



“Argue the pros and cons of making financial literacy a high school graduation requirement in Minnesota.”

Provided to Minnesota credit unions by the Minnesota Credit Union Foundation's Family Involvement Council: A raw compilation of students' answers (both traditional students and non-traditional students) drawn directly from essays submitted for the Family Involvement Council's College Scholarship Program, 2009.

PROs

- Help me create good credit history.
- A young adult with strong financial literacy will be more confident and reasonable in their spending habits, have a better understanding of their income, and take an early step towards independence.
- Give students a class they don't have to wait five years to use. They can incorporate right now.
- Financial education is a life skill that every single person can use and benefit from, both those who are collage bound and those who choose a different path.
- Requiring financial education courses in our states high schools would supply students with tools to balance checkbooks, file taxes, and build good credit, which are all essential components to responsibility and making day-to-day financial decisions.
- If teenagers could enter collage with the mindset of living below, rather than above, their means and having a healthy fear of becoming a slave to debt we could be savvy investors rather than foolish consumers driven by our desire for the next new toy.
- Such anxieties, shortcomings, and hardship would likely be drastically minimized, or fail to reoccur, if the up and coming generation of students was introduces to an adequate financial education program at an early age.
- One of the most important skills a citizen can learn is how to handle their own money.
- With very little real debt to speak of, high school students are already ahead of most Americans.
- The benefits of future savings outweigh the present cost of instituting such a beneficial program into our high schools.
- I believe it is important because school may allow you to learn finances in a more unbiased environment.
- It may help prevent statistics like “nearly one in five 18-24 year olds is in debt hardship, up from 12% in 1998” (Demos.org “ The Economic State of young America” May 2008)
- Educate young people on credit scoring with focus on building strong credit history (five variables: account type, credit inquiries, time account is open, payment history, balance vs. available credit).
- Educate on responsible borrowing and the benefits and risks of using credit cards.

The Minnesota Family Involvement Council (FIC) will enhance the future of the credit union movement by promoting financial awareness, financial education and full-family involvement in Minnesota credit unions.

PROs, continued

- Provide education in credit score management, consequences of poor financial decisions, investments, managing expenses, how to pay for collage, the value of saving for the future, money management strategies, financial independence.
- A great advantage of financial education requirement would mean the students would have knowledge of financial situations prior to having to experience them independently with some having no guidance outside of a school setting.
- Teaching the youth of today about the value of a dollar and different ways to invest it is very important.
- Help me understand what I can really afford.
- Early education on owning a business and buying a home.
- Some high school students will learn financial education from examples, good and bad, others will not-either way, having the “keep up with the Jones” mindset and “buying things just to have them” needs to be addressed.
- High school is one of many places that it can be taught in a creative way, like modifying a math class using pay checks and house payments while trying to come up with a solution for a problem.
- If we don't, we run the risk of creating an even larger gap between the middle class and the poor. This gap threatens our democracy, our society and the economic future of America.

CONs

- It is argued that the cost of teaching students financial education wouldn't reap enough rewards to make it worth the taxpayers' money.
- Studies indicate our brain is not totally developed till our mid-twenties so often times high school students only see and hear what they want to and no financial education class is even going to phase them.
- Making it mandatory for high school graduation in Minnesota would just raise more chaos along parents and students because schools are already on budget cuts and it would probably cause an elimination of liberal arts class.
- High school students are at different “peaks” in their life, thus may not mean anything to them till faced with the “real world”, earn your own living or live on the streets.
- Some feel it's not schools' role to parent the child and teaching financial behavior is a skill that should be learned at home.
- How does the state identify/train qualified educators—a good teacher might not have good financial practices and vice versa.
- Expensive to implement and already too many standards.
- Another requirement would limit the students from taking courses more suited to their own interest.
- Could cut into taking collage prep courses which ultimately saves a student money.
- Difficult to standardize this type of program as all students are at different levels of financial education to start and come from diverse socio-economic backgrounds.

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CONs, continued

- A con of creating such a requirement is that it requires financing, whether it be hiring new teachers or training existing ones.
- If a school does not have the budget to hire another teacher, then the school may have to insert the curriculum into another class or force a teacher to teach a curriculum with which they may not have expertise.
- Students may not be receptive of the class if it is perceived as a requirement. It may just seem like another box to check off before graduation, which would significantly limit the effectiveness of the requirement.

Additional comments

- Financial responsibility requires education, but in turn education requires responsibility.
- Financial education is not a required course at my school and I have learned to manage my money from my sister's mistakes. She has \$1,000 in credit card debt and had she been taught properly she may not be in this situation.
- College students face a plethora of fees for tuition, books, and housing. The amount it costs to get an education after high school is mind blowing. However, credit unions offer many scholarships student friendly loans that help to reduce these costs.
- The credit union accessibility made it easy for me to automatically check my balance online. Being able to look at my balance and track my expenditures helped me to manage my money more efficiently.
- There are plenty of folks out there more than willing to take my money. I need to make sure I'm doing what's in my best interest, not theirs.
- In 2002 more people filed for bankruptcy than graduated high school.
- You wouldn't hand over car keys to someone without teaching them how to drive the car, so why would you put your students out into the world without teaching them how to manage their finances—a skill they will need their whole lives?
- My school has no financial education classes and I feel completely inept when it comes to finances.
- As a collage student, I am scraping up pennies and living on a “shoe-string” budget but it's important for my future success.