



# SURVEY OF THE STATES

ECONOMIC AND PERSONAL FINANCE  
EDUCATION IN OUR NATION'S SCHOOLS

2014



COUNCIL FOR  
**Economic  
Education**

*Teaching Opportunity®*

## INTRODUCTION

Every two years, the Council for Economic Education (CEE) conducts a comprehensive look into the state of K-12 economic and financial education in the United States, collecting data from all 50 states and the District of Columbia. 2014's Survey of the States shows notable progress over the past 15 years since the first survey was conducted, particularly in economic education. But progress in personal finance has slowed its pace since the mid-2000's. The biennial Survey of the States serves as an important benchmark for our progress, revealing both how far we've come and how far we still have to go.

Research shows that requirements are the main driver of economics and personal finance being taught in schools. CEE works with our nationwide network of affiliates to both advocate for requirements and assist in their implementation. We have developed an online advocacy toolkit to support local and state advocacy initiatives. <http://www.councilforeconed.org/about/policy-and-advocacy/toolkit/>

You can help strengthen economic and personal finance education by requesting a course in your school, district, or state, or by promoting standards and course requirements at the state level. To learn more contact the Council for Economic Education or your local CEE affiliate. <http://www.councilforeconed.org/resources/local-affiliates/>

**Recent economic challenges have highlighted the importance of teaching our kids to understand personal finance. The day-to-day relevance of economic concepts and financial responsibility will only continue to increase as the world is rapidly transformed by science and technology. Providing students with the practical tools they need to apply that knowledge will help them succeed financially by creating businesses, driving innovation, and achieving personal dreams. Working together, we can infuse our classrooms with the necessary foundational capabilities and make financial education a centerpiece of our public and private agenda."**

—Richard D. Fairbank, Founder, Chairman, and Chief Executive Officer, Capital One Financial Corporation

## SURVEY OF THE STATES BY THE NUMBERS

**50** For the first time all 50 states and the District of Columbia include economics in their K-12 standards.  
+ RI

**19**

The number of states that require a course in personal finance to be offered. **Five MORE than 2011.**

+ AL, AZ, FL, NH, NM, ND, TX  
- IL, NY

**24**

The number of states that require a high school course in economics to be offered. **One LESS state than 2011, still less than half the country.**

+ ND, WY  
- MD, MN, UT

**-3**

**Decrease from 2011**, in the number of states that include personal finance in their K-12 standards.

- HI, IL, NY

**Economics education is about much more than money; it provides students with a framework for making good decisions that will help them and the country.”**

-Alan B. Krueger, Bendheim Professor of Economics and Public Affairs, Princeton University

## Helping Americans Build Financial Knowledge

- Richard G. Ketchum, Chairman and CEO of FINRA, Chairman of the FINRA Investor Education Foundation

In the face of a rapidly evolving economy and financial marketplace, it's vital that Americans have the tools and the knowledge to make good decisions about money. We at the FINRA Investor Education Foundation are committed to helping Americans build their financial knowledge. One of the ways we're doing this is through the FINRA Foundation's National Financial Capability Study (NFCS), which was most recently conducted in 2012.

While the 2012 NFCS reveals some promising findings, financial strain is evident—particularly for the young. Student loans are an issue—36 percent of Millennials (i.e., 18 to 34 year olds) have student loan debt compared with 20 percent of all respondents, and a startling 55 percent of this group were concerned they might be unable to repay this debt. Further, among Millennials, only a third have emergency savings, yet 31 percent have unpaid medical bills and nearly half carry a balance on their credit cards.

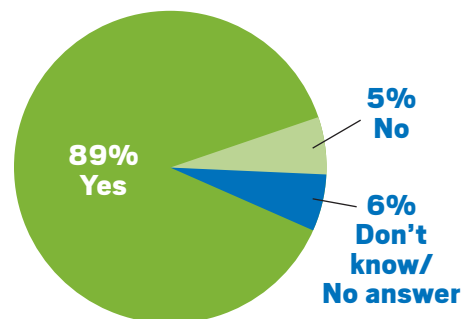
Nevertheless, encouraging signs emerge. Respondents who participated in financial education scored higher on a financial literacy quiz than respondents who did not—an important finding. While more work needs to be done to establish whether a causal relationship exists between financial education and financial literacy, it is gratifying that findings from the NFCS point in the right direction—and that NFCS

respondents see the value in financial education. Nearly 9 out of 10 stated they believe financial education should be taught in schools: a sign that Americans recognize the growing importance of financial capability.

