is it in their character  
10 that makes them want to be part of this organization to  
11 lead in the business field? Because sometimes there's a  
12 lot of criticism. But anyway, that's my question.

13 MS. GAVITT: Good question. The Future Business  
14 Leaders of America club in Pennsylvania, PA FBLA -- and if  
15 you go to PAFBLA.org, you can become very familiar with  
16 that organization -- it is independently run as a business.  
17 Students are allowed to compete in business topics. They  
18 write business plans and compete with other schools. They  
19 test in online subjects, computer applications,  
20 entrepreneurship. They can do standup public speaking,  
21 Public Speaking I and II, Impromptu Speaking. They compete  
22 in all of these areas and they choose these areas because  
23 it's something they're interested in. And then I try to  
24 help them prepare and get ready for the competition.

25 You really want to go to the State Future

1 Business Leaders of America Conference in Hershey. You  
2 would be so impressed with what our kids can do. There are  
3 13,500 kids in this club across Pennsylvania and they  
4 haven't asked you for a dime.

5 MAJORITY CHAIRMAN CLYMER: That's my kind of  
6 person. I like that. Okay. Thank you.

7 The Chair recognizes Chairman Roebuck.

8 MINORITY CHAIRMAN ROEBUCK: Thank you,  
9 Mr. Chairman.

10 Thank you for your testimony.

11 You mentioned the certified teachers. Could you  
12 give me an idea of how many there are in that category?

13 MS. GAVITT: How many certified teachers in just  
14 business, computer, and information technology?

15 MINORITY CHAIRMAN ROEBUCK: Right.

16 MS. GAVITT: I'm guessing around 450. That's a  
17 guess. We have 200 in our organization. Some have lost  
18 their jobs and so we have fewer BCIT teachers. That's my  
19 guess. There were 700 probably two years ago. But do I  
20 know how many now? No. I'd have to call every school and  
21 find out.

22 MINORITY CHAIRMAN ROEBUCK: So you have  
23 approximately 400 out of how many schools would you say?

24 MS. GAVITT: There's 500 schools. I would guess  
25 there's more than that---

1           MINORITY CHAIRMAN ROEBUCK: Okay.

2           MS. GAVITT: ---and I would guess that many of  
3 them have cross certified. For example, one of my FBLA  
4 advisors is both family and consumer science and business,  
5 computer, and information technology. They have cross  
6 trained.

7           MINORITY CHAIRMAN ROEBUCK: Sure. Okay. Thank  
8 you.

9           MAJORITY CHAIRMAN CLYMER: Representative Truitt.

10          REPRESENTATIVE TRUITT: Yes.

11          MAJORITY CHAIRMAN CLYMER: Representative Truitt  
12 for questions.

13          REPRESENTATIVE TRUITT: Thank you, Mr. Chairman.  
14 This is just a quick question. You referenced House Bill  
15 1739. I kind of see that bill as having two parts. One of  
16 them basically says that the person who's going to teach a  
17 financial literacy course has to be somebody who's  
18 qualified, and then there's the second piece---

19          MS. GAVITT: Exactly.

20          REPRESENTATIVE TRUITT: ---that says it has to be  
21 a certified teacher. And that's the part, frankly, that  
22 gives me a little bit of heartburn because I'm thinking,  
23 well, what if Warren Buffett or Jack Welch or one of the  
24 guys from Shark Tank volunteers to come in and teach a  
25 course for a school district for free on financial

1 literacy? I don't want to tie the school districts' hands  
2 and make it impossible for them to utilize some unusual  
3 resources that might become available. I mean how critical  
4 do you think the---

5 MS. GAVITT: We utilize a lot of guest speakers.  
6 For example, bankers come in and talk to the kids about  
7 banks. I have insurance people come in and talk to the  
8 kids about insurance and when they should be insured and  
9 how much insurance they should have. So I don't see that  
10 as precluding any guest speakers from coming in to schools  
11 or giving a free course.

12 REPRESENTATIVE TRUITT: Okay, great. Thanks.

13 MS. GAVITT: Thank you.

14 MAJORITY CHAIRMAN CLYMER: You're not done yet.

15 MS. GAVITT: I am not done yet, no, of course  
16 not.

17 MAJORITY CHAIRMAN CLYMER: [inaudible] that's  
18 Representative Carroll. This is an important issue; we're  
19 talking money.

20 REPRESENTATIVE CARROLL: Thank you.

21 The essence of this discussion, as I gather, is a  
22 question of whether or not we should require the districts  
23 to go forward with a financial literacy program. You seem  
24 to have a very unique position here from the perspective of  
25 an instructor as well as a school board member. And you

1 hung a lantern on the fact that you weren't wild about the  
2 idea of a mandate, but I guess I have to try and pin you  
3 down a little bit more.

4 MS. GAVITT: Yes.

5 REPRESENTATIVE CARROLL: You know, if we're  
6 serious about going forward with something like this and  
7 we're not going to force the districts to do this, what  
8 other mechanism would there be to get the 500 districts  
9 with their many more than 500 high schools throughout our  
10 Commonwealth, how else are we going to get them to do this?

11 MS. GAVITT: You're absolutely right about that.  
12 That's a conundrum that I kind of have to work with. And  
13 the two schools that I'm associated with, in my school it's  
14 a graduation requirement. And some of the testimony you've  
15 heard it gives you some idea about different schools that  
16 have personal finance. The task force will tell you about  
17 the different schools that have personal finance as a  
18 requirement and personal finance as an elective. So I see  
19 schools moving in that direction.

20 That it's required, yes, you're going to get some  
21 pushback on that. Is it important? Yes, I think it's more  
22 important than the pushback on a mandate.

23 I don't like mandates, I got to tell you, but  
24 you're absolutely right; that's the part of that I'm  
25 fighting with. And so I'm looking at solutions or

1 compromise solutions to the mandate piece. There are two  
2 areas of certification that address finance and economics:  
3 citizenship; and business, computer, and information  
4 technology. Those two areas, any teacher is capable of  
5 getting those certifications but we would have to do what  
6 PDE did about three, four years ago, open up a window where  
7 teachers can cross certify, take the Praxis exam to get the  
8 certification. That's going to cost them the cost of the  
9 test. That's one solution.

10 The mandate solution I'm not sure about. I did  
11 speak to the Pennsylvania School Boards Association two  
12 years ago at their annual conference about the need for  
13 financial literacy in our schools, and everybody in that  
14 room, which was only 1/50th of the members in the entire  
15 conference, agreed with what I was saying. So I think you  
16 get a lot of agreement on the need for this kind of  
17 education. And so I think it's getting the agreement and  
18 letting school administrators help in coming up with the  
19 solution. They need to buy in. And how can they do that  
20 as a requirement? We're doing it. There are schools that  
21 are doing it.

22 And so, yes, it's a little bit of a hill we need  
23 to get over. And I didn't your question to your  
24 satisfaction.

25 REPRESENTATIVE CARROLL: No, it was a very

1 lengthy response but I thought I heard -- you got close to  
2 you wouldn't push back on a mandate. I thought I heard  
3 that somewhere embedded in there.

4           It's not a question, just a comment at the end  
5 here. If we're going to go down this path, there's  
6 probably going to be some tradeoffs with respect to what  
7 happens in our districts both in terms of the academics and  
8 in terms of the finances. And if we're going to have a  
9 financial literacy discussion related to what we're going  
10 to do for our students, we ought to have the same financial  
11 literacy discussion with respect to how the Commonwealth is  
12 going to treat our districts. I'll stop there.

13           MS. GAVITT: Thank you. Well said.

14           MAJORITY CHAIRMAN CLYMER: The Chair thanks the  
15 gentleman.

16           And we thank you, Donna Gavitt, for being with us  
17 this morning.

18           Our next panel is the Task Force on Economic  
19 Education and Personal Financial Literacy Education, and  
20 they include -- and they can come forward -- Mary  
21 Rosenkrans, Financial Education Consultant and Task Force  
22 Chair; Joseph Staub, Vice President of Sales, Tidewater  
23 Mortgage Services, Incorporated, also a Member of the  
24 Exeter Township School District School Board; Dr. Cathy  
25 Bowen, CFCS, Professor of Consumer Issues, Department of



1 Agricultural Economics, Sociology, and Education of The  
2 Pennsylvania State University.

3 So welcome all.

4 And how about, Mary Rosenkrans, you can begin  
5 your testimony this morning.

6 MS. ROSENKRANS: Thank you, Chairman Clymer,  
7 Chairman Roebuck, and Members of the House Education  
8 Committee for allowing me to speak about the need for  
9 financial education in schools. I served as the Chair of  
10 the Financial Literacy Task Force that was mandated by Act  
11 104 of 2010.

12 And as you mentioned, I'm joined here today by  
13 two of our task force members, Dr. Cathy Bowen and  
14 Mr. Joseph Staub, to speak to you about the report and the  
15 recommendations that were submitted to the Governor and  
16 Legislature in January 2013. And you all have received a  
17 copy of that report in your packet, so feel free to read  
18 along as I highlight some of the particulars of that  
19 report.

20 I have been working in the field of financial  
21 education for over 10 years, with seven of those years in  
22 State Government as Director of the Pennsylvania Office of  
23 Financial Education, and prior to that, as that Office's  
24 school-based specialist providing teacher training and  
25 classroom resources on personal finance.

1           The Task Force on Financial Education met for 14  
2 months to study the needs and trends of financial education  
3 in Pennsylvania's schools. I would like to acknowledge the  
4 work of the task force members who represented some of our  
5 State's most knowledgeable experts on financial literacy  
6 and who took their task very seriously. They and I did an  
7 extensive review of current research, as well as best  
8 practices from other States and here in Pennsylvania so  
9 that we could make recommendations on how to improve our  
10 existing efforts.

11           The task force unanimously recommended four  
12 recommendations:

- 13           1) Require every Pennsylvania high school student  
14           to complete a standalone capstone course on  
15           personal finance in order to graduate.
- 16           2) Adopt comprehensive standalone Pennsylvania K  
17           to 12 academic standards devoted to personal  
18           finance.
- 19           3) Provide dedicated funding to support high-  
20           quality K to 12 personal finance instruction  
21           and teacher training.
- 22           4) Develop a financial education instructional  
23           endorsement for secondary teachers in  
24           Pennsylvania and corresponding program  
25           guidelines for professional educator programs.

1  
2           So here is what we know: Financial education  
3 should start early by introducing basic concepts about  
4 needs versus wants, spending, saving in the elementary and  
5 middle schools. And, Representative Clymer and  
6 Representative Roebuck, you both mentioned the passbook  
7 savings account. I, too, do remember them as well. And  
8 that was a great way to introduce some personal finance  
9 concepts in the elementary and middle school grades.

10           But we also need to then have a standalone course  
11 at the high school level, and one of the reasons is because  
12 as students enter their high school years, they are faced  
13 today with making many more complicated decisions about car  
14 insurance, credit cards, and paying for postsecondary  
15 education. In their senior year these 17- and 18-year-olds  
16 are being asked to make one of the biggest financial  
17 decisions of their lifetime when they sign student loan  
18 documents with little or no understanding of the terms or  
19 the economic consequences for their future.

20           And parents, who are often their child's first  
21 source of financial information, say they could use some  
22 help themselves and they overwhelmingly support the  
23 teaching of personal finance in schools. Representative  
24 Longietti gave statistic from Visa; I think it's worth  
25 repeating because in 2011 a Visa survey revealed that 85

1 percent of American parents believe all high school  
2 students should be required to take a class in financial  
3 education.

4           And I can tell you when I traveled across the  
5 Commonwealth conducting in-service trainings on financial  
6 education, I would often hear from teachers, teachers like  
7 Donna Gavitt, who were teaching personal finance, and they  
8 would tell me that parents knew what cycle day their  
9 children had this class and they would quiz their children  
10 on what they learned: Electronic banking, identity theft,  
11 phishing scams and the like, innovations and issues that  
12 have emerged that they know little about. So how can they  
13 teach what they themselves do not know?

