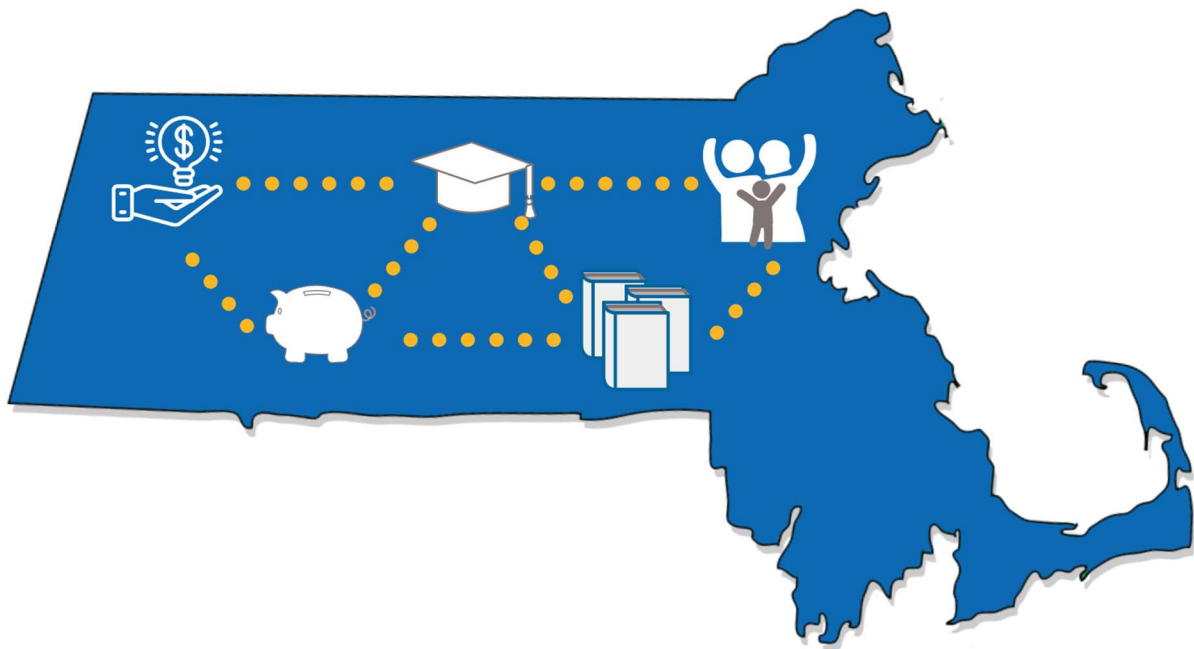


EXECUTIVE SUMMARY

PERSONAL FINANCIAL LITERACY EDUCATION IN THE MASSACHUSETTS PUBLIC SCHOOL SYSTEM

2021



OFFICE OF
**ECONOMIC
EMPOWERMENT**

Office of the Treasurer and Receiver General of Massachusetts

Introduction

Financial literacy has become a crucial skill that allows people to navigate the complex world of personal finance (U.S. Financial Literacy and Education Commission, 2020; Federal Reserve Financial Education Initiatives, n.d.). Numerous studies have found that youth show low levels of financial literacy, despite having to face crucial financial decisions as they enter adulthood (Bumcrot, Ulicny, Lusardi, Mottola, Kieffer, & Walsh, 2016). In 2015 the Massachusetts Financial literacy Task Force set out the goal that stated its goal that *“every student who graduates from high school in our state should have a foundational knowledge of financial education concepts and have access to high-quality resources”* (Financial literacy Task Force (2015), p. 23).

Following the recommendations of the Financial literacy Task Force, this report maps out existing personal financial literacy (PFL) education in the Massachusetts public school system. The report also explores the conditions that hinder or facilitate PFL education in the school setting.

The report relies on findings from a first of its kind the study conducted by the Office of Economic Empowerment that collected first-hand data from educators at the district and school levels. The study utilized surveys, interviews, and secondary sources. Surveys were disseminated to a sample of 120 school district and the schools they operate (a total of 893 surveys). Interviews were conducted with 16 educators who agreed to share their thoughts on PFL. While response rates to surveys have been adequate, nonresponse bias is highly likely in the high school and middle/elementary school populations. In addition, charter schools and schools with high rates of students of color are underrepresented in secondary data. As a result, most quantitative findings relate to the districts and schools for which we have data.

Data for this report was collected before the Coronavirus outbreak. It is highly likely that the pandemic changed course offerings and priorities for educators. Nevertheless, PFL education is still crucial and we believe will remain a priority as the school system returns to normal.