Ensuring that citizens have access from an early age, to adequate informational resources, affordable financial services options and appropriate consumer protections should be a high priority for policymakers and for society as a whole. A more financially capable population can result in a larger and more efficient market for financial products, greater participation in asset building and greater financial stability. It is therefore in everyone's interest that action be taken to improve the financial capability of all Americans. ■

### DO YOU THINK FINANCIAL EDUCATION SHOULD BE TAUGHT IN SCHOOLS?

When asked whether they thought financial education should be taught in schools, an overwhelming majority of respondents said yes.



NFCS, 2012

## BETTER BASICS

- Lynn Fitch, Mississippi State Treasurer

As Mississippi's State Treasurer, I'm leading an effort to require personal finance instruction in our public high schools as a prerequisite for graduation and outreach to our workforce regarding fiscal accountability and responsibility. I feel very strongly that America will never truly get public spending under control unless we as Americans culturally change the way our personal finances are managed.

A report released last spring compiled by the Financial Industry Regulatory Authority (FINRA) marked Mississippi as America's "least financially capable" state, with two thirds of Mississippians having no savings and forty-one percent (41%) of Mississippi's credit card holders making only minimum payments. Nationally, it is not much better. These are extremely alarming statistics for our state and our country.

The first step to change these troubling statistics is more instruction in economics and personal finance – lessons on budgeting, banking, understanding and using credit, getting insurance, saving for both retirement and emergencies and the like. In other words: we have got to teach the basics better.

Early and better exposure to the economic way of thinking and personal finance best practices will ►

help our young people understand the value of managing financial tools before they become submerged in debt. It is critical that our students, young adults, and workforce understand the empowerment of money and create financial security.

If a new generation can become more financially savvy, then certainly there is an opportunity for our state and our nation as a whole to become less dependent on debt. The needle is starting to move, thanks to organizations like the Council for Economic Education (CEE) and the Mississippi Council on Economic Education (MCEE). With the resources and teacher profession development to support our teachers and students, CEE and MCEE are advocates and allies in our efforts to implement course requirements in our state and across the nation.

We are often troubled when we hear America's national debt is extremely large and that foreign countries like China hold a majority of our national debt. Yet, when it comes to our household debt we are doing the same. Teaching the basics of personal finance better can culturally change our financial practices, leading to a more financially literate public and a more stable, stronger America. ■

**“To fully participate in society today, financial literacy is critical.”**

—Annamaria Lusardi, Denit Trust Professor of Economics and Accountancy at the George Washington School of Business, and Academic Director of the GW Global Financial Literacy Excellence Center

## CFPB's Recommendations for Advancing Financial Education and Capability

States can help determine the quantity and quality of the financial education that most students receive through a variety of policy options. States can explicitly mandate that high school students complete a stand-alone course in personal finance. In addition, states can require school districts to include personal finance in the curriculum of other courses, such as family and consumer sciences, economics, mathematics, business education,

agricultural sciences, and social studies. As an incremental step, states can require schools to offer an elective course in personal finance, but stop short of making it a condition for graduation. (By making financial education optional, however, many students are able to graduate without developing important financial skills.) This plurality of policy solutions adopted by states reinforces the broad agreement that it is good public policy to include financial education in the K-12 curriculum. ■

### CEE supports the Consumer Financial Protection Bureau's five essential strategies for advancing financial education for young Americans.

- 1 Introduce key financial education concepts early and continue to build on that foundation consistently throughout the K-12 school years. In addition, CFPB encourages states to make a stand-alone financial education course a graduation requirement for high school students.
- 2 Include personal financial management questions in standardized tests.
- 3 Provide opportunities throughout the K-12 years to practice money management through innovative, hands-on learning opportunities.
- 4 Create consistent opportunities and incentives for teachers to take financial education training with the express intention of teaching financial management to their students.
- 5 Encourage parents and guardians to discuss money management topics at home and provide them with the tools necessary to have money conversations with their children.

