

TESTIMONY OF REPRESENTATIVE MARK LONGIETTI
House Education Committee Hearing on Financial Literacy
October 6, 2014

Chairman Clymer, Chairman Roebuck and fellow members of the House Education Committee, I want to thank you for holding this hearing to discuss the importance of Financial Literacy instruction in our primary and secondary schools. We know that all students need money management and related skills both while in school and beyond. Yet too often, they do not receive financial literacy instruction in school even though they expect to receive it there and they are hungry for it. As a result, they are ill-equipped to enter the financial world and make poor decisions regarding debt, saving and investing, and making everyday decisions involving money. This is an issue that cuts across all demographics and socio-economic status. So, let me share some statistics regarding Financial Literacy instruction in schools and the attitudes of students, parents and educators regarding the same.

- In PA, only 28% of High School students take a course devoted to economics or personal finance.
- Only 38 (7.6%) of PA's 500 school district require students to take a course in personal finance before graduation.
- Should we be teaching financial literacy in High School? 93% of American say it should be a required High School course (Visa 2010 Back to School Survey)
- 89% of K-12 teachers agree that students should either take a financial education course or pass a competency test for High School graduation (Id)
- 86% of teens indicated that they would rather learn about money management in a class before making mistakes in the real world and 81% said K-12 is the best time to learn money management. (2010 Charles Schwab Teens and Money Survey).
- Are they currently getting it in school? Only 5% of teens said they learned about money matters from a teacher. (2011 Visa study).
- Are they getting it at home? 2 in 5 adults give themselves a C, D or F on knowledge of personal finance. (2012 Survey of Adults for the National Foundation for Credit Counseling).
- 1/3 of Americans (77 million) don't pay their bills on time. (Id)
- 39% of Americans carry credit card debt from month to month. 25% of these said that if started saving they would keep their savings in cash and at home. (Id)

- Do they know it on their own? 50% of teens are unsure of how to use a credit card effectively, yet 24% think that High School or younger is when they should get their first credit card. (2011 Charles Schwab Teens and Money Survey).
- About 50% of Senior girls shopped two weeks or more for a Prom dress and 50% of Senior boys spent two weeks or more deciding who to ask. Yet, almost 50% of Seniors spent 5 or less hours learning how to pay for college. (2011 Sallie Mae Survey of High School Seniors).
- 69% of College Seniors have undergrad loans to repay. 60% are very or somewhat worried about their ability to repay these loans. (2011 Capital One Survey of Graduating College Seniors).
- Is now the right time to teach personal finance? 81% of teens said that the recession motivated them to know more about managing money. (2011 Charles Schwab Teens and Money Survey).
- Are teachers prepared to teach personal finance? Only 11.6% of K-12 teachers had taken a workshop in teaching Financial Literacy (2010 Visa Back to School Survey).
- Over 60% of teachers and prospective teachers said they do not feel qualified to teach their state's financial education standards.
- And teacher education faculty in those states were no more familiar with the state financial education standards than the K-12 teachers.(Id).

Once again I would like to thank the Chairmen and the members of the House Education Committee and I look forward to hearing the testimony as we further explore this critical issue.