14           Even school administrators, who we all know have  
15 many issues to address in today's public schools, tell me  
16 that they think financial education is important and wish  
17 that they themselves had had a class in it themselves so  
18 that they didn't have to learn from the "school of hard  
19 knocks."

20           Here in Pennsylvania, there are about 10 percent  
21 or close to 50 school districts whose school boards have  
22 passed a resolution for a required course. Now, I know  
23 Representative Longietti mentioned the number at 38 and  
24 that was the information we had from the survey back in  
25 2009. I'm happy to say that number is growing, so now

1 we're closer to about 10 percent of our school districts  
2 who, on their own, have determined that this is so  
3 important that it needs to be required for every student.  
4 And you're going to hear from two school districts today  
5 who have made that decision as well.

6           The majority of Pennsylvania high schools,  
7 however, when surveyed by Penn State's Survey Research  
8 Center in 2009, said that they offered some personal  
9 finance instruction either integrated into another course  
10 or as an elective.

11           So how do we do this? Representative Longietti  
12 mentioned that financial literacy really is a bipartisan  
13 issue and has support from both Democrats and Republicans.  
14 And I think today's hearing is an indication of that  
15 bipartisan support. The National Conference of State  
16 Legislators reports that over 500 bills have been  
17 introduced in States concerning financial literacy since  
18 2004.

19           Four States, Missouri, Utah, Tennessee and  
20 Virginia, lead the Nation in passing legislation that  
21 requires every student take a standalone, semester-long  
22 personal finance course in order to graduate. Some States  
23 have passed legislation that was not as specific, which has  
24 led to confusion by LEAs and has created a hodgepodge  
25 approach to implementation.

1           Similar to what Pennsylvania had done, other  
2 States provide funding for financial education, which often  
3 comes from their State's financial services divisions,  
4 whether it's banking or insurance or securities. Among  
5 those States are Connecticut, Oregon, Delaware, Texas,  
6 Iowa, Nebraska, and West Virginia. And in other States,  
7 the Treasurer's Office provides funding, including  
8 Tennessee, Massachusetts, and Illinois.

9           As was reported earlier, to teach personal  
10 finance school districts do not need to purchase an  
11 expensive textbook. There are many free or low-cost  
12 curricula and classroom materials available for K to 12  
13 teachers to use in their classrooms, and you'll hear about  
14 some of those resources today.

15           And while we know that most Pennsylvania high  
16 schools are offering some type of financial education as an  
17 elective or integrated into another class such as math,  
18 economics, business, or family and consumer science class,  
19 however, when it is offered as an elective, only half of  
20 the students will take it. And when it's integrated into  
21 another class, less than 25 percent of the content is  
22 devoted to personal finance instruction.

23           So after looking at the trends and needs, the  
24 funding issues, and all the research and statistics, the  
25 task force determined that it was critical that every

1 student, regardless of their plans after graduation, have  
2 access to basic money management lessons in order for them  
3 to make informed decisions about saving, spending,  
4 investing, and protecting their money as they enter today's  
5 complicated financial world. Not just some students, but  
6 all.

7 Thank you for the opportunity to speak to you on  
8 an issue that I am very passionate about. I'm happy to  
9 answer your questions today, as well as provide any other  
10 information upon your request.

11 MAJORITY CHAIRMAN CLYMER: Thank you. We'll go  
12 through the other two speakers and then Members of the  
13 Committee will ask questions.

14 Who wants to be next? Dr. Bowen, do you want to  
15 take the next call?

16 DR. BOWEN: Thank you. Chairman Clymer and other  
17 Members of the House Education Committee, again, my name is  
18 Cathy Bowen and I served on the Task Force. In addition, I  
19 am a member of the faculty at the University Park campus of  
20 Penn State University with primary responsibilities for  
21 non-formal education. I also teach an option consumer  
22 financial skills course and I am also a parent of two boys.

23 My comments are focused on teachers and parents,  
24 their beliefs about personal finance and their preparation  
25 and confidence related to teaching children basic money

1 skills.

2           At the base of a strong or stable household,  
3 community, county, or commonwealth are the skills and  
4 ability of the people who reside in them. Knowing how to  
5 make decisions related to managing the money we earn is in  
6 my mind a right and a responsibility. This right and  
7 responsibility can be nurtured in our elementary and  
8 secondary schools, as well as in our homes. However, for  
9 that to happen, the teachers and parents need to be well  
10 equipped with the ability to do that teaching. They also  
11 need the confidence to do that teaching.

12           Studies document that teachers lack basic  
13 personal financial skills, feel that personal finance  
14 should be taught in the public schools, and third, are  
15 agreeable to professional development related to personal  
16 finance. In a national study conducted by Way and Holden,  
17 less than 20 percent of the teachers reported feeling  
18 competent to teach on the six topics included in the  
19 survey. Those six topics included income and careers;  
20 planning and money management; credit and debt; financial  
21 responsibility and decision-making; saving and investing;  
22 and risk management or insurance.

23           In another study, Otter found that teachers  
24 believe personal financial instruction should begin in the  
25 elementary grades and that the best delivery methods



1 included a standalone course and embedding personal-finance  
2 concepts into existing courses.

3           Study after study reveals that American adults  
4 all believe that all high school students should have a  
5 course in personal finance. And during the years when I  
6 taught the two-hour personal finance class that was  
7 required for bankruptcy filers in this State, undoubtedly  
8 the final statement the minute those filers would make as  
9 they exited the room was "I should have had this in high  
10 school." And those were individuals who ranged up into the  
11 early 90s saying it. That was one person I recall taking  
12 that course.

13           Parents also are known as our children's first  
14 teacher and they unfortunately are in a similar position as  
15 the teachers are in terms of their knowledge about personal  
16 finance and about their perception and ability to teach  
17 their children basic money matters. For the past seven  
18 years, results from surveys conducted by Harris Interactive  
19 Polls indicate that adults continue to learn about personal  
20 finance from their parents, and again, most would give  
21 themselves a grade of C, D, or F because they don't feel  
22 like they have enough knowledge to do so.

23           For all the studies that we have, and we have  
24 many more that I've noted here or that you'll hear about  
25 today, I think things can be summarized into three

1 statements:

- 2 • Teachers and parents feel inadequate to teach  
3 personal finance. Both can use more training,  
4 education, or professional development.
- 5 • We are not going to improve the financial  
6 literacy in our children and in society until  
7 the teachers and the parents feel confident  
8 with their own knowledge levels.
- 9 • The longer we wait to take action, the larger  
10 the problem grows.

11  
12 Efforts have been made in Pennsylvania with the  
13 previously held Governor's Institutes on Financial  
14 Education for teachers, and currently, the Department of  
15 Education's Making Cents Project, which supports economic  
16 education and personal financial literacy according to Act  
17 104. Yet there is much work to be done.

18 Thank you for the opportunity to share a few  
19 thoughts. I look forward to my continued efforts to  
20 improve the financial literacy of Pennsylvanians.

21 MAJORITY CHAIRMAN CLYMER: The Chair thanks  
22 Dr. Bowen and now calls on Mr. Staub for his comments on  
23 the issue.

24 MR. STAUB: Thank you, Chairmen Clymer and  
25 Roebuck and Committee Members, for allowing me to speak.

1 Representative Longietti, I'm going to parrot some of the  
2 things you've already referenced. Representative Gillen, I  
3 had two paper routes. I had the weekday and the Sunday  
4 routes, so yes, you did learn how to collect; I can tell  
5 that.

6 My name is Joseph Staub. I was requested to  
7 serve on the task force as I represented two interested  
8 parties, the first as a school board member for Exeter  
9 Township School District in Berks County; the second as a  
10 business person who has been in the consumer finance and  
11 mortgage industry since 1987. I'm the Vice President of  
12 the Sales for Tidewater Mortgage Services based in Virginia  
13 Beach and a licensed loan officer. Tidewater is a  
14 correspondent mortgage banker with direct approval to  
15 Fannie Mae and Freddie Mac, and we have branches in the  
16 State of Pennsylvania.

17 I'll be focusing on a few items. The first is  
18 the skyrocketing student loan debt issue. A recent U.S.  
19 Department of Education report tells us we have over \$1.3  
20 trillion in outstanding student loan debt. Delinquency  
21 rates vary, but one statistic has over 17 percent at 31  
22 days or more delinquent compared to 3.3 percent for loans  
23 and leases as stated by the Federal Reserve Board, and for  
24 Direct Loans, which has a portfolio of \$686 billion. A  
25 number quoted by the Department states 51 percent have

1 fallen behind or are not making their expected payments.

2 These figures are simply staggering.

3           Simply put, the amount of debt is a noose around  
4 the neck of many potential future home buyers and this debt  
5 affects their ability to buy homes and automobiles. A 2012  
6 survey by the Project on Student Debt indicated we have the  
7 third highest student loan debt per person at nearly  
8 \$32,000 in Pennsylvania and this is growing. Also, a 2014  
9 survey by H&R Block found that 97 percent of the  
10 respondents planned on continuing their education, but 78  
11 percent of them are concerned about the financing aspect of  
12 their higher education goals.

13           The student loan debt also affects parents and  
14 grandparents who have helped subsidize their children and  
15 grandchildren's education cost. An article written by  
16 Steve Rosen of the Kansas City Star on September 29th of  
17 this year referenced findings made by the Federal Reserve  
18 Bank of New York where the number of borrowers over the age  
19 of 50 has almost tripled since the year 2005. This  
20 additional debt load can adversely affect their retirement  
21 and also lead to reduced Social Security benefits if the  
22 loans are government-backed and in serious arrears.

23           Second is the desire of parents to provide this  
24 education. Ninety percent of the parents, when surveyed by  
25 the College Savings Foundation in 2010, indicated that they

1 want financial literacy taught, and 82 percent want the  
2 curriculum started at the elementary level. What is  
3 worrisome is that over 40 percent of the adults gave  
4 themselves grades of C to F for their individual knowledge.  
5 Informally, I can tell you that numerous parents and  
6 students have always asked me when we are going to have  
7 this education in our schools.

8           Third, as someone who has been accessing credit  
9 reports and credit applications for 27 years, I am amazed  
10 at the lack of perspective and knowledge of the most basic  
11 principles of finance. I cannot tell you how many  
12 borrowers with deferred student loans are unaware of when  
13 they will become due and how much their payment will be.

14           A recent survey of 2000 young adults recently  
15 completed by Wells Fargo indicated that 27 percent of  
16 borrowers required a gift to finance the down payment for  
17 their pending home purchase. Even more disturbing is that  
18 a large majority of prospective borrowers thought they  
19 needed 20 percent down for a down payment and perfect  
20 credit to buy a home. Consumers need to know that there  
21 are numerous government-backed no- and low-down-payment  
22 purchase programs, including VA, USDA, FHA, along with  
23 various State bond programs that can assist with down  
24 payments. All of the programs just mentioned have a less  
25 stringent credit score requirement than a traditional

1 conventional mortgage loan.

2           Also, an estimate is that 16 percent of our  
3 population ages 25 to 34 are still living at home. I have  
4 three kids in college; that concerns me. Simply put, many  
5 of these individuals simply cannot afford to be on their  
6 own or do not understand that they have options to buy a  
7 home with little or no down payment or closing cost money.

8           As our world changes, education needs to change  
9 with it. We need to educate our youth on finance, credit,  
10 insurance, retirement, savings, investments, disposable  
11 income, mortgages, budgeting, just to name a few. Though  
12 this will not be the end all and eliminate problems, it may  
13 be the only true education our students get. Considering a  
14 majority of parents do not understand these subjects  
15 themselves and that many students have one- or no-parent  
16 households, it is imperative that we create a cycle of  
17 educating our youth starting now.

18           My oldest daughter recently started a doctoral  
19 program at Duquesne University. Together with my wife, we  
20 spent months helping her prepare for the move. Apartment  
21 search, utility connections, service provider choices,  
22 rental applications, parking plans, phone plans, banking  
23 choices, and most important, preparing a budget. These  
24 functions seem basic and simple, but I thought of the many  
25 children that have not had the exposure to some of these

1 basics and do not have someone to help steer them in the  
2 right direction. This example alone is an example of how  
3 financial literacy exposure can help our students.