*From Consumer Financial Protection Bureau (CFPB) Office of Financial Education Policy White Paper, April 2013*

# From Panic to Understanding – Implementing An Economics Course Requirement in Arkansas –Economics Arkansas

“PANIC.” THAT IS HOW MARSHA MASTERS described many educators’ initial reaction to the Arkansas Department of Education’s 2009 inclusion of a high school economics course as a new graduation requirement. Masters, Program Coordinator at Economics Arkansas, integrated economics into her elementary school curriculum for years as a classroom teacher but admitted, “Teachers who have a social studies certification feel great comfort in teaching history and geography but they rarely feel they have the knowledge to teach economics.”

Sue Owens, Economics Arkansas’ Executive Director, also recognized the challenge. “Prior to this requirement, we were aware of only two school districts in the state requiring economics for graduation.” Suddenly all 250+ school districts were being held to this new standard.

Fortunately, Economics Arkansas was prepared to take immediate action. According to Owens, providing teachers with the support to confidently teach economics “was a commitment we made to the Arkansas Department of Education. We told them since our organization led the initiative for the requirement; we will be the resource for training, so our organization developed an activities-based training curriculum with lessons for educators to teach the economics and personal finance standards.” In the first summer after the requirement was announced, Economics Arkansas held six workshops across the state to prepare teachers, plus they offered additional training based on requests from school districts. Last year, Economics Arkansas partnered with the Federal Reserve Bank of St Louis to update the curriculum.

Arkansas high school teachers now have a much different attitude toward teaching the economics course. Economics Arkansas Program Coordinator Jennifer Taunton said instead of panic, feedback is more like, “I see how this works and I feel more comfortable teaching my students.” Teachers have expressed how excited their students are with the activities-based lessons.

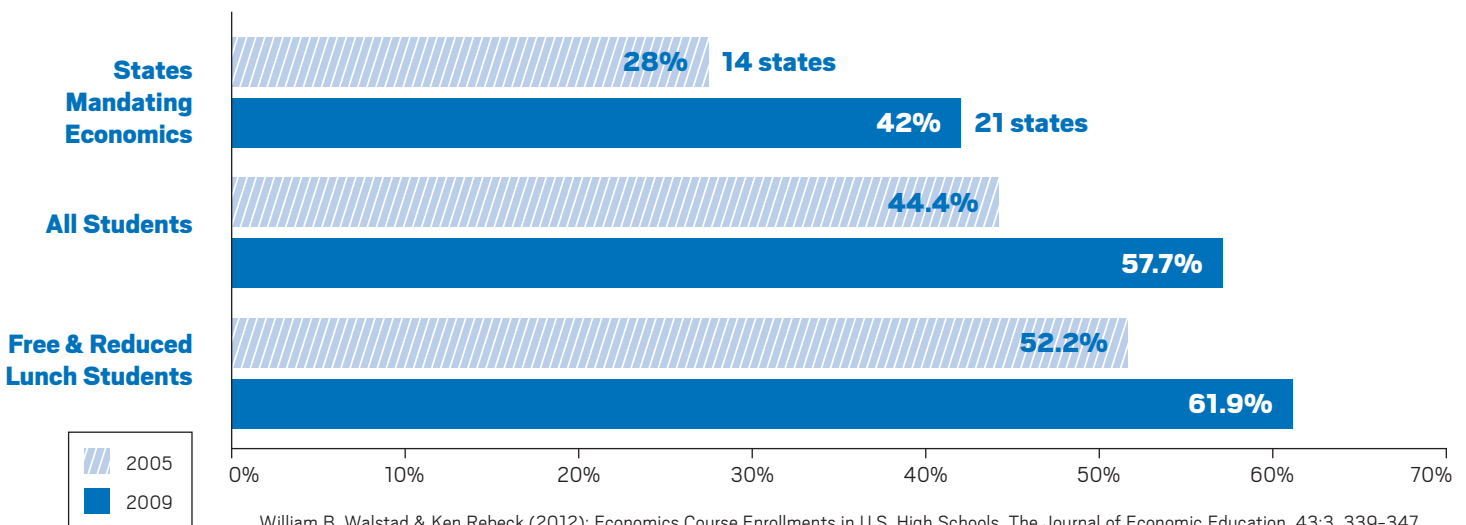
One Arkansas high school student “first” to graduate with the economics requirement is the son of Dr. Tom Kimbrell, the Arkansas Department of Education Commissioner. Dr. Kimbrell is a long-time supporter of economic education and said his son’s experience “helped him understand the need to know more about economics, and he put his new knowledge to use by creating a unique opportunity to work in the summer.” ■

