

ALEX A. DALLMAN

STATE REPRESENTATIVE • 41ST ASSEMBLY DISTRICT

Testimony in favor of Assembly Bill 899

Assembly Committee on Education

February 1st, 2022

Thank you, Chairman Thiesfeldt and committee members, for allowing me to testify before you concerning Assembly Bill 899, relating to requiring one credit of personal financial literacy for high school graduation. I would also like to thank Senator Ballweg for her leadership on this legislation.

Under current law, a school board may grant a high school diploma to a student only if the student meets specific statutory requirements, such as earning a certain number of credits in various subjects in high school. This bill states that, in order to graduate, a student must also earn at least one credit of personal financial literacy that includes financial mindset, education and employment, saving and investing, credit and debt, and risk management and insurance.

It is to be said that the vast majority of parents and students rank personal finance as one of the most useful high school classes. This bill will meet this demand by guaranteeing every child receives a financial literacy course before graduation. Wisconsin currently requires only 15 credits to graduate high school; a number significantly lower than many states across the nation. This bill will add one credit of financial literacy to the requirements, ensuring DPI's standards for the course are used across the state.

Several states across the country including, Ohio, Tennessee, Nebraska and North Carolina having added a financial literacy graduation guarantee for high school students. Twenty-six other states are working to pass similar legislation as well.

It is critical that we set our Wisconsin students up for financial success as they head into the workforce or college. There have been many disturbing financial trends that have been occurring for several decades. Student are leaving college with massive amounts of debt as the national student loan debt continues to rise nearing \$2 trillion. Recent surveys have also shown that 70% of millennials are living paycheck to paycheck compared to 40% of baby boomers. Instead of sending our next generation out into the real world without any knowledge of how to save, manage, and invest money, we must require this sort of education to start in high school.

Thank you again, Chairman Thiesfeldt, for the opportunity to testify before this committee today and I would be happy to answer any questions you may have.



JOAN BALLWEG

STATE SENATOR · 14TH SENATE DISTRICT

Assembly Bill 899: Requiring a Financial Literacy Course in High School
Assembly Committee on Education
Testimony of Senator Joan Ballweg
February 1, 2022

Good morning, members of the committee. Thank you for hearing this important piece of legislation.

Nearly half of seniors in high school say they wish they would have learned about personal finance in school. The differences in financial knowledge can account for 30-40 percent of inequality related to retirement wealth. Taking quality financial literacy courses in high school decreases the likelihood of carrying a credit card balance, increases credit card scores by an average of 20 points, and the probability of delinquency is reduced. There is study after study and numerous statistics that largely agree that if a student receives rigorous financial education in high school that they are more likely to lead a happier, healthier, and more prosperous life.

The bad news is that even with all the benefits there are to taking these courses, only ten states require a financial literacy course as a graduation requirement. The good news is, there are currently 26 states working to pass similar legislation, and Wisconsin has the opportunity to be one of them.

This bill builds off of a law we passed in 2017, which required the DPI and school districts to adopt financial literacy academic standards. This was a good first step, but there are many Wisconsin high school students that still are not guaranteed to take a personal finance course before they graduate. Wisconsin already requires 15 credits in subjects like Math and English for graduation, which is relatively low compared to other state's requirements, and I believe that financial literacy is just as important as the subjects we currently require for a student to be successful after they graduate. For example, when I sat on the Governor's Task Force on Student Debt, the group recommended expanding Wisconsin's financial literacy standards to help students understand the ramifications of taking out debt to pay for future educational expenses.

I recognize that any requirement on our school districts means additional resources, training, and time for our teachers. To help alleviate the effects of such a requirement, in our bill we utilized the financial literacy standards the DPI adopted so schools do not have to reinvent the wheel. There are also many groups that are willing to provide funding, training, curriculum materials, and assistance to those school districts and teachers so they can be in a position to effectively teach these courses.

I believe every child deserves the opportunity for a quality personal financial education in high school. Decisions made early-on while emerging into adulthood impact the rest of your life. This should be considered an essential tool to prepare our youth.

Thank you for your consideration of AB 899.



Assembly Committee on Education
February 1, 2022

Wisconsin Department of Public Instruction
Testimony in Opposition to Assembly Bill 899

The Department of Public Instruction (DPI) supports increasing the knowledge of personal financial literacy of Wisconsin high school graduates, better preparing them to make sound financial decisions as they begin the next step of their lives, whether that is college or a career and increasing professional development in the area of personal financial literacy among Wisconsin teachers. However, based on the work that school districts are already doing, often times in conjunction with financial professionals in their community, we have questions if the one credit graduation requirement included in Assembly Bill 899 (AB 899) is the approach school districts need at this time.