4 And in closing, as a school board member,  
5 Representative Carroll, I would accept the mandate and I  
6 would have no issue with it. So before you ask that---

7 REPRESENTATIVE CARROLL: You answered my  
8 question.

9 MR. STAUB: There you go. I knew it was coming.  
10 Thank you.

11 MAJORITY CHAIRMAN CLYMER: The Chair thanks the  
12 gentleman.

13 I have a question, Mr. Staub, on your testimony  
14 on that paragraph where you say, "Simply put, many of these  
15 individuals cannot afford to be on their own or do not  
16 understand they have options to buy a home with little or  
17 no down payment or no closing cost money." Are you saying  
18 that's a positive or is that a negative?

19 MR. STAUB: Well, no. I'm just saying the  
20 information is out there but there's so many people that  
21 again, just from financial literacy, when people come out  
22 of college, they just do not know what options they have.  
23 I've gone into schools to teach about mortgages to go in to  
24 do that one-day guest speaker thing, there's children  
25 living in homes that don't even understand that there are

1 options for them, that there are programs out there where  
2 they are able to buy their home. I mean it's very  
3 important that people continue to buy homes to stimulate  
4 the economy.

5           What I'm saying is some can't afford to but  
6 others that actually could don't even know that they have  
7 options. They think they need that 20 percent down. FHA  
8 requires 3-1/2, USDA is 0.

9           MAJORITY CHAIRMAN CLYMER: Yes. And to me that's  
10 a concern because I remember clearly on numerous occasions  
11 prior to the collapse of the economy I was wondering how  
12 these couples could afford these expensive homes and there  
13 was no money down and if they had car payments, they had  
14 property tax to pay, the mortgage itself, and they were  
15 putting nothing down.

16           And I could, with my working, could not afford  
17 what they were having and I was wondering when this whole  
18 thing was going to collapse because people were in over  
19 their heads financially. I mean I could see that. And I  
20 was telling my friends, a couple that were working, if one  
21 of them stopped working, the woman became pregnant or  
22 someone lost their job, that whole situation is going to  
23 collapse financially. So that was my question is just  
24 because you can buy a home doesn't mean that you should do  
25 it if you can't do it financially. And I think we're in



1 agreement there, are we not?

2 MR. STAUB: That is correct. And one thing, too,  
3 just to let you know, the best performing loan on the  
4 market is a VA loan and it's 0 percent down. It has the  
5 lowest delinquency because one of the things they do is  
6 they have residual income requirements so they make sure  
7 that there's disposable income per family size. But I do  
8 agree with what you're saying.

9 MAJORITY CHAIRMAN CLYMER: Yes. On the student  
10 loan debt, again, both Chairman Roebuck and myself sit on  
11 the PHEAA Board, and I thought -- and Chairman Roebuck,  
12 maybe -- I thought we discussed this at one of our meetings  
13 of the board that the Obama Administration lowered the  
14 dollar amount that students had to pay back on their loan.  
15 The purpose was to keep them from going bankrupt. I mean  
16 they were looking at huge indebtedness and so this is --  
17 I'll have to check my notes but I thought that was the  
18 case. Are you aware that in order to make solvency more  
19 prevalent, the purpose of that decision was to allow  
20 students to continue to pay back but at a lower rates?

21 MR. STAUB: I do understand that. However,  
22 there's just still so many loans out there that are just --  
23 the amount of claims is unbelievable.

24 MAJORITY CHAIRMAN CLYMER: Yes. We are aware of  
25 that, and financial literacy is an important component to

1 help people understand their financial obligations. And I  
2 think it's very important for young people, especially when  
3 they're old enough to work, regardless of what the job is,  
4 to earn a salary and then to have parental guidance or  
5 guidance in the schools how to spend that money, where the  
6 savings should go, so that they are prepared when they  
7 graduate from high school that they have the basis to make  
8 some sound financial decisions.

9 All right. At this time the Chair recognizes  
10 Chairman Roebuck.

11 MINORITY CHAIRMAN ROEBUCK: Thank you,  
12 Mr. Chairman.

13 I just ask this as a general question. Anyone  
14 can answer it if they want to. It seems to me that we live  
15 in a changing world of finances and that things are  
16 changing. I grew up in a house where both my parents had a  
17 checking account and that was sort of the fundamental  
18 instrument you had to govern paying bills and things like  
19 that, but all that's changing. And we have all these new  
20 sorts of things.

21 Many constituents that I have tell me they don't  
22 even have checking accounts. We have different kinds of  
23 devices that are options. We have something called payday  
24 lending. We have ways in which the whole pattern of what I  
25 would consider financial literacy has been turned upside

1 down and in fact is in some cases nonexistent from what I  
2 remember from my experience.

3 I'm wondering if you might address how you deal  
4 in a world in which there are so many different ways of  
5 doing things and how do you instill in individuals what now  
6 is the necessary level of knowledge that you need to move  
7 forward?

8 MS. ROSENKRANS: I'll start and then I'll let my  
9 task force members join in as well.

10 That's a really good question and I reference  
11 that a little bit in terms of how parents are often  
12 quizzing their children who have a personal finance class  
13 because they were never taught about phishing scams or  
14 electronic payments. And so a lot of students are teaching  
15 their parents about some of these innovations.

16 And one of the things that the task force  
17 recommended was as we're looking at what would be taught in  
18 a personal finance course in high school and what concepts  
19 should be integrated starting at an early age and then  
20 building on those concepts, we looked at national K to 12  
21 academic standards for personal finance. And you did each  
22 get in your packets examples from the Jump\$tart Coalition,  
23 as well as the Council for Economic Education, K to 12  
24 academic standards for personal finance. And what these  
25 standards do is to basically help teachers, as well as

1 parents, understand and know what children should know and  
2 be able to do at different benchmarks, what a 3rd grader  
3 should know, what a 5th grader should know, what an 11th  
4 grader should know.

5           And so that framework helps school districts to  
6 plan what the curricula should be and what materials they  
7 should use, but again, don't need an expensive textbook  
8 because, quite frankly, with all these innovations, that  
9 textbook becomes out of date very quickly. So there are  
10 online resources through the Pennsylvania Jump\$tart  
11 Coalition that are updated often and there's a wide  
12 variety; they're all age-appropriate.

13           And another important part is that they're  
14 vetted; they're commercial-free. So it is something that a  
15 teacher can trust that what they're using in the classroom  
16 is going to be purely educational and doesn't come with a  
17 sales pitch.

18           MR. STAUB: In addition to that, I look at our  
19 school district just in the last three years we started the  
20 Cyber Academy, a STEM Academy, and this year started a One-  
21 to-One Initiative. So when I started on the board six  
22 years ago, these were things that we would not have thought  
23 about but again, too, shows that we are in a changing  
24 educational world. We're in a changing world, period.

25           We're talking about phishing schemes. How many

1 young children are on a cell phone at age seven or eight  
2 that they're going to see something that, hey, \$25 Wal-Mart  
3 card. They click on it; before you know it, boom, they're  
4 in trouble. So there are so many things out there, and  
5 again, I am not in academia where I can say that this needs  
6 to be part of the curriculum. I allow the experts to do  
7 that. But I do know that, as our world has changed, we  
8 need to change with it, that there's many classes that I  
9 would have taken way back when that probably do not have  
10 the same value as this would for our children.

11 DR. BOWEN: Right. And I just want to add that  
12 there are only so many things you can do with the money:  
13 Spend it, save it, share it. Okay? And I like to kind of  
14 cut to the bottom and say there are things that we can do  
15 in our schools and in our homes that don't require  
16 curriculum, for instance, establishing the savings habit  
17 starts early. And kids, when they first start to see those  
18 coins in schools, at home, you're starting to establish a  
19 pattern that they can carry on into later life.

20 So you can sort through needs and wants when  
21 they're young, but if parents don't have the skill set or  
22 the confidence or even think about doing that, then they've  
23 missed a teaching opportunity.

24 And the same thing in our schools. We're reading  
25 constantly to kids. Why not read books that have a money

1 theme? I mean that's not taking too much more out of a  
2 teacher's time and preparation. You can have a set of  
3 books with money themes. You're teaching those concepts  
4 early on, and if you continue those through their public  
5 school education or K through 12, however they go to  
6 school, then you've done something to prepare them for that  
7 capstone course that they can really learn from and really  
8 put together all those pieces they've been exposed to over  
9 time.

10 MINORITY CHAIRMAN ROEBUCK: If I could just make  
11 two quick, brief additional comments. It seems to me that,  
12 again, some of the things that used to exist don't exist  
13 anymore. There used to be something called layaway.

14 DR. BOWEN: Oh, yes.

15 MINORITY CHAIRMAN ROEBUCK: My wife talks about  
16 how her parents laid away a television and then they say in  
17 three months will have our TV, and two months, and one  
18 month, and eventually got the television. That's a concept  
19 that doesn't exist anymore. Everything is instantaneous.  
20 No one thinks about saving to buy something. You just go  
21 out and get it. And I think that's part of what's  
22 happening to our society.

23 DR. BOWEN: Right.

24 MINORITY CHAIRMAN ROEBUCK: And the other thing I  
25 want to mention, as the Chairman said, both he and I serve

1 on the PHEAA Board, and one thing I think we ought to teach  
2 is a definition of words. There is something called a  
3 student loan. It is a loan; it's not a gift. And I think  
4 many students just assume they can borrow the money and  
5 it's going to go away and it doesn't go away. And I've  
6 seen individuals who end up with huge amounts of debt  
7 simply because they think the loan disappears, they don't  
8 pay it, and then the amount they owe triples or quadruples  
9 and they have that loan for the rest of their lives.

10 It's not a difficult concept to teach early on  
11 but we don't do that, and somehow I think someone with a  
12 four-year college education would understand that but they  
13 don't.

14 End of comments.

15 MAJORITY CHAIRMAN CLYMER: That was well put.  
16 Thank you, Chairman Roebuck.

17 The Chair recognizes Representative Truitt.

18 REPRESENTATIVE TRUITT: Thank you, Mr. Chairman.  
19 Funny story, Chairman Roebuck, about layaway. I  
20 bought my wife's engagement ring on layaway 29 years ago.

21 But I want to go back to the question I asked  
22 earlier because you guys were on the task force and I  
23 remember reading the task force report, and admittedly, it  
24 was about a year ago so I'm trying to remember some of the  
25 details. I know it's in the packet in front of me. You

1 recommended this capstone course in 11th or 12th grade.  
2 When you say a course, what was your intent there? Are you  
3 talking about a course that's six months long or a full  
4 year, in other words, half a year or a full year? And  
5 about how many hours do you think that should entail?

6 MS. ROSENKRANS: The recommendation would be for  
7 a semester-long course, which they don't use the credits  
8 anymore, but half a credit, which would be the equivalent  
9 of about anywhere from 80 to 90 hours.

10 REPRESENTATIVE TRUITT: Eighty to ninety hours?

11 MS. ROSENKRANS: That would be a semester-long  
12 course. And what we've found in the districts that do have  
13 a standalone course in personal finance is that most of  
14 them are a semester-long course. Some combine a quarter of  
15 a semester with an economics class so that they'll have a  
16 personal finance class and an economics class.

17 And maybe I could just take a moment to  
18 differentiate between the two because oftentimes those  
19 terms are interchangeable. And while personal finance can  
20 be incorporated into economics, they are really different  
21 in many ways, so when we're talking about teaching personal  
22 finance, we're not necessarily talking about economics.

23 But again, if we look at the concepts that need  
24 to be covered in a standalone personal finance course, and  
25 Dr. Bowen mentioned those six content areas -- money



1 management, earning income, borrowing income, understanding  
2 financial services, risk management, which is also  
3 insurance, saving and investing -- if those are the core  
4 concepts that a young person needs as they enter the real  
5 world, then it can't be given short shrift. You can't just  
6 teach that in a couple hours. It really does need to be a  
7 semester long.