## Requirements Matter

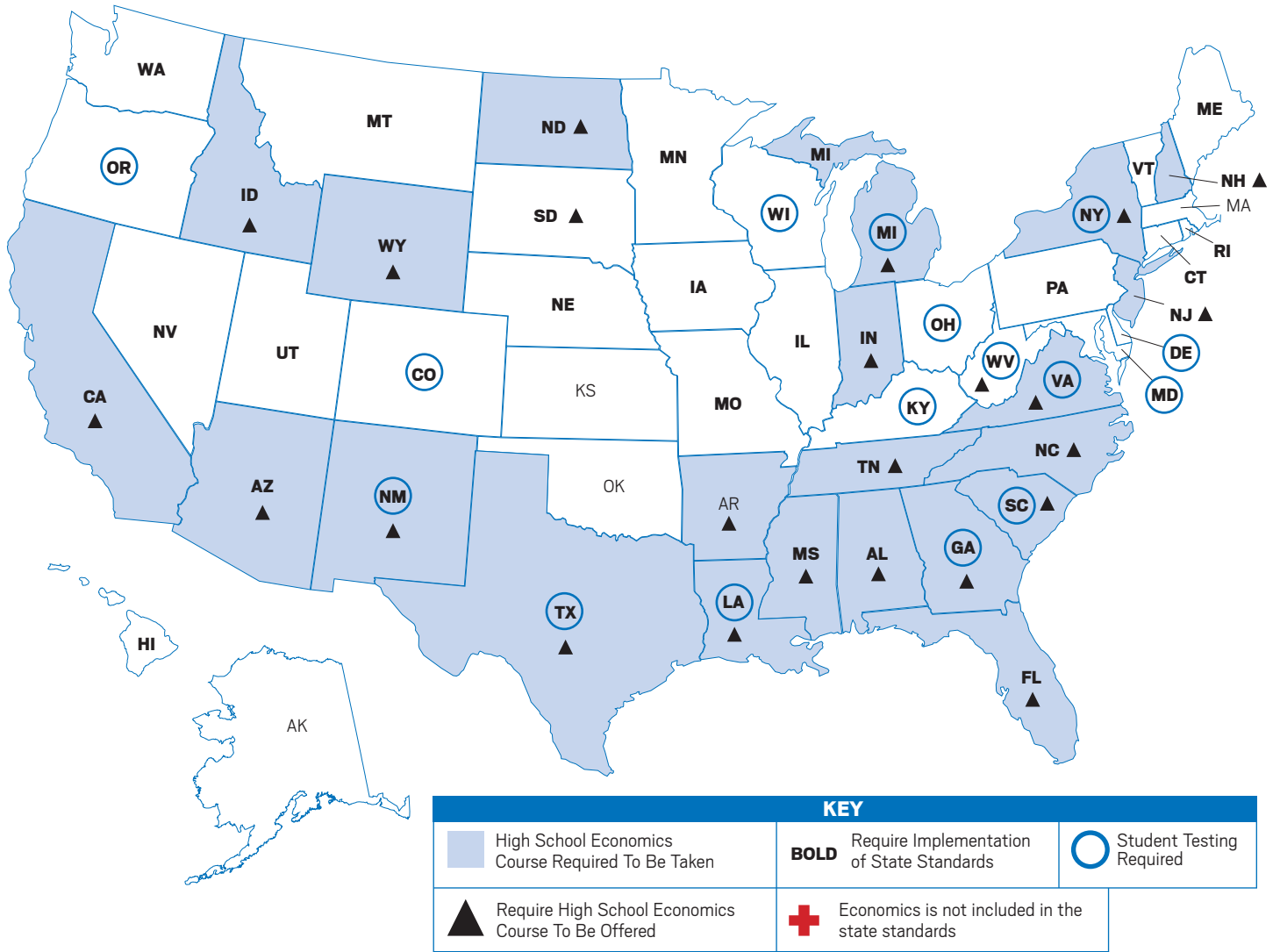
Nearly 58 percent of high school graduates took a course in economics in 2009. As the number of states requiring a course in economics for high school graduation has risen, so has the number of students taking economics.