Beginning in the 2017-18 school year students in grades 6-12 have benefited from the implementation of Academic and Career Planning (ACP). The updated law requires that all career planning and preparation at the high school level include instruction that provides for the practical application of academic skills, applied technologies, economics, including entrepreneurship education and personal financial literacy. A key component of ACP is to equip students and parents with tools, including the financial literacy necessary to make more informed choices about life after high school including, careers, training, and post-secondary education.

2017 Wisconsin Act 94, which became effective on December 2, 2017, required school boards to adopt academic standards for financial literacy and incorporate instruction in financial literacy into the curriculum in grades kindergarten to 12. This means that Personal Financial Literacy Standards are embedded into learning in grades K-12. Districts have incorporated personal financial literacy content into existing courses or have the option to create individual courses that are aligned with Wisconsin standards for personal financial literacy.

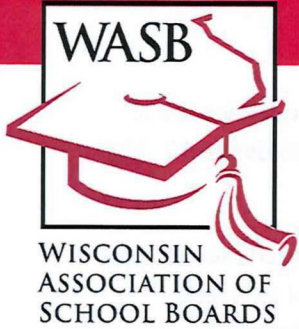
In June, 2020 DPI released the updated Standards for Personal Financial Literacy which were developed collaboratively by Wisconsin educators and industry stakeholders from banking and credit union associations. The group used insight from those embedded in the field and public feedback to develop an updated set of standards focused on improving student ability to understand, evaluate, and communicate information about money and financial services.

The updated set of standards includes the financial mindset content area as one of the subject's six strands — joining education and employment, money management, saving and investing, credit and debt, and risk management and insurance as areas important to the whole of financial literacy.

If AB 899 were to become law even our school districts who have a Personal Financial Literacy graduation requirement currently in place will have to restructure their scope and sequencing to meet the requirement of the bill, despite the fact they have just worked to incorporate the new state standards into their course offerings and curriculum. This will affect every district in the state.

An additional concern that we are hearing from districts across the state is regarding workforce shortages. Currently Social Studies, Business and Information Technology, and Family and Consumer Science teachers are licensed to teach Personal Financial Literacy. Two of these are in career and technical education which is already experiencing shortages – adding an additional one year course will move those currently licensed and offering personal financial literacy imbedded in their courses away from course they currently teach, creating the potential to reduce current offerings to their students and create additional staffing challenges for districts.

The concept of financial literacy is straightforward, make sure you teach it early and often. The concept of making good financial choices is something our earliest learners should understand. This is reflected in current law and in the updated standards which specify what knowledge and skills Wisconsin students should learn at different grade levels or bands of grades. There are supports and resources available at no cost through DPI and state/national partners to support this work in schools. We welcome the opportunity to work with the authors and discuss the work that is currently being done and how we can best support our students and their personal financial literacy education moving forward.



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JOHN H. ASHLEY, EXECUTIVE DIRECTOR

TO: Members, Assembly Committee on Education
FROM: Dan Rossmiller, WASB Government Relations Director
DATE: February 1, 2022
RE: OPPOSITION TO ASSEMBLY BILL 899, relating to: requiring one credit of personal financial literacy for high school graduation.

The Wisconsin Association of School Boards (WASB) is a voluntary membership association representing all 421 of Wisconsin's locally elected public school boards.

During a typical legislative session, numerous bills are introduced to impose additional, new mandates on schools. The WASB generally opposes those bills when they impose significant unfunded mandates on local school boards.

We submit our opposition to Assembly Bill 899 not to diminish the merits of financial literacy for Wisconsin's public-school students, but to highlight our concerns about the impact that an additional graduation requirement will have upon student programming and staffing, particularly in elective courses, that consequently could adversely impact students' post-secondary educational opportunities and career readiness upon graduation.

For the record, the WASB took a neutral stance on a recent legislative change (in 2017 Wisconsin Act 94) that required each school board to adopt academic standards for financial literacy and required each school board to incorporate instruction in financial literacy into the curriculum in grades kindergarten to 12. That legislation imposed relatively minimal burdens on school districts. The same cannot be said of the Assembly Bill 899.

Any time an additional graduation requirement is required, unless there were to be a comparable increase in instructional time, other course offerings will be displaced. Elective coursework is often the only opportunity that high school students have to explore areas of interest for their continuing education or employment upon graduation. Many of our member school boards represent small, rural districts that are already limited in their elective offerings, with many districts offering elective courses on alternate year schedules. Further increasing high school graduation requirements, especially requiring completion of a full year (two semester) class, will force school boards to prioritize what may be eliminated in the scope of elective course offerings. For many of our members, adding a graduation requirement for a full-year course is likely to also require hiring an additional full-time teacher, or teachers.