8 REPRESENTATIVE TRUITT: Do either of you have  
9 anything to add to that?

10 MR. STAUB: I mean I agree 100 percent. And  
11 again, too, as someone who has had three children go  
12 through the public education system, even though I did  
13 spend a considerable amount of time with them, I wish they  
14 would have been required to have this class, because again,  
15 I look at other classes, an elective that they may have  
16 chosen that I think could have been served much better if  
17 they would have had this opportunity.

18 REPRESENTATIVE TRUITT: Because in your testimony  
19 you mentioned that this is one mandate that you could kind  
20 of feel like you would accept. I had a similar experience  
21 in speaking with a school district superintendent. He was  
22 kind of lecturing me on Keystone exams and State mandates  
23 and telling me the State should just leave them alone, he  
24 says, except for financial literacy. So I could take that  
25 mandate. He would accept that. And I thought that was

1 really telling because he didn't even know at the time that  
2 I was working on financial literacy legislation, that just  
3 out of the blue he said I don't want you guys mandating me  
4 to do anything except that. So it was a pretty interesting  
5 piece of feedback and I appreciate hearing it from you.

6 Thank you all for your testimony and thank you,  
7 Mr. Chairman.

8 MAJORITY CHAIRMAN CLYMER: The Chair thanks the  
9 gentleman and recognizes Representative Longietti.

10 REPRESENTATIVE LONGIETTI: I want to first thank  
11 you all for your testimony but also for the long work that  
12 you did on the task force, 14 months, a lot of research, a  
13 lot of time and effort.

14 I just want to start with you, Mr. Staub, and I  
15 think you kind of answered this question for yourself as a  
16 parent. So we all quoted the figures that over 80 percent  
17 of parents believe that this should be a requirement in  
18 schools, and sometimes when those questions are asked in  
19 that abstract sense, people all say yes, and then when you  
20 get down to what implementation looks like, sometimes that  
21 changes.

22 But knowing what you know as a school board  
23 member and in your work on financial literacy, do you  
24 believe, and I think you answered this question for  
25 yourself, do you believe that that support would still

1 exist if some changes had to be made in what is taught in  
2 school because of an additional mandate, perhaps what it  
3 would cost to do it? Do you believe that parents would  
4 still say yes, we would support this even if it means maybe  
5 an elective course here isn't offered or maybe it costs a  
6 little bit of money for the school district? What is your  
7 sense of that?

8 MR. STAUB: The vocal minority probably would  
9 not. The majority would. Again, you see it across the  
10 board, and again, people in the business community that  
11 come to me and talk about having this type of information  
12 given to their children, that they don't themselves know or  
13 are comfortable enough dispensing to their own kids.

14 From a board's perspective, I know that we would.  
15 I know other board members, that they would be interested  
16 as well because I've seen the changes. I think that if the  
17 board members are doing what the board members should do,  
18 they should realize that we're in a changing world, that we  
19 should adapt what we do. It's not just the three R's  
20 anymore. So from that perspective I do think it would be  
21 welcomed.

22 Of course, too, the tax situation, we all know  
23 that we're fighting that and the funding formula we know we  
24 certainly wrestle with that any time we do anything. But  
25 again, this is viewed as very, very important by many

1 people. But again, the few that yell the loudest, they're  
2 the ones we will hear.

3 REPRESENTATIVE TRUITT: And shifting to the cost  
4 aspect, I've looked at these recommendations a number of  
5 times but looking at them again and Ms. Rosenkrans  
6 mentioned what some other States are doing, and we know, as  
7 you mentioned, there are a lot of free resources out there.  
8 This isn't necessarily a textbook issue because things  
9 change so often.

10 But you talked a little bit about in some States  
11 the Department of Treasury assisting this. And just  
12 talking with my colleague, we had a little sidebar and he  
13 reminded me that PHEAA earns money because they process  
14 student loan applications for other States, our  
15 Pennsylvania Higher Education Assistance Agency. And I  
16 recall just recently that the Department of Treasury and  
17 Pennsylvania Treasurer McCord is asking for authority, and  
18 I can't remember which payments, but to process some  
19 Federal payments for other States that we already process  
20 for Pennsylvania as a way to generate income.

21 When you look at other States and Department of  
22 Treasury stepping up, are those the kind of innovative ways  
23 to produce a stream of revenue that some other States have  
24 utilized?

25 MS. ROSENKRANS: Absolutely. And what we see in

1 the States that have financial education initiatives, that  
2 their Department of Education will often partner with the  
3 Treasurer's Office because financial education is two  
4 parts; it's finance and it's education. So the pedagogy,  
5 how it gets taught and who teaches that, should be  
6 determined by State Departments of Education, but the  
7 funding for it, it seems natural that it should come from  
8 the financial services community, whether it's the  
9 Treasurer's Office, and they often do take the lead.

10 I've seen States in the Treasurer's Office that  
11 create kind of a public-private partnership where a  
12 501(c)(3) is created in the Treasurer's Office that allows  
13 them to bring in funds for financial education or I've seen  
14 examples where there's a fee attached to unclaimed property  
15 or something along those lines. But also banking  
16 departments or securities departments or even insurance  
17 departments have partnered again with their education  
18 departments to help fund financial education.

19 Pennsylvania is an example of that. From 2004  
20 until 2011, we had a Pennsylvania Office of Financial  
21 Education that was housed in and funded by the licensing  
22 and regulatory fees of financial institutions. And so I  
23 mentioned I served as Director of that. And all of the  
24 professional developments and teacher training and  
25 materials, all of that was provided at no cost to

1 taxpayers.

2           REPRESENTATIVE TRUITT: Thank you. We know that,  
3 unfortunately, things like this tend to move more slowly  
4 than we would like them to move for a myriad of reasons.  
5 Can you talk at all about if -- tomorrow obviously we're  
6 not going to mandate a standalone capstone course. What  
7 can we do as taking steps towards that goal? What are some  
8 of the incremental things that we can do?

9           MS. ROSENKRANS: That's an excellent question,  
10 and I know in my dream world, if I could, I would have all  
11 four recommendations passed this session. I know that that  
12 isn't going to happen and that the Legislature needs to  
13 move in increments. So in thinking of that, I could  
14 recommend perhaps two first steps that we would look at.  
15 One is simply finding out from the Department of Education  
16 what school districts have a graduation requirement at the  
17 high school level for personal finance because right now  
18 there's no reporting mechanism. So it's a matter of our  
19 going on to all 500 of the district's websites and looking  
20 at their graduation requirements or gaining anecdotal  
21 information.

22           Through a Penn State Survey Research Center back  
23 in 2009, we did find from that survey that there were 38  
24 school districts that had that graduation requirement.  
25 That number has increased to 50, but it could be more. And

1 so if we had some kind of reporting mechanism that the  
2 Legislature would ask the Department of Education to  
3 implement, it not only would tell us which districts have a  
4 graduation requirement, but it also would help us determine  
5 who teaches it, how it's being taught, and whether it's  
6 integrated at the lower levels.

7           The other perhaps next step might be to look at  
8 the issue of funding and determine really how expensive  
9 would this be? What would it cost the Department of  
10 education? What would it cost a local education authority  
11 to implement a graduation requirement? And I can give an  
12 example. The Legislature of Florida just recently passed  
13 legislation last year requiring their Department of  
14 Education to do that kind of cost analysis. So I'd like to  
15 see something very similar to that here in Pennsylvania.

16           REPRESENTATIVE TRUITT: Thank you. Just a quick  
17 comment. I don't like to overstate things. I always try  
18 to temper myself not to because we get a lot of hyperbole  
19 in society, but we are really headed towards some very,  
20 very serious impacts -- Mr. Staub, you alluded to some of  
21 them -- home ownership, owning vehicles, debt, the crisis  
22 of debt. I really, really am worried particularly what's  
23 going to happen to people when they hit retirement age?  
24 Are they prepared? We even see the ads on TV that are  
25 running now. What does that mean for society at large?

1 What does that mean for the health not only of the  
2 Commonwealth but the country, how strong we're going to be?  
3 And so that's why I just so firmly believe that going down  
4 this road is imperative.

5 Schools do have a lot on their plate, I  
6 understand that, but everybody leaves school and they're  
7 required to be a citizen and they're required to handle  
8 finances. And shame on us if we're not preparing them for  
9 those two very basic civic responsibilities. And I think  
10 that's why you see the survey data the way you see it, that  
11 people believe this should be done.

12 So I'll just end with that comment. Thank you.

13 MAJORITY CHAIRMAN CLYMER: The Chair recognizes  
14 Representative English for comments.

15 REPRESENTATIVE ENGLISH: Thank you, Mr. Chair. I  
16 know we're running a little late.

17 I'm new to this and please forgive me; I'm a  
18 little skeptical based on what you've heard. We do have  
19 layaway plans and that's called waiting to buy something  
20 until you can afford it and it's called I feel like I'm  
21 entitled to graduate and have a brand-new car and a brand-  
22 new house. You have to live within your means, and of  
23 course a lot of us don't do that. So I'm a bit sarcastic  
24 and would we upset the financial world if we educate  
25 everybody and then we lose all those jobs from everyone



1 who's making money off of selling all these products and  
2 things? So forgive my sarcasm a little bit but I'm just  
3 going to put it out there.

4           Our school boards, there's nothing that prevents  
5 our schools from adopting individual programs to enhance  
6 this curriculum, so before we try to implement it in the  
7 State, one of the things one of you two ladies said was  
8 teachers feel inadequate to instruct on it. So I guess my  
9 question in all my rambling is what's the timeline to  
10 implement teachers to feel adequate to teach on it and at  
11 what grade levels, particularly at the 11th or 12th grade  
12 if that's what one of the recommendations for  
13 implementation is versus go back earlier and try to hit  
14 maybe at a lower sophisticated level at 4th, 5th, or 6th  
15 grade and try to incorporate and work it up as the kids  
16 age?

17           DR. BOWEN: I think there are a couple of things  
18 that could be done. This, as you probably recognize, is a  
19 huge problem and I think you can't tackle it from just one  
20 angle. So in the best of all worlds perhaps we'd be doing  
21 something at each level working with teachers in their pre-  
22 service educational programs, doing professional  
23 development with those who are already practicing trying to  
24 get them to learn more about personal finance so they're  
25 comfortable teaching, especially at the elementary level.

1           And the other thing that really bothers me about  
2 this whole issue of teachers not being comfortable, you  
3 know, we have graduated tons of folks from our universities  
4 and we've not prepared them to feel comfortable teaching  
5 basic skills and information that they should already  
6 possess because they're earning money and they should be  
7 managing and using these basic tools.

8           It's not rocket science that we're trying to get  
9 people to do at this level. We're not trying to make them  
10 investment bankers; we're just trying to teach them how to  
11 handle their money day-to-day, how to select a savings  
12 account, how to manage and balance a checkbook, how to  
13 choose insurance for yourself so that your family has a  
14 safety net under them. So we're not talking about high  
15 finance; we're talking about basic skills. We have  
16 graduated all these people from our high schools and our  
17 universities without having this as a foundation.

18           So I think we have to tackle it from multiple  
19 angles. Start with professional development for teachers  
20 who are already practicing, get their comfort level up so  
21 they can also maybe help the next generation of parents who  
22 are coming along to feel powerful enough to teach their  
23 kids. So there are lots of ways it should be tackled, not  
24 just one I think.

25           Mary, did you have a point they wanted to add

1 because I can see you over the side.

2 MS. ROSENKRANS: Well, I just wanted to mention  
3 two things. One was that at present there is no teacher's  
4 certification devoted to personal finance. It is  
5 incorporated in the BCIT standards and the family consumer  
6 science, as well as an economics teacher could teach  
7 personal finance or even in some districts a math teacher  
8 as part of the consumer math might be teaching that. But  
9 there's no standalone certification for personal finance.