### STATE MANDATES RESULT IN MORE STUDENTS STUDYING ECONOMICS

Percentage of High School Graduates Taking Economics



# STATUS OF ECONOMIC EDUCATION ACROSS THE NATION - 2014






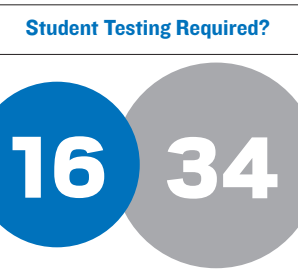
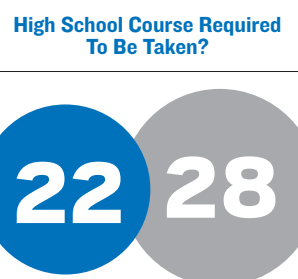
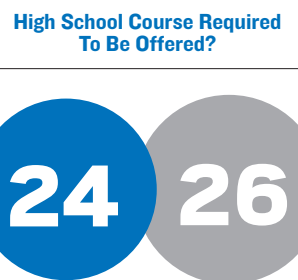
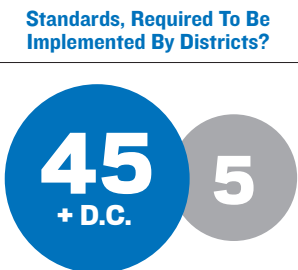
## HISTORICAL COMPARISON – ECONOMIC EDUCATION 1998-2014

TOPICS	SURVEY FINDINGS							
	1998	2000	2002	2004	2007	2009	2011	*2014
Include economics in their standards	38	48	48	48	48	50	50	50 + D.C.
Standards required to be implemented	28	36	33	38	40	40	40	45 + D.C.
High school course to be offered	16	16	17	16	17	21	25	24
High school course to be taken	13	13	14	14	17	21	22	22
Student testing of economic concepts required	25	21	27	25	23	19	16	16