We have strong concerns about how school districts that are already facing teacher supply challenges will be able to find teachers to meet this proposed mandate. All schools are currently facing an immense burden to attract and retain quality teachers. Financial literacy is typically provided by mathematics teachers, career and technical education instructors, or business education teachers. All of these positions are among those in the highest of demand, with many schools filling these vacancies with individuals who have emergency credentials. Although these teachers, whatever their license status, may be able to provide instruction for financial literacy, it comes at an additional cost, and additional time in preparation and instruction.

We note that because of 2017 Wisconsin Act 94, the Department of Public Instruction adopted model academic standards for financial literacy that incorporate financial literacy into the curriculum throughout grades K-12. The DPI officially released these updated standards in June of 2020.

Wisconsin schools are already expected to provide financial literacy for their students, across all grade levels, and typically accomplish this through partnerships with local financial institutions to incorporate these standards through lessons in a variety of content areas. These standards can be met in numerous, creative ways as determined by locally approved curriculums. We are concerned whether there is enough curricular material on this subject matter to merit requiring a full credit (two semester) course.

The WASB strongly supports that locally elected school boards have flexibility to ultimately determine how curriculum is provided in their schools and how model academic standards are incorporated in their curriculums. We are concerned that, if adopted, this bill will impose costs and other burdens on school districts that may force school boards to reduce or eliminate critical programming at the secondary level. This includes offerings which contribute to the preparation of their students for careers that are available locally, offering post-secondary credit opportunities to save students time and money in their post-secondary certifications and degrees, or in preparing students via higher-level courses needed for college entrance requirements.



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Brenda Campbell

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Brenda Campbell Testimony on AB 899
Rep. Jeremy Thiesfeldt
Assembly Committee on Education

Thank you to chairperson Thiesfeldt and the Assembly Committee on Education for the opportunity to offer testimony in support of AB 899, which would implement a personal financial literacy course requirement for public high schools in the state of Wisconsin.

My name is Brenda Campbell, and I serve as President and CEO for SecureFutures, a nonprofit leader in Wisconsin focused on financial literacy for teens. Since its founding 15 years ago, SecureFutures has provided more than 90,000 young people throughout Wisconsin with financial education, tools, and mentorship. I serve on the Governor's Council on Financial Literacy and Capability, and SecureFutures, its founder, and two of its senior staff, including myself, have received the Governor's Financial Literacy Award.

SecureFutures exists because we believe that every young person needs and deserves access to financial education so they can achieve financial capability, reach their goals, and strengthen their communities. That's why we have always been vocal advocates for the implementation of a personal financial literacy course requirement statewide.

Why is financial education needed?

- Studies show a lack of financial literacy among Wisconsin residents:
 - Living paycheck to paycheck - 54%
 - Lack of emergency savings - 51%
 - Average student loan debt - \$29,000
 - Failed a test of basic financial literacy skills - 56%
- A recent Experian survey shows that 51% of young people are afraid money issues will prevent them from doing what they want in life.
- 63% of parents who participated in a new Charles Schwab Financial Literacy survey rated financial education as the highest priority for their kids to master.
- COVID-19 has led to further financial pressure on young people. Seven out of ten young adults have had to make financial adjustments as a result of the pandemic, with factors including debilitating student debt, employment struggles, and housing insecurity.

What is the impact of financial education?

- Financial education helps young people develop healthy financial habits, avoid costly financial mistakes, and make informed decisions about their futures.
- Financial education doesn't just affect individuals. It is an effective measure in improving the financial health of families and communities. According to the Financial Health Network, "financial health enables family stability, education, and upward mobility, not just for individuals today but across future generations."
- Financial education also levels the playing field, increasing access to financial services and institutions and addressing the racial wealth gap.

Why a personal financial literacy course requirement?

- A 2019 Study funded by the National Endowment for Financial Education found that financial education course requirements have a positive impact on financial behaviors and patterns.
- Findings include:
 - Positive effect on college borrowing decisions
 - Decrease in private loan borrowing
 - Decrease in credit card balances
 - Reduction in non-student debt
 - Increase in credit scores
 - Decrease in delinquencies
- Wisconsin has an opportunity to use high-quality, no-cost professional development and curriculum resources provided by Next Gen Personal Finance, which would support the successful implementation of the requirement.

A personal story of empowerment through financial education

With permission, I'm sharing Daisy Fregoso's story. Today, Daisy has a successful career as a commercial loan administrator at Peoples State Bank and is one of the newest members of the SecureFutures Board of Directors. Her path to achieving her goals all started with the financial education she received as a high school student.

Daisy shares that money was not talked about openly in her home growing up. She didn't understand basic financial skills like building a budget, creating a savings plan, or managing credit.