10 So our pre-service teachers at present do not get  
11 a course on how to teach personal finance. And that's  
12 addressed as the issue of less than 20 percent of teachers  
13 today feel inadequate to teach those because they haven't  
14 had it as a pre-service teacher. So then you need to have  
15 the professional development that Cathy talked about, and  
16 that is currently being done to some degree through our  
17 Pennsylvania Department of Education. They hold online  
18 seminars, and it was done through the Pennsylvania Office  
19 of Financial Education.

20 We in the office partnered with the Department of  
21 Education, banking through an MoU funded a Governor's  
22 Institute on Financial Education. And it was a week-long  
23 full scholarship training for up to 100 teachers, and we  
24 trained over 500 teachers. In addition to that, we had in-  
25 service trainings either in the district or intermediate

1 units and over 3,000 teachers in Pennsylvania did receive  
2 professional development on how to either create a  
3 standalone course or how to integrate those concepts and  
4 the elementary and middle grades.

5 REPRESENTATIVE ENGLISH: Are we able to go back  
6 and those 500 or so teachers that were trained and find out  
7 what they're doing within their school districts? Are they  
8 still instructing in this area or was that just a week that  
9 they participated and it's kind of---

10 MS. ROSENKRANS: Well, two of our graduates are  
11 sitting right here.

12 REPRESENTATIVE ENGLISH: Okay.

13 MS. ROSENKRANS: And in fact Donna was awarded  
14 the Ripple Effect Award, which was created by the office  
15 and was given out to alumni from the Governor's Institute  
16 who showed exemplary work in promoting financial education.  
17 So those teachers we know, armed with a full toolkit of  
18 free resources, went back to their districts and many of  
19 those 50 districts that I referenced that have a graduation  
20 requirements, those decisions were made because of the  
21 teachers that had received that training.

22 REPRESENTATIVE ENGLISH: I guess I just want to  
23 just make sure -- I have a concern with trying to implement  
24 it statewide. These are great resources and I've done the  
25 Junior Achievement courses in my high school. I mean it's

1 out there and the school boards can adopt it and I just  
2 feel the time and effort to put it on a statewide basis and  
3 the cost to put into it when it's fairly available, and  
4 yes, they'll have to balance to what level will the kids  
5 adhere or adopt to it. Maybe it's like cooking or sewing;  
6 they kind of go, eh, I'm not that interested but later on  
7 they go, boy, I wish I knew how to cook and sew, some  
8 parallels in there I guess. But I guess those that fail to  
9 read the fine print are in for a good life lesson coming  
10 up.

11 But I do appreciate all your efforts. I know  
12 it's a lot of work and I don't mean to be too cynical on  
13 it, but just kind of trying to balance this whole concept  
14 of where we go in the future.

15 MS. ROSENKRANS: And I think it's a combination  
16 of resources. It's not just the classroom teacher. You're  
17 going to hear from Junior Achievement in a little bit, as  
18 well as other organizations that support financial  
19 education, whether it's through teacher training or grants  
20 or guest speakers, but also, local school districts could  
21 adopt an online course or it could be a blended course. So  
22 there's a lot of options and the task force did not feel  
23 that we should dictate how that implementation of a class  
24 should be.

25 REPRESENTATIVE ENGLISH: Okay. Thank you very

1 much.

2 Thank you, Mr. Chair.

3 MAJORITY CHAIRMAN CLYMER: The Chair thanks the  
4 gentleman and the Chair thanks the panel for being with us  
5 this morning. We appreciate your good testimony and good  
6 information as we pursue this very important issue.

7 Our next panel represents organizations  
8 supporting financial education. And we have with us Mike  
9 Wishnow, Senior Vice President of Communications and Public  
10 Relations at Pennsylvania Credit Union Association.  
11 Joining him is Robert C. Jazwinski, CPA, President, JFS  
12 Wealth Advisors. And he's also the past President of the  
13 Pennsylvania Institute of Certified Public Accounts. And  
14 Paul Kappel, President, Junior Achievement of Delaware  
15 Valley.

16 Welcome, gentlemen, and we're glad to have you  
17 with us this morning. So maybe we'll start with  
18 Mr. Wishnow with your testimony.

19 MR. WISHNOW: Very good.

20 MAJORITY CHAIRMAN CLYMER: Would you like to  
21 begin?

22 MR. WISHNOW: Yes, please. Thank you.

23 MAJORITY CHAIRMAN CLYMER: Well, good morning,  
24 Chairman Clymer, Chairman Roebuck, the rest of the  
25 Committee Members, my colleagues, and also our friends here

1 today.

2 First, I'd like to thank the Committee for taking  
3 up this really important topic, and I know, Representative  
4 Longietti, you've been working on this for quite some time  
5 and those of us in the financial education community really  
6 appreciate it. Most of the folks that you see here,  
7 probably all of the folks that you see here, this group  
8 included, are extremely passionate about this subject. And  
9 most of us, in addition to our professional interest, have  
10 a personal stake in financial education. I know I do.

11 I am with the Pennsylvania Credit Union  
12 Association. I have been engaged in financial education  
13 for roughly 20 years. Really, though, we have moved quite  
14 a long way in terms of awareness of the need for financial  
15 education, but at the same time, as many on the Committee  
16 have alluded, frankly, the financial services marketplace  
17 is changing so quickly and the options that consumers have  
18 available to them are so broad and so complex that the need  
19 for financial education is probably more acute today than  
20 it's ever been.

21 You do have my written testimony. I'm not going  
22 to read that. I'll pull out a few highlights but I'm going  
23 to start with just a couple of statistics. I know many  
24 before me have made the case, and I think you heard 40  
25 percent of adults give themselves a C, D, or F for their

1 knowledge of personal finance, so if adults don't get it,  
2 it's hard for them to impart that to their children.  
3 Fifty-seven percent have indicated that they're worried  
4 over a lack of savings. Forty-three percent are concerned  
5 about not having rainy-day funds. And 38 percent -- and I  
6 believe, Representative Clymer, you talked to this -- are  
7 concerned about retiring without having enough money. So  
8 these are folks, you know, over 60 percent are worried  
9 about their retirement and whether they'll be able to  
10 retire at all.

11           A couple other statistics, 70 percent of  
12 undergraduate students currently have student loans or plan  
13 to borrow before they finish school. That shouldn't be a  
14 surprise. Nobody's paying for school; people are  
15 borrowing. And some of the average debt, which was alluded  
16 to by some of the other presenters, but just to put some  
17 perspective on things, U.S. household consumer debt,  
18 average credit card debt -- this is average per  
19 household -- is \$15,252; average mortgage debt, \$152,209;  
20 and average student debt \$32,986. As a society, we are in  
21 debt, particularly our young folks.

22           Just again to sort of give you a global sense of  
23 what the problem is, in total, American consumers have  
24 \$11.5 trillion in debt, and as somebody alluded to earlier,  
25 \$865 billion in credit card debt, and over \$8 trillion in



1 mortgage debt. Clearly, we are indebted.

2           Let me give you a little bit of a caveat. I do  
3 work for the Pennsylvania Credit Union Association. I also  
4 served on the task force of the group before me, came and  
5 spoke with you about we do endorse all four recommendations  
6 of that task force very, very strongly, including the  
7 capstone program and the need for professional development.  
8 A standalone course, quite frankly, should be a graduation  
9 requirement. We get that there are 500 sovereign school  
10 districts in Pennsylvania. We get the difficulty of  
11 mandating that. Frankly, that is a political problem that  
12 you folks need to deal with. From our perspective, we  
13 would like to see it happen whether it's the individual  
14 school districts doing it, whether it's the State telling  
15 them they have to do it. However it happens, we feel a  
16 need that there ought to be a capstone program in each and  
17 every school district.

18           We have a foundation at the Pennsylvania Credit  
19 Union Association. One of my roles is to oversee that  
20 foundation. Our foundation is a 501(c)(3). It does a  
21 number of things, disaster relief, helps small credit  
22 unions, but by far the largest amount of dollars in the  
23 last eight years has gone towards financial education  
24 grants. We raise money from our credit unions, from  
25 vendors that do business with our credit unions, and what

1 we try and do is we try and fund innovation programming in  
2 schools, workplaces, and in communities to allow financial  
3 education to occur. In fact, we've worked with a number of  
4 the Junior Achievements in funding their programs.

5 One of the things that Mary said on the other  
6 panel is there's an awful lot of free curriculum available.  
7 The one thing we won't fund is more curriculum. Frankly,  
8 there's plenty of it; it's just a matter of making those  
9 partnerships at the local level.

10 We're talking today about school-based financial  
11 education. Our credit unions are teaching some sort of a  
12 program in 236 of the 500 school districts. We've been  
13 doing this for eight years. We're now in over half the  
14 school districts. We'd love to be in the rest.

15 We have 54 in-school branches. You hearken back  
16 to your days with PSFS in Philadelphia. I grew up in the  
17 suburban Philadelphia area as well and remember those days  
18 fondly. These in-school branches are essentially a  
19 laboratory for the kids to supplement their financial  
20 education in the classroom. We will not fund a branch  
21 unless there's a classroom component. So they have to be  
22 learning the concepts in the classroom, go to the branch,  
23 and they can open an account, they can get their first  
24 loan, they can get a student credit card, a small amount,  
25 so that they can use credit responsibly.

1           By the way, credit is not bad in and of itself.  
2     Credit, when used responsibly, is absolutely essential in  
3     today's marketplace for your credit score. Frankly, none  
4     of us could rent a car without a credit card, none of us  
5     could use a hotel without a credit card. So the message  
6     that credit is bad is probably not the right message to  
7     send even though we know that many college kids, when they  
8     get that first credit card, ba boom, ba boom, ba boom,  
9     right? They run it right up.

10           So we have these 54 in-school branches. The  
11     other thing we have, which is sort of a unique program for  
12     us, is what we call our reality fairs. These are based  
13     with the career programs in a school. A group of students  
14     will take a career course, select a career, learn about it,  
15     learn what the starting salary is, learn what the taxes are  
16     coming out, if it requires education, get a student loan  
17     payment, get a credit score, and they come and they have an  
18     experiential learning, which takes about an hour-and-a-half  
19     to two hours. They come to this fair. There are about a  
20     dozen booths. They have to select their housing, their  
21     transportation, their food. There are booths there to sort  
22     of distract them if you will, internet stuff,  
23     entertainment. We have a wheel of reality; they spin it.  
24     Something good could happen, something bad. They could get  
25     a flat tire, cost them \$100. They could get a tax return,

1 they get \$200 back. And these are for high school kids,  
2 11th and 12th grade.

3           Interestingly enough, we happen to have one  
4 coming up tomorrow here in the Capitol with our Harrisburg  
5 City School. They're sending about 65 kids from 10:00 to  
6 11:30. If you happen to be walking from meeting to meeting  
7 and want to see one of these in action, we will be in the  
8 East Rotunda. Really, really cool to watch these kids  
9 interact with each other in a real way and talk about --  
10 the experiential learning we found works really, really  
11 well. And I know you guys at Junior Achievement are doing  
12 a whole lot of that.

13           I quickly want to touch on the Jump\$start  
14 Coalition. You've heard a number of panelists mention the  
15 Jump\$start Coalition. It's a group of about 50  
16 organizations across Pennsylvania, for-profit, non-profit  
17 government entities, all of whom come together to try and  
18 make financial education occur more often, again, in K  
19 through college. They do teacher trainings, they do  
20 consumer education forums, they've held some student  
21 contests, poster contests, that kind of stuff, and really  
22 the goal is to increase financial literacy.

23           The reason I raise Jump\$start is they have a  
24 clearinghouse at [JumpStartCoalition.org](http://JumpStartCoalition.org). It's a national  
25 clearinghouse. There's a professor from American

1 University that takes a look at all the curricula. There's  
2 about 5,000 different types of curricula online, books,  
3 video, whatever it is you want K through 12. It is vetted  
4 through this professor from American University so that you  
5 know that it is indeed legitimate and hitting the  
6 standards. Much of it is free. Some of it does come at a  
7 cost, but it's a great resource for teachers or for parents  
8 or anybody else trying to teach financial education.

9           And I guess, finally, I want to just say that, in  
10 addition to the mandate and the standalone capstone course,  
11 there are little things that teachers can do and there are  
12 an awful lot of creative teachers doing it where they're  
13 wrapping financial concepts into what they already teach,  
14 so it's not one more thing for the teachers to teach.

15           A great example, every kindergarten has reading  
16 mat time where they sit on the carpet and they're read to.  
17 You can pick up the book *The Berenstain Bears' Trouble with*  
18 *Money*, difference of wants and needs. A five-year-old can  
19 understand the basic concepts, different wants and needs.  
20 The young gentleman from East Stroudsburg High School  
21 talked about wants and needs, right?

22           So really you can start that early. You can  
23 integrate it into math, you can, as Mary said, integrate it  
24 into economics, and you can hit some of those benchmarks  
25 all along the way because financial education is indeed a

1 lifelong learning process. We're talking about students  
2 here today, but frankly, from our foundation's standpoint,  
3 it goes cradle to grave. What we need at this stage in  
4 life may be retirement. What our young adults may need may  
5 be first car loan. And I guess the trick is to get the  
6 financial education available to folks when they need it  
7 most. So schools are a start but it really has to run the  
8 gamut beyond schools.

9 I could go on and on. I'm sure you can tell I'm  
10 very passionate about this. But I really want to thank you  
11 all for your time and for your interest in this subject  
12 matter.

13 MAJORITY CHAIRMAN CLYMER: The Chair thanks you  
14 and recognizes Mr. Jazwinski for your testimony.

15 MR. JAZWINSKI: Thank you, Chairman Clymer,  
16 Chairman Roebuck, Members of the House Education Committee.  
17 Mr. Longietti is my home district Representative and I'd  
18 certainly like to acknowledge his dedicated commitment and  
19 passion for this effort.

20 I'm here on behalf of the Pennsylvania Institute  
21 of Certified Public Accountants and our 22,000 members in  
22 public practice, business and industry, government, and  
23 education. We've long been committed to protecting and  
24 promoting the public interest.

25 I practice as a CPA but I have a specialty

1 credential, Personal Financial Specialist, and I'm also a  
2 certified Financial Planner. My firm, JFS Wealth Advisors,  
3 with offices in Hermitage and Pittsburgh, assists over  
4 1,000 families in comprehensive financial planning creating  
5 budgets, managing debt, defining goals, accumulating  
6 wealth.

7 I served as past President of the PICPA and I  
8 also served as Chair of the American Institute of Certified  
9 Public Accountants' Personal Financial Specialist  
10 Committee, so hopefully we have some background on these  
11 significant issues that face us today.

12 The CPA profession has long been involved in  
13 promoting the need for financial literacy. We've had an  
14 effort that's exceeded the last decade to create an  
15 awareness of financial literacy. Through our programs, we  
16 believe we reach 100 million individuals in this country  
17 per year. The PICPA has efforts for many of our members to  
18 reach out to elementary schools and senior citizens. We've  
19 partnered with many of you and your colleagues to have  
20 programs of financial literacy in your districts.

21 We fully support the Pennsylvania Task Force on  
22 Economic Education and Personal Financial Literacy  
23 Education because we feel, in spite of all of our efforts,  
24 that more still needs to be done. The education needs to  
25 be approached very early in someone's age to have an impact

1 so that these problems don't occur.

2           So all recommendations of the task force were  
3 excellent but two in particular we would promote: one, the  
4 capstone course required of all high school graduates. The  
5 issue of college debt has been well discussed today. The  
6 AICPA recently had a Harris Interactive Poll done that  
7 shows that 75 percent of students who have graduated with  
8 college debt are making some sacrifice or some lifestyle  
9 choice as a result of the debt, and fully 60 percent of  
10 those students with debt did not understand the  
11 significance of the burden that they were getting.

12           The Federal Reserve Board 2013 survey of consumer  
13 finances -- and I find this staggering -- the lowest  
14 quartile of our population has medium net worth of \$50.  
15 The mean net worth of that quartile was a negative \$13,400.  
16 And finally, as Mr. Longietti alluded to earlier, and  
17 that's retirement planning issues, the Employee Benefit  
18 Research Institute 2014 Retirement Confidence Survey  
19 indicates that fully a quarter of workers today are not  
20 confident that they'll have enough resources for  
21 retirement; 58 percent of workers and 44 percent of  
22 retirees indicate that debt is a problem for them. And  
23 finally, 36 percent of workers have virtually no savings,  
24 defined as less than \$1,000, perhaps somewhat confirming  
25 the recent Fed survey of consumer finances.



1           The other recommendation that we'd like to  
2 promote today is the dedicated funding for personal finance  
3 instruction and teacher training. We have many excellent  
4 teachers in the Commonwealth, as all of us know, but the  
5 issue of personal finance is a specialty subject that  
6 certainly warrants specialized training for these many  
7 talented teachers. The sooner we begin the education  
8 process, the more significant the impact could be to create  
9 a positive outcome here.

10           So thank you very much.

11           MAJORITY CHAIRMAN CLYMER: The Chair thanks the  
12 gentleman and recognizes Mr. Kappel for his presentation on  
13 Junior Achievement.

14           MR. KAPPEL: Thank you, Chairman Clymer, Chairman  
15 Roebuck, and the other Members of the Education Committee.

16           The challenge with not going first is that much  
17 of your information and all of your great facts and figures  
18 is often already delivered so I will skip that portion of  
19 my presentation, but I do want to make a few comments  
20 regarding in a sense the "how." We've talked a lot about  
21 "why." And I've been with Junior Achievement for 17 years  
22 and I'm here today representing the five Junior Achievement  
23 offices across Pennsylvania, and never once when I talk to  
24 a parent, a student, a legislator like yourself, a  
25 businessperson, never once has anyone ever said to me this

1 stuff isn't important, okay? But it's often where do we  
2 find time to do this? How do we make it happen? How will  
3 we get kids interested in something that may seem so far  
4 off for them?

5 I'm going to talk a little bit about in a sense  
6 that "how" for one organization. And I think a key piece  
7 of that is we are not the only organization, and we've  
8 heard examples today of a variety of different curriculums,  
9 opportunities, partnerships to support these efforts across  
10 the State, but I will give one example.

11 For those of you who are not familiar with Junior  
12 Achievement, we have been around since 1919 and in the  
13 State of Pennsylvania we've actually been around for 75  
14 years. We have three core components to our programs:  
15 entrepreneurship, work readiness, and financial literacy.  
16 And as often has been indicated in everyone's remarks  
17 today, those things are often intertwined because you  
18 cannot be successful within the world of work unless you  
19 have a handle on your finances. It's not about just  
20 earning money but oftentimes it's about what to do with  
21 that money once you have it.

22 And time and time again I hear from employers  
23 that one of their biggest challenges is the inability to be  
24 a productive worker because of overwhelming student debt or  
25 because of car payments that someone cannot afford. So

1 these go hand-in-hand relative to the education of our  
2 students in our Commonwealth.

3           We've talked a little bit about the role of  
4 teachers and in our current situation one of the things  
5 that we often hear from teachers, and again, it's been  
6 reiterated today, is the lack of training and understanding  
7 around how to teach personal finance. So to that point one  
8 of the key tenets of Junior Achievement is a volunteer  
9 always delivers our program. So those volunteers are  
10 active participants in the future that we talk to our  
11 students about. So whether they are parents, whether they  
12 are business owners, whether they are financial leaders or  
13 other partners, they are members of the community who can  
14 bring these resources alive to students and particularly at  
15 a time while we try to figure out how to make our teachers  
16 more aware of these concepts, this is one way to begin to  
17 make that happen.

18           JA programs tend to take a dual approach. One is  
19 an integrated opportunity so all JA programs, regardless of  
20 where they're taught in kindergarten through 12th grade,  
21 are aligned with Pennsylvania curricula standards. So  
22 we've talked a lot today about integration of these  
23 concepts in the absence of -- and I'm very much for a  
24 standalone program, but in the absence of a standalone  
25 program, how do we integrate such concepts across a K-12

1 curriculum. And then as some of you may be aware, we do  
2 have standalone programs, one of those I'll give an example  
3 of as I wrap up my remarks.

4 Parents are a key component of this. And again,  
5 we've talked often today about many times parents,  
6 particularly in some of our communities, learn some of  
7 these skills from our students. And one statistic that  
8 often has stood out to me is in many cases sometimes over a  
9 third of parents are much more comfortable talking to their  
10 children about drugs than they are financial literacy  
11 issues. Oftentimes I think that could be indicated because  
12 drugs are very easy to define; don't do it. We all  
13 remember the Just Say No campaign. But yet even within  
14 this group we would probably have trouble defining where  
15 would you even begin the financial literacy discussion with  
16 the child at home?

17 Another disturbing statistic, only 56 percent of  
18 students plan on saving some of their money, and I think  
19 that's a key point, plan on saving some of their money.  
20 And when asked even further, well, what do you need to save  
21 that money for, you get a variety of answers in terms of  
22 what is important to save for. I've heard today mentioned  
23 retirement, I've heard today mentioned a first home, I've  
24 heard today mentioned a rainy day fund in a sense. So even  
25 if there is a low sense of teens knowing that they need to

1 save, oftentimes there's a lack of direction of what they  
2 should be saving for.

3           So a couple of quick things: Number one, it's  
4 important for any financial literacy programs, it was  
5 mentioned earlier today, to be experiential. It's not  
6 important enough to just teach these skills. You can't  
7 just show someone how to balance a checkbook, you can't  
8 just show someone how to use credit, but you need to give  
9 them the opportunity to experience those programs, and one  
10 of those is a program that JA has called JA Finance Park in  
11 which students undergo 20 to 25 hours of classroom  
12 curriculum on financial literacy. This is taught by a  
13 teacher, and I think that's a key point, but then also  
14 supported by a community volunteer.

15           But then the program does not end there. In many  
16 cases, the students then have an opportunity to go onto an  
17 online simulation and use what they have learned and go  
18 through a variety of experiences where they are assigned in  
19 a sense a life scenario in which those students have to,  
20 again, as mentioned today, make a car purchase, make a  
21 house purchase, understand what insurance is.

22           But imagine if you are a 15-year-old and you look  
23 at this salary that you've just been assigned and you think  
24 I'm now rich so I'm going to go out and I'm going to buy my  
25 two-seater sports car, I'm going to spend all my money on

1 Xbox and cable, and then you remember that, oh, wait a  
2 minute, I have a family. I have a family of four; that  
3 two-seater sports car isn't going to work for me. I have a  
4 young child; I can't just survive on Taco Bell every night  
5 because I can go to the dollar menu.

6           And oftentimes these experiences for students are  
7 very eye-opening. And if nothing else -- and one of the  
8 best complements I've seen on this program is a parent who  
9 came back and said now my student, my child understands a  
10 little bit more about the choices that we need to make  
11 every day in our family.

12           Again, JA programs are kindergarten through 12th  
13 grade, and one of my favorite examples which was already  
14 used is that idea of needs versus wants. And think about  
15 needs versus wants. And oftentimes I do get the question  
16 this is all-important but it's important for high school  
17 students. How do you teach a first grader financial  
18 literacy, and yet again, needs versus wants? And think  
19 about that. That is the fundamental budgeting decision  
20 that you all make as legislators in the Commonwealth.  
21 Oftentimes we have to make very tough decisions relative to  
22 what is a need versus a want in our daily decisions, and  
23 yet this bill is a foundation with students as they move  
24 throughout their lives.

25           There are examples of this that I can answer any

1 questions on and how these programs are being implemented  
2 in other States, and I just want to thank the Committee  
3 today for taking the time and discussing this very, very  
4 vital and important issue. Thank you.

5 MAJORITY CHAIRMAN CLYMER: Well, thank you all.

6 I do have a question, Mr. Kappel, for you, and  
7 that is Junior Achievement. I had the opportunity many  
8 years ago to work with Junior Achievement down in  
9 Philadelphia, and it was a great program. And I remember  
10 the item that we made. We made silver chains with a John  
11 F. Kennedy half-dollar. And they sold very, very well. It  
12 was a great program for the students to be involved, to set  
13 the company up. They had stock, they had marketing, and  
14 they sold to whoever they could, you know, parents, fellow  
15 students. We're still talking about this hands-on kind of  
16 program that still exists today. Am I correct?

17 MR. KAPPEL: Absolutely, sir. The program that  
18 you described actually is still implemented, and one of the  
19 things that is very exciting about that is the program you  
20 remember has now moved into a digital delivery as well.

21 And so I know one of the key components that has  
22 been discussed today is how do you keep the content timely  
23 and the content relevant to students in an ever-changing  
24 economic environment? So the ability to have opportunities  
25 available for digital delivery with of course, though --

1 and the young man mentioned earlier -- that face-to-face  
2 interaction to make those opportunities be seen as real is  
3 vitally important. But yes, sir, we still do that program  
4 actually all across the State.

5 MAJORITY CHAIRMAN CLYMER: You mean the same  
6 program I just talked about?

7 MR. KAPPEL: Actually---

8 MAJORITY CHAIRMAN CLYMER: That's incredible.

9 MR. KAPPEL: ---that program in particular---

10 MAJORITY CHAIRMAN CLYMER: Oh, my word.

11 MR. KAPPEL: ---we do that in Philadelphia and  
12 other parts across the State as well.

13 MAJORITY CHAIRMAN CLYMER: Very interesting.

14 Well, thank you for that.

15 And the Chair recognizes Representative  
16 Longietti.

17 REPRESENTATIVE LONGIETTI: Not so much a question  
18 but just a comment, first of all, number one, to thank you  
19 all and to thank your respective organizations, the Credit  
20 Union Association, Junior Achievement, the Institute of  
21 Certified Public Accountants. I can say personally in my  
22 district each of you has made a difference and I've seen  
23 that. And I guess the good news from all that is that we  
24 have wonderful partners. As we go down this road, we have  
25 partners out there in the private sector who have a



1 commitment to this and a willingness to help and have been  
2 doing it.

3           And I want to particularly thank Mr. Jazwinski.  
4 I've known him for quite a number of years. It's not a  
5 short travel for us to Harrisburg so this is a commitment  
6 and he's got a very substantial business that he operates,  
7 as he mentioned. And he's been involved in my district  
8 whenever I've asked -- I probably haven't asked enough --  
9 but whenever I've asked, he's been very willing to share  
10 his time to educate people on personal financial literacy  
11 and has also helped our community to a large extent in a  
12 lot of different areas, and it's appreciated.

13           So I just wanted to offer those thanks and to  
14 know that we have strong partners as we travel down this  
15 road. So thank you.

16           MAJORITY CHAIRMAN CLYMER: Well, the Chair thanks  
17 the gentlemen for being with us this morning for your very  
18 informative testimony. It's very important that we hear  
19 from a group of people who are interested in financial  
20 literacy, as we all are.

21           The final panel before us this morning deals with  
22 the school districts' perspective on this issue. And with  
23 us today is David Christopher, Superintendent, Juniata  
24 Valley School District; and Dr. Carol Johnson,  
25 Superintendent of the Central Dauphin School District.

1           Welcome, and we appreciate you being with us this  
2 morning. So whoever would like to begin the testimony.

3           Dr. Johnson.

4           DR. JOHNSON: Good morning.

5           MAJORITY CHAIRMAN CLYMER: Good morning.

6           DR. JOHNSON: In July of 2013, the Central  
7 Dauphin School District gained board approval to begin a  
8 three-year professional development initiative that would  
9 help our teachers more effectively help students in the  
10 district become college- and career-ready. The goal of the  
11 initiative is to transform learning, teaching, and leading  
12 through a focus on positive relationships and rigorous and  
13 relevant instruction in every classroom and every school in  
14 our district.

15           At the initiative's inception, we surveyed  
16 students, teachers, parents, and the community to find out  
17 their perceptions of the district, our leadership, our  
18 teaching, and our educational program in general. One of  
19 the most interesting aspects of the survey was the response  
20 to the statement that students should be taught in school  
21 how to manage their personal finances. Over 85 percent of  
22 the respondents in the community and parents surveyed  
23 agreed or strongly agreed with that statement.

24           At about the same time, we also heard the voices  
25 of both students and parents who said that our current

1 offering of Business Computer Applications, required of all  
2 9th grade students, was redundant and covered nearly the  
3 same material as a course required in the middle school  
4 curriculum. We saw these two concerns as an opportunity to  
5 get better, to respond to the needs of our students, and to  
6 stand behind our promise to help make our curriculum more  
7 relevant to them.

8           We began the process of ending the Business  
9 Computer Applications course and adopting the Financial  
10 Literacy course last fall. Our school board voted  
11 unanimously on January 27th, 2014, to allow us to remove  
12 the Computer Applications course and to add Financial  
13 Literacy as a required course for all 9th grade students.

14           The Financial Literacy course in our district is  
15 designed to teach students how to become financially  
16 literate adults. The course includes topics that prepare  
17 students for financial decision-making, goal-setting,  
18 saving money, budgeting, borrowing money, spending wisely,  
19 and managing credit.

20           Financial Literacy features a rigorous engaging  
21 design, relevant student-centered activities, research  
22 projects, discussion points, and tools and resources, all  
23 of which are designed to engage students in learning the  
24 personal financial skills they'll need to succeed in life  
25 after high school. It's our belief that these important

1 life skills will help prepare students to live on their  
2 own.

3 Our curriculum includes the following topics:

- 4 • Why it pays to be financially responsible
- 5 • Money and goals
- 6 • Researching and buying a car
- 7 • Financing your education
- 8 • Finding the right career for you
- 9 • Why credit matters
- 10 • Protecting your identity
- 11 • Money and roommates
- 12 • Making a budget
- 13 • Saving for a rainy day
- 14 • Sharpening money decisions
- 15 • Selecting a banking partner
- 16 • Understanding your take-home pay
- 17 • Taking credit for your finances
- 18 • Staying out of debt

19  
20 Delivering this course for the two high schools  
21 in our district to a population of approximately 750  
22 freshmen students will cost us approximately \$4,300,  
23 including the program binders for \$3,500 and software  
24 licenses for \$800. The rest of the resources are  
25 accessible at no cost online.

1           We've had the opportunity for input from many  
2 financial leaders in our community, who will eventually be  
3 called upon to present lessons to our students. In the  
4 meantime, some of the free resources we are or will be  
5 using come from such websites as PracticalMoneySkills.com;  
6 college planning website of ASA.org; career choices through  
7 Bridges.com, a career aptitude program; standards-based  
8 lessons for continued professional development from  
9 JumpStartCoalition.org; and also Junior Achievement, "On  
10 Your Own in Central City", a simulation.

11           I wanted to let you know today what our students  
12 think about the course, which actually takes place over one  
13 entire school year every other school day, which makes them  
14 1/2 credit course. I know the question was asked how many  
15 hours that is, and in our district, over 180 days, students  
16 would have an opportunity for 60 hours of instruction.

17           Last week, Mr. Scott Stine, a business teacher at  
18 Central Dauphin East High School polled his classes to find  
19 out how they feel about the course so far. They have been  
20 in class for nearly a month meeting every other day, and  
21 here are some of the results:

- 22           • 97 percent of the students in his classes state  
23           that they more aware of the cost of college  
24           since starting Financial Literacy.
- 25           • 95 percent of the students stated they have a

1                   better understanding of financial  
2                   responsibility than they did before starting  
3                   the course.

- 4                   • 94 percent of the students stated they believe  
5                   Financial Literacy is a valuable course.

6

7                   And the students made the following statements  
8                   within the survey:

- 9                   • "I like being able to learn how to be  
10                  financially stable in the future."
- 11                  • "I like how we get to learn about money and  
12                  how it works."
- 13                  • "I like how I get to learn how to manage  
14                  money and save for the future."
- 15                  • "I like this class because it helps lots of  
16                  students."
- 17                  • "I like that I'm learning how to manage  
18                  money."
- 19                  • "I like everything about Financial Literacy  
20                  because it is informational and I love it.  
21                  I don't have anything bad to say because  
22                  it's preparing me for life."

23

24                  So those are the voices of the kids who've just  
25                  started taking the class.

1           We believe that we've taken a positive first step  
2 in helping our students become financially literate. We  
3 intend to continue to monitor the course and student  
4 feedback and to make appropriate adjustments along the way.  
5 At this time we have our certified business teachers  
6 teaching the course in both Central Dauphin High School and  
7 Central Dauphin East High School.

8           And I'd like to take the opportunity today to  
9 thank you for allowing me to speak on the progress that  
10 we've made so far in offering the required Financial  
11 Literacy course for all of our 9th grade students. Thank  
12 you.

13           MAJORITY CHAIRMAN CLYMER: Sir, you may begin.

14           MR. CHRISTOPHER: Thank you. I'd like to take  
15 this opportunity to thank everyone for allowing us to be  
16 here. Mike Fleck is my local representative, so thank you,  
17 Mike. I appreciate that.

18           We're a small school district. We're a lot  
19 smaller than Central Dauphin. We graduate about 60 kids a  
20 year. We have a total student population of around 770  
21 students K to 12. We've been offering personal finance and  
22 economics as required graduation requirements since 2009.  
23 We had quite a bit of discussion with Mary Rosenkrans in  
24 that time with one of our business teachers and really felt  
25 strongly at the board level that it was very important for

1 our students to have this.

2 At this time we're sending roughly 80 percent of  
3 our kids on to either two- or four-year colleges, which is  
4 a pretty good statistic when you look at Huntington County  
5 and the fact that only 13 percent of county residents over  
6 the age of 25 currently have a bachelor's degree.

7 But part of that is that we're concerned about  
8 making sure they're making good decisions about finances.  
9 Just going to college doesn't mean anything. Taking on a  
10 bunch of debt and not having a job or having usable skills  
11 is not going to support them in any way. So we're very  
12 strongly behind personal finance and economics and we think  
13 that it's really important for our students.

14 I won't read you some of the statistics I had  
15 because you already got them all about the cost of college  
16 and debt, those kinds of things.

17 The two courses we teach, the economics course  
18 and the personal finance course, the economics course is a  
19 very broad course. It really looks at credit, the credit  
20 markets and the market in general, tries to teach our  
21 students the basics of those things. The personal finance  
22 course is actually around the NEFE standards so it's based  
23 around the National Endowment for Financial Education  
24 standards that we use. And it is very tailored to the  
25 individual personal finance needs of the students. They



1 run them through all kinds of different scenarios and some  
2 of the online materials that you can use.

3 NEFE has a standalone training course for this  
4 course that's available online to any teacher and then they  
5 provide you with the materials to the district, workbooks,  
6 those kinds of things, logins, so it's very helpful to us.  
7 We've adopted these, like I said, because we just feel that  
8 there very important for our students.

9 The other thing we use is we actually have a  
10 personal college advisor through the Pennsylvania College  
11 Advising Corps that we have, which is through a couple  
12 colleges here in PA, and we have an advisor who's in our  
13 school district two days a week in the high school. And  
14 she meets individually with every senior and goes through  
15 financial planning with them regarding college and what  
16 kind of debt you're going to take on and those kinds of  
17 things, you know, like can I get a scholarship? If I raise  
18 my SAT score, will it help me? And she actually does  
19 individualized work with our kids. That's been incredibly  
20 important to our students. They just get that one-to-one  
21 experience, which makes a huge impact for them.

22 The College Advising Corps costs us about \$9,000  
23 a year to have that person there two days a week, which is  
24 fantastic. We got that because we are an underserved  
25 school district. We are a high-poverty school district.

1 And the materials we use are free from NEFE. The economics  
2 course is a textbook we purchased in 2009 but we use a lot  
3 of online materials as well. So this is not a huge expense  
4 for us.