\*2013 DATA

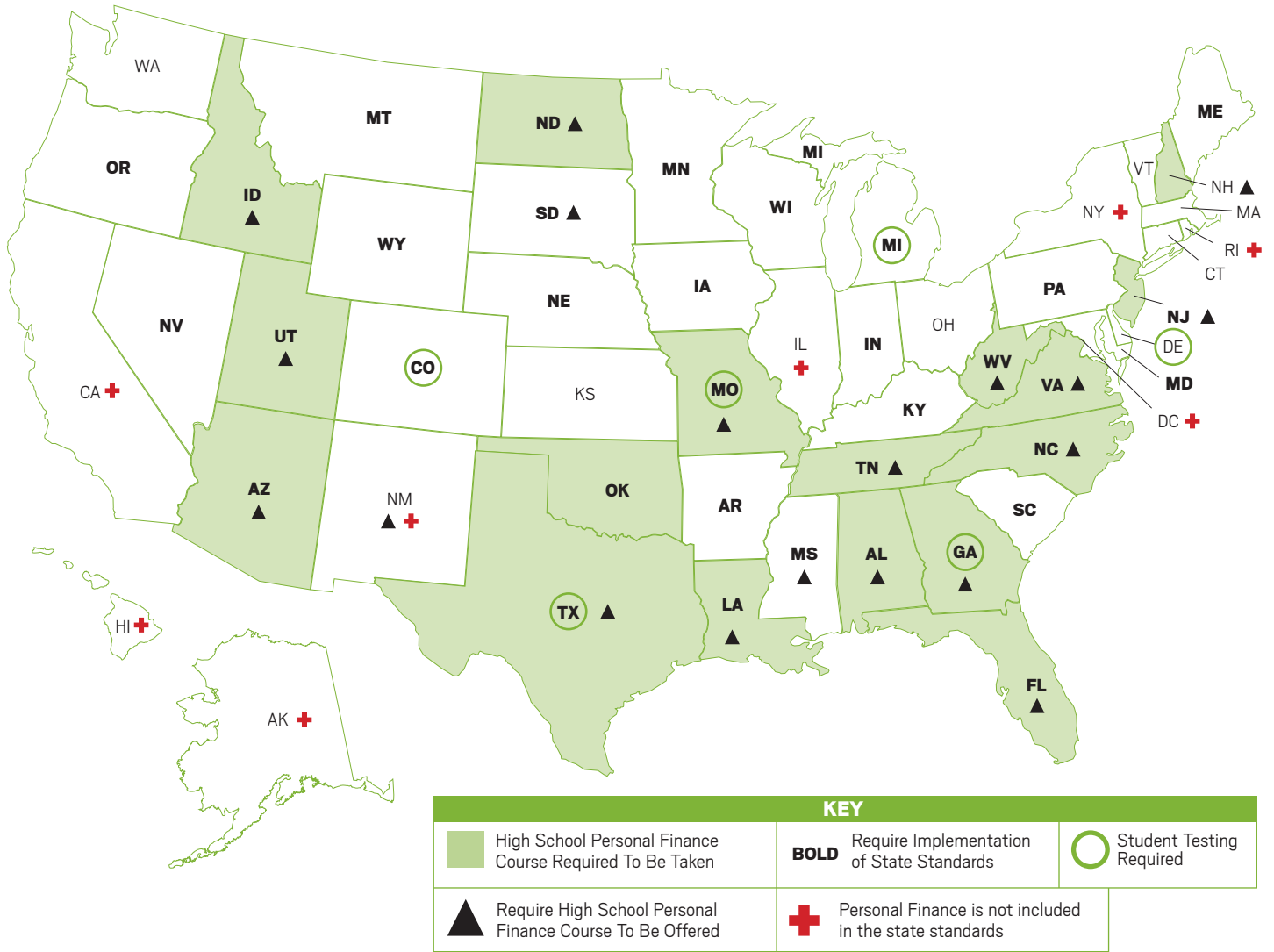
# STATUS OF ECONOMIC EDUCATION – 2014

KEY						Included in the K-12 Standards?	
 YES		Included in the K-12 Standards?	Standards Required To Be Implemented By Districts?	High School Course Required To Be Offered?	High School Course Required To Be Taken?	Student Testing Required?	 
Alabama							
Alaska							
Arizona							
Arkansas							
California							
Colorado							
Connecticut							
Delaware							
Florida							
Georgia							
Hawaii							
Idaho							
Illinois							
Indiana							
Iowa							
Kansas							
Kentucky							
Louisiana							
Maine							
Maryland							
Massachusetts							
Michigan							
Minnesota							
Mississippi							
Missouri							
Montana							
Nebraska							
Nevada							
New Hampshire							
New Jersey							
New Mexico							
New York							
North Carolina							
North Dakota							
Ohio							
Oklahoma							
Oregon							
Pennsylvania							
Rhode Island							
South Carolina							
South Dakota							
Tennessee							
Texas							
Utah							
Vermont							
Virginia							
Washington							
West Virginia							
Wisconsin							
Wyoming							
District of Columbia							



KEY

# STATUS OF PERSONAL FINANCE EDUCATION ACROSS THE NATION - 2014



## HISTORICAL COMPARISON – PERSONAL FINANCE EDUCATION 1998-2014

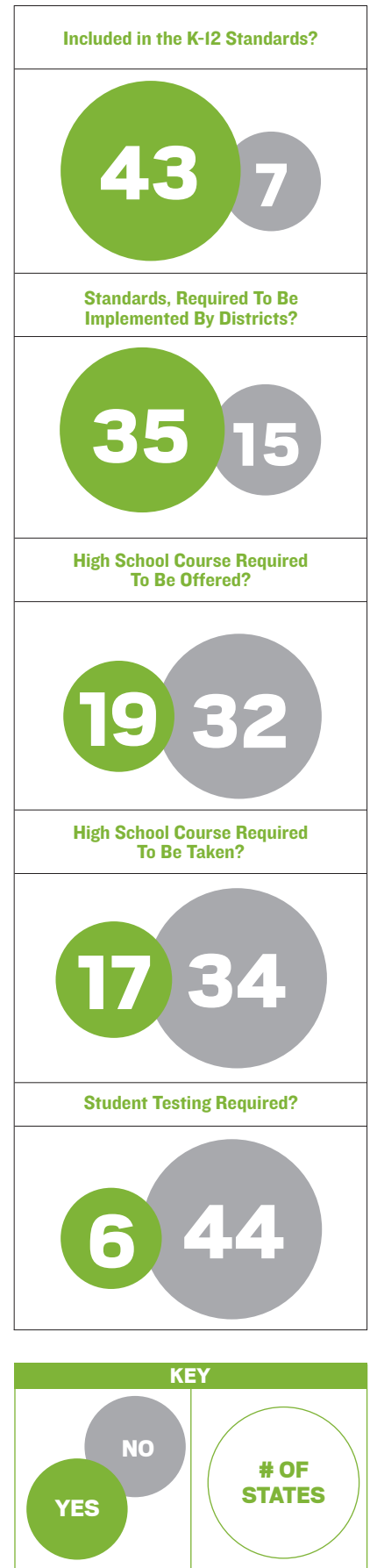
TOPICS	SURVEY FINDINGS							
	1998	2000	2002	2004	2007	2009	2011	*2014
Include personal finance in their standards	21	40	31	36	40	44	46	43
Standards required to be implemented	14	16	17	21	28	34	36	35
High school course to be offered	N/A	7	1	7	9	15	14	19
High school course to be taken	1	1	1	6	7	13	13	17
Student testing of personal finance concepts required	1	6	8	8	9	9	5	6

\*2013 DATA



# STATUS OF PERSONAL FINANCE EDUCATION – 2014

KEY	Included in the K-12 Standards?	Standards Required To Be Implemented By Districts?	High School Course Required To Be Offered?	High School Course Required To Be Taken?	Student Testing Required?
YES					
Alabama					
Alaska					
Arizona					
Arkansas					
California					
Colorado					
Connecticut					
Delaware					
Florida					
Georgia					
Hawaii					
Idaho					
Illinois					
Indiana					
Iowa					
Kansas					
Kentucky					
Louisiana					
Maine					
Maryland					
Massachusetts					
Michigan					
Minnesota					
Mississippi					
Missouri					
Montana					
Nebraska					
Nevada					
New Hampshire					
New Jersey					
New Mexico					
New York					
North Carolina					
North Dakota					
Ohio					
Oklahoma					
Oregon					
Pennsylvania					
Rhode Island					
South Carolina					
South Dakota					
Tennessee					
Texas					
Utah					
Vermont					
Virginia					
Washington					
West Virginia					
Wisconsin					
Wyoming					
District of Columbia					





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## ABOUT THE COUNCIL FOR ECONOMIC EDUCATION

The Council for Economic Education is the leading organization in the United States that focuses on the economic and financial education of students from kindergarten through high school - and we have been doing so for nearly 65 years. We carry out our mission by educating the educators: providing the curriculum tools, the pedagogical support, and the community of peers that instruct, inspire, and guide. All resources and programs are developed by educators, and delivered by our national network of affiliates. Our goal is to reach and teach every child. Each year CEE's programs reach more than 55,000 K-12 teachers and over 5 million students across the United States.

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## SURVEY OF THE STATES METHODOLOGY

To ensure the integrity of the study, CEE conducts a careful review of current policies and legislation specific to each state. CEE also contacts expert representatives in each state with the specific knowledge necessary to answer the survey accurately.

These include:

- Social studies specialists at state departments of education in all 50 states and the District of Columbia
- The chief executives of state councils on economic education, affiliated with CEE.



[www.capitaloneinvestingforgood.com](http://www.capitaloneinvestingforgood.com)

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