Key Findings

1. What personal financial literacy content is taught in Massachusetts public schools?

1.1. PFL requirements are rare

- The vast majority of districts do not require schools to teach any PFL (73% of respondents) or offer PFL electives (60% of respondents).
- Teaching requirements are mostly at the high school level (two thirds of districts with requirements). Elective requirements exist only at the high school level.
- The majority of the districts that do not have any PFL requirements said they plan to change their PFL instruction.
- Of the 108 high schools from our sample for which we have data, we found only 16.6% that require students to take a course that includes some PFL content.
- While any PFL instruction in middle/elementary schools is likely to apply to all students, survey responses show that only a minority of middle/elementary schools have PFL education (35% of responding schools or 27% of responding districts).

1.2. PFL education is common

- The vast majority of high schools offer some PFL education:
 - Two thirds of responding districts said high schools offer PFL content.
 - 85% of responding high schools and 95.8% of high school programs of study have at least one course with PFL content in it.¹
 - Most high schools in our dataset (60%) offer multiple courses with PFL content. And most offer courses that are dedicated to PFL rather courses in other subjects with PFL topic integrated into them.
 - The most common topics covered by the high school PFL courses identified are:
 - Saving, investing, and planning for the future
 - Banks and financial services
 - Credit, debt and loans
 - Budgeting or balancing a checkbook
 - Less common topics are:
 - Financial decision-making
 - Evaluating media content that relates to personal finance and charitable giving.
 - More than three quarter of PFL courses in high schools did not have an Honors or AP option or were unlevelled, making them less attractive elective.
- PFL in middle/elementary school may be more common that it seems:
 - While only a minority of responding middle/elementary schools responded having PFL education (34.5%), it is highly likely that additional schools have PFL content as part of the Mathematics and the History/Social Science Curriculum Frameworks, both of which include PFL topics for grades K-2 (Money and Earning an Income).
 - In addition, interviews revealed that additional PFL in middle/elementary schools mostly as part of small scale, local, informal initiatives, such as:
 - Partnering with community partners to offer special activities on topics such as budgeting, saving, and banking.
 - Utilizing opportunities for children to practice budgeting skills. For example, operating a school store, money-like behavioral incentives, and planning and budgeting for special school activities.
 - PFL in earlier grades is most likely to cover basic topics such as money, earning and income, and budgeting, and needs and wants.

1.3. Educators at all grade levels are faced with the complex challenge of providing culturally sensitive PFL education which addresses the diversity of their student body without imposing “*white, middle class values*” and at the same time “*create resilient kids*”, as expressed by one of our interviewees.

¹ Rate is calculated as of the number schools to where programs of study were found. We could not find a program of study for 49 high schools in our sample (34%).

2. What conditions shape personal financial education in public schools in Massachusetts?

2.1. Barriers to PFL education

- Shortage of class time is by far the most prominent barrier to PFL education and was most often cited by survey respondents (58%) as well as interviewees (100%).
- Other commonly cited barriers to PFL are:
 - Lack of vetted curricula (36%)
 - Lack of funding (33%)
 - Not enough teacher training opportunities (31%)
- Responding district seem more concerned by all three barriers than school respondents.
- Over a third of responding high school cited lack of FTEs as a barrier, making it the second most cited barriers for high schools. Only 16% of middle/elementary schools felt the same.
- A considerably higher share of middle/elementary school said that district or school administration do not prioritize PFL education compared to high schools (27% versus 7%).

2.2. Levers to personal financial education

- Responding districts provide schools with the following support for PFL education:
 - Assistance with developing community partners: 57.5%.
 - Training resources for teachers in PFL: 30%.
- 15% of responding districts do not provide any resources to schools to support PFL education.
- Qualitative data indicates that –
 - Community partnerships can mitigate most of the barriers to PFL education by providing curricula, funding, and funding.
 - Teacher training is needed to support teachers in preparing and teaching PFL curricula.
 - There is a need for guidance as to what PFL topics are appropriate for young children, and how and when to teach them.
 - Students show high levels of engagement with PFL material.
 - Educators' commitment and resiliency drives much of current PFL education.

3. What are the perceptions of district and school staff and teachers of personal financial education in Massachusetts public schools?

3.1. Educators think PFL education is important

- The vast majority of responding high school think that PFL content is highly relevant to students' lives.
- Similarly, a high rate of responding middle/elementary school said PFL content is interesting to students.
- All interviewees acknowledged the importance of PFL education for students in all grade levels highlighting the following roles PFL education plays:

- Teaching practical real-life knowledge and skills that are important for students.
- Protecting students from the dangers of the world.
- A tool to increase social mobility for low-income or immigrant students.
- An issue of social justice.
- A subject, that can be useful in project-based learning and as a tool to increase engagement and understanding of other subjects.