5 Our courses are generally taught by someone who  
6 is business-certified, but depending on what happens with  
7 our schedule, in a small school district, sometimes we  
8 utilize a social studies teacher at the high school level  
9 as well. But we do have the online training that's  
10 available to them to assist, and our business department  
11 makes sure that the course is the same course, the business  
12 teachers we have in the district.

13 Thank you.

14 MAJORITY CHAIRMAN CLYMER: The Chair thanks you  
15 for your testimony.

16 Dr. Johnson, with the cost to the district, I  
17 find in your testimony that is truly walking the talk, you  
18 know, when you can spend \$4,300 a year, I mean you're  
19 looking at ways that you can initiate this Financial  
20 Literacy course to 750 students. I mean that's something  
21 that I and we certainly all appreciate. And you're able to  
22 have an effective course given to the students to what you  
23 demonstrated this morning.

24 DR. JOHNSON: Correct. And I think that it's  
25 important to note that \$3,500 of that \$4,300 was for

1 program binders, which are---

2 MAJORITY CHAIRMAN CLYMER: Yes.

3 DR. JOHNSON: ---probably from Staples. So I  
4 think that we could even let those go.

5 The issue for most schools, I think, would be to  
6 have to hire staff because, as you heard me say, we had to  
7 drop a course in order to put that course in there, and we  
8 certainly found a course that we didn't think was as  
9 relevant to the students as it needed to be, but I know  
10 that there would be some districts who would have to hire  
11 staff in order to put in a Financial Literacy course and I  
12 think that's the roadblock.

13 MAJORITY CHAIRMAN CLYMER: And either one of you  
14 can answer this question. I know that being in school,  
15 especially in the high school level, students, as your  
16 teaching them to discipline themselves on finances, they  
17 also know that there are fashions out there, there's  
18 jewelry and clothes that they just love to buy because it's  
19 the right thing to do. I mean their classmates are all  
20 buying the same. And it's not inexpensive unless they buy  
21 something that is a knockoff of the original.

22 But my point is how do you convince the students  
23 that they don't really need all of this extra quarry to  
24 wear around because it is -- and I'm not against retailing.  
25 God forbid someone says Clymer's against retailing; I'm

1 not. I think that makes the economy go, but I think we  
2 need a balance.

3 MR. CHRISTOPHER: Well, I can tell you a lot of  
4 our kids have jobs I mean especially at the high school  
5 level. And we are a high-poverty school district, and  
6 they're putting themselves through college, at least  
7 primarily, and so they have a very good understanding of  
8 the dollar by the time they graduate because they have to.  
9 Because if you're going to drive the 30 minutes to Altoona  
10 to go to Penn State Altoona and commute, you have to figure  
11 in your gas costs, you have to figure in all these types of  
12 things to make sure that I can buy my books, I can do all  
13 that kind of stuff.

14 And my big worry when we really have this big  
15 college push, because we went from about 35 percent of our  
16 kids going on to college going to 80 percent in the past  
17 six years, is that we're going to have kids who started and  
18 didn't finish ending up with extra debt and they didn't  
19 then have any skills. And I was really worried about that.  
20 But we really have not seen that because of some of the  
21 coursework that we've been able to put in.

22 I think the kids understand going in, maybe I  
23 should go to a community college for two years. I should  
24 use Penn Highlands Community College and then transfer to  
25 Penn State Altoona or to Juniata or something. Because

1 those shoes are really exciting to have, I know they are,  
2 or that pair of jeans, but I think when they really see  
3 some of the outcomes, it really helps them tremendously.

4 DR. JOHNSON: I think that that's something,  
5 though, that the schools have to work with parents on  
6 because it's a societal thing, and we can't fight that  
7 battle in the classroom when the students are being  
8 bombarded by it everywhere they go, television, radio. We  
9 have to find a way to work with parents to teach them that  
10 there are other things that have higher priorities.

11 MAJORITY CHAIRMAN CLYMER: The Chair recognizes  
12 Representative Longietti for questions.

13 REPRESENTATIVE LONGIETTI: I want to thank you  
14 both for giving us real-world examples of how you've done  
15 it in your school districts.

16 Both of you talked about -- and I think you  
17 mentioned, Dr. Johnson, about part of the course was  
18 selecting a career, and if you could talk a little bit more  
19 about the importance of that. We just heard the comment  
20 being made too often we see that with students incurring  
21 debt but is there a job at the end of it or is it something  
22 that I'm actually interested in? Can you talk a little bit  
23 about that component of your Financial Literacy course?

24 DR. JOHNSON: Well, we use a program called  
25 Bridges, and it's a career aptitude program, and that in

1 conjunction with a senior program that we have, which is  
2 co-op where the students can actually go out on jobs or  
3 internships for credit I think really helps our students in  
4 that. It shows them that there may be something that you  
5 absolutely believe that you're interested in as a freshman  
6 or as a sophomore, but when it comes time to put the money  
7 down to go to college to get into that career, you have to  
8 know that that's something you want to do.

9           There are so many students who start out school  
10 thinking that they're going to major in one thing and they  
11 end up changing that major. And as you know, many people  
12 before the time they're 35 years old change jobs many, many  
13 times but they're still saddled with the same debt. So I  
14 think that if you can use counseling services and the  
15 career aptitude programs, that it may help the students.

16           REPRESENTATIVE LONGIETTI: Mr. Christopher, I  
17 know you kind of spoke to that issue already. Feel free to  
18 add anything, but I'm impressed with what your district has  
19 done being a district that's---

20           MR. CHRISTOPHER: Thank you.

21           REPRESENTATIVE LONGIETTI: ---economically  
22 challenged but has seen---

23           MR. CHRISTOPHER: Well, I mean my business  
24 manager is probably watching this. We don't spend money we  
25 don't have as a district. And we really preach that out to

1 our kids. Like you need to make sure that the goals that  
2 you have for yourselves, that they really are attainable  
3 for you and that you can take on the debt that you take on  
4 because you know you're going to be able to get a job or  
5 it's going to assist you and those kinds of things. But  
6 career awareness is so important. You can't really  
7 discount them.

8           But then one of the other comments that had been  
9 made regarding the college advising, kids have no idea what  
10 is available to them grant-wise and what's available to  
11 them scholarship-wise, whether this school is actually a  
12 good match for them. Like I want to be a public school  
13 teacher but I'm going to go to a school that's going to  
14 cost me \$60,000 a year. Well, that may not work out. They  
15 need to understand those kinds of things and we actually  
16 have somebody who meets with them individually and does  
17 that, which has been incredibly important for us.

18           REPRESENTATIVE LONGIETTI: Like I said, I'm  
19 impressed. And too often now it seems like to a certain  
20 extent students sometimes are picking colleges or  
21 universities based upon the quality of the food that's  
22 served, the student center, and not the match, like you  
23 said, that is going to lead to the career that they're  
24 looking to pursue.

25           Well, thank you both for giving us an example of

1 a larger district and a smaller district on how it's  
2 worked.

3 MAJORITY CHAIRMAN CLYMER: The Chair thanks the  
4 gentleman and recognizes Representative Truitt.

5 REPRESENTATIVE TRUITT: Thank you, Mr. Chairman.

6 And thank you both for your testimony. I'm  
7 actually quite impressed because I've never heard of a  
8 co-op in high school before. That's an outstanding thing  
9 that you're doing there.

10 I have two questions, one of them is kind of a  
11 short answer, one might be a little longer. The first is  
12 if you've added a half-credit requirement for Financial  
13 Literacy for graduation, did you take half a credit away  
14 from some other category or did you just add a half a  
15 credit to what student is required to have to graduate?

16 MR. CHRISTOPHER: I can take that one. We  
17 actually did reduce in 2009 another half a credit. It was  
18 a social studies credit that we took out.

19 REPRESENTATIVE TRUITT: Social studies, okay.

20 MR. CHRISTOPHER: Yes, at the time.

21 DR. JOHNSON: We actually did not add it as a  
22 graduation requirement. We added it as a 9th grade  
23 requirement. So that's slightly different in that if a  
24 student -- I hate to put this out on TV -- but if a student  
25 were to actually fail the Financial Literacy course, which



1 I'm sure will not happen, they would not retake it. That's  
2 the subtle difference. We wanted to wait until we saw the  
3 type of results the course produced and then do a course  
4 evaluation and decide whether we wanted to require it. But  
5 the 9th graders have no choices; they do have to take it.

6 REPRESENTATIVE TRUITT: Well, that's a reasonable  
7 way to go, see how it goes before you make it a  
8 requirement.

9 And it was the perfect segue into my second  
10 question was when you said 9th grade, I thought the  
11 legislation, as it's been forming, most folks have been  
12 talking about it being 11th and 12th grade, and then I  
13 heard about career planning and what Representative  
14 Longietti talks about where kids spend a quarter of a  
15 million dollars going to college to get a degree that's  
16 going to get them \$30,000 a year when they get out, so now  
17 I'm thinking it does make more sense for it to be earlier.

18 And do you have any other insights in terms of  
19 how you made the choice to make it 9th grade versus later  
20 on?

21 MR. CHRISTOPHER: I can address that a little  
22 bit. We actually have a career planning course that we  
23 offer; one of our guidance counselors teaches it in the  
24 junior high school. But then we made this financial course  
25 a capstone senior-level course, and the reason we did that

1 is that we actually taught it in 9th grade the first year  
2 that we had it and I mean our students didn't necessarily  
3 have some of the information they needed in terms of they  
4 weren't getting ready to buy a car, they didn't have a job,  
5 they weren't doing those kinds of things. And as a senior,  
6 for us it's been a much better course because they do have  
7 a car, they are paying taxes, they are getting ready to go  
8 to college. Like it just worked better, the financial  
9 part.

10 But the college advising part and the career-  
11 readiness part absolutely works better in the junior high  
12 school. So we kind of have that separated out a little  
13 bit.

14 REPRESENTATIVE TRUITT: That's great.

15 DR. JOHNSON: For us it was really a targeted  
16 opportunity, but also we felt that 9th graders come into  
17 high school with simply no clue as to why they're there,  
18 many of them, and this was a way for us to kind of get  
19 their attention and to let them know four years are really  
20 short and you really need to start looking ahead beyond  
21 high school, and we're hoping that this does that for them.

22 REPRESENTATIVE TRUITT: That's great. And thank  
23 you very much.

24 MAJORITY CHAIRMAN CLYMER: Well, that concludes  
25 the number of Members who want to ask questions.

1           We do thank you for your testimony, along with  
2 the other testifiers. It's been very helpful. It's been  
3 very informative and it's an issue that we need to continue  
4 to work on in the future without question.

5           So you are through. We thank you. I do want to  
6 for the record say that the Committee has received written  
7 testimony from the National Endowment for Financial  
8 Education, the Pennsylvania Office of Financial Education,  
9 Lutheran Social Services, the South Central Pennsylvania  
10 Department of Education. In addition, we received a 2012  
11 report and recommendations by the Pennsylvania Task Force  
12 on Economic Education and Personal Finance Literacy  
13 Education, National Standards in K-12 Personal Finance  
14 Education by the Jump\$tart Coalition for Personal Financial  
15 Literacy, and the National Standards for Financial Literacy  
16 by the Council for Economic Education, and also Judy tells  
17 me from the Pennsylvania Association of Health  
18 Underwriters.

19           So you can see, Representative Longietti, what  
20 you've caused here. We got all this testimony and all  
21 these reports so we know this is a critical issue. The  
22 Chair thanks the testifiers, one and all, and all the  
23 Members of the House Education Committee for being with us  
24 this morning and this afternoon on this very important  
25 issue, financial literacy.

1

Thank you and the meeting is now adjourned.

2

3

(The hearing concluded at 12:22 p.m.)

1                   I hereby certify that the foregoing proceedings  
2 are a true and accurate transcription produced from audio  
3 on the said proceedings and that this is a correct  
4 transcript of the same.

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Christy Snyder

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Transcriptionist

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