Daisy says that having access to financial education in high school is the reason she and her husband were able to weather the financial challenges of the early years of their marriage, after their daughter was born. Because of the good credit and saving habits she had developed, Daisy and her family were able to purchase their own home rather than renting and establish a firm financial foundation for their future.

"I think that I am most proud of seeing where I am today, as a homeowner, as someone in the financial world. If I was five years younger, looking at myself now, I'd probably cry from the happiness of seeing where I am." said Daisy. "Financial literacy is such an important part in knowing how to reach your dreams, and there are so many more teens who could really benefit from this."

Conclusion

Implementing a personal finance course requirement for all high schools in the state of Wisconsin could have a profound and wide-ranging positive impact on the financial well-being of individuals, families, and communities and the overall health of Wisconsin's economy. I urge you to support AB 899. Thank you for your time and consideration.

Yours sincerely,



Brenda Campbell
President and CEO
SecureFutures



State of Wisconsin
Department of Financial Institutions

Tony Evers, **Governor**

Cheryll Olson-Collins, **Secretary**

Committee on Education
AB 899 — Required Personal Finance in Schools
February 1, 2022

Statement from David Mancl, Financial Literacy Director,
Department of Financial Institutions

Thank you, Chairman Thiesfedlt and Honorable members of the Committee on Education, for having a hearing today on AB 899, requiring personal finance in school. I appreciate the opportunity to provide testimony today. My name is David Mancl, I am the Director of the Office of Financial Literacy at the Department of Financial Institutions (DFI). The Office of Financial Literacy promotes financial education and provides information to the public on matters of personal finance and investor protection. While the Office defers to the Department of Public Instruction regarding the allocation of public-school resources, we do wish to take this opportunity to re-affirm and emphasize the value of financial literacy education for Wisconsin's youth.

DFI's mission is to protect and promote Wisconsin's financial strength. It protects and ensures compliance through regulation and licensing of Wisconsin's financial institutions and professionals. However, regulation, licensing, and compliance can only go so far to inform and protect consumers from fraud. Our laws cannot protect citizens from making inappropriate financial decisions. Nor do our laws provide people with the knowledge, skills, and understanding necessary for them to successfully navigate in our evolving financial system. Strong evidence supports the need for financial education. As regulators of most of Wisconsin's financial service providers, DFI has a bird's eye view of the financial system and its consumers.

DFI receives thousands of contacts from Wisconsinites on money matters each year. Many of these people are confused or unaware for their rights and responsibilities in financial transactions. Such as the terms and conditions of having a credit card and that paying only the minimum payment will obligate the borrower pay more fees.

We know many Wisconsinites struggle with money issues, here are a few facts from research on financial capability in Wisconsin according to FINRA's latest Financial Capability Study.

- Most Wisconsinites are living paycheck-to-paycheck - 53% of Wisconsin residents spend equal to or more than their income.
- A vast minor of Wisconsinites do not have a "rainy day fund," 46% of residents do not have emergency money of three months of income
- Regarding medical debt, 23% of state residents have overdue medical bills up from 21% in 2015.

Office of the Secretary

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- When it comes to borrowing, 23% of state residents have engaged in some form of high-cost, non-bank borrowing during the last five years, such as payday lending or advances on tax refunds.
- Financial literacy scores are low, on a test of 5 questions, 60% of residents were unable to answer more than 3 questions correctly

Lack of financial "know how" and financial problems do not stop at the front door of one's home. Financial problems follow employees into the workplace and greatly affect productivity and our economy.

Stress over financial issues negatively impact employees which in turn cost employers. Over 60% of Americans attribute their stress to money issues. Employees facing money stress are less productive, take more time off, and perform at subpar. Their physical and mental health suffers, which leads to increased costs for employers to provide health care insurance benefits.

Negative impact on employee's wellness and productivity - 48% report being distracted at work [PricewaterhouseCoopers (PwC) 2021 Employee Financial Wellness Survey]

- 46% spend 3 hours or more at work each week dealing with personal finance issues
- 20% spend 5 hours or more at work each week dealing with personal finance issues
- 31% say their productivity at work is impacted by financial worries
- 16% miss work occasionally due to financial issues

Employees with the lowest levels of financial wellness cost employers an average of \$94 to \$198 annually. According to the report, *Optimizing Wellness Programs for a Diverse Workforce*, published by the Financial Finesse.

PwC's 2021 Employee Financial Wellness Survey of 1,600 full-time employed US adults found that many employees are experiencing deep financial strain. Employees whose financial stress has increased due to the pandemic are:

- four times as likely:
 - to have experienced a decrease in overall household income
 - to find it difficult to meet household expenses on time each month
- twice as likely:
 - to have used a payday loan or payday advