MODEL POLICY #15

FINANCIAL LITERACY INSTRUCTION

Why Adopt This Policy?

Financial literacy sets a foundation for students to be more prosperous and independent by equipping them with essential skills to navigate personal finances effectively, setting them up for lifelong success. For many students, this may be the only financial course they experience in school. Research has found that financial literacy classes can help to increase the knowledge of students about finance and increase the likelihood of positive financial choices.*

Policy

This policy is established to ensure that the district maintains an effective curriculum that prioritizes student understanding of personal finance. The policy provides a framework for topics that should be covered in a financial literacy course.

Financial literacy shall constitute at least one-half credit of instruction at the high school level. Curriculum shall include:

1. **Financial mindset:** Understanding the importance of financial responsibility and adopting habits conducive to long-term financial well-being.
2. **Education and employment:** Learning about various career paths and understanding the value of education in achieving career goals.
3. **Money management:** Creating and managing a budget to effectively allocate income towards expenses, savings, and financial goals.
4. **Saving and investing:** Understanding the importance of saving money and exploring various investment options such as stocks, bonds, mutual funds, and retirement accounts.
5. **Credit management:** Learning about credit scores, credit reports, the responsible use of credit cards, strategies for building and maintaining good credit, and why having good credit is important.
6. **Debt management:** Understanding different types of debt, such as student loans and mortgages, and strategies to manage and reduce debt effectively, including understanding interest rates.
7. **Risk management:** Identifying and assessing financial risks and diversifying investments.

* Catherine M. Reich & Jeffrey S. Berman (2015) Do Financial Literacy Classes Help? An Experimental Assessment in a Low-Income Population, *Journal of Social Service Research*, 41:2, 193-203, DOI: 10.1080/01488376.2014.977986

8. **Insurance:** Exploring various types of insurance, such as health insurance, auto insurance, renters insurance, and understanding how insurance works to protect against financial risks.

District administration should also strive to provide financial literacy instruction including:

1. **Taxes:** Understanding basic tax concepts, including tax-filing procedures.
2. **Banking:** Familiarizing students with different types of bank accounts, online banking, understanding bank fees and charges, and how to use an ATM.
3. **Financial goal setting:** Setting short-term and long-term financial goals, developing plans to achieve them, and understanding the importance of financial planning.
4. **Family involvement:** District administration should encourage collaboration between schools and parents through regular communication and should seek to offer workshops and resources to support students in applying financial knowledge within their families and communities.
5. **Guest speakers:** Consider including guests from a local financial institution, an insurance agency, investment broker firm, or a financial planner/coach to share what students can do to understand money and how it can help them build their life goals.

Legal Analysis — National

The Secretary of Education shall seek to enhance financial literacy among students through the development of initiatives, programs, and curricula that improve student awareness and assist such students in navigating the financial aid process. 20 U.S.C. § 9709(a).

Legal Analysis — Wisconsin

In Wisconsin, school boards have the duty to determine the educational standards for the district and to adopt all textbooks necessary for the use in district schools. School boards also have authority to do all things reasonable to promote the cause of education, including establishing, providing, and improving school district programs for the benefit of students.

For schools in Wisconsin, one half credit of financial literacy instruction is required for high school graduation, starting with the class of 2028. Districts should first determine if their current offerings will meet the requirements of Wis. Stat. § 118.33(1)(a)1.f. This policy uses the state law as a starting point and expands upon it. At the federal level, regarding financial aid, Congress directed the Secretary of Education to develop initiatives, programs, and curricula that improve student awareness and assist students in navigating the financial aid process.

In order for a student to graduate from high school the student must complete at least one-half credit of personal financial literacy. Wis. Stat. § 118.33(1)(a)1.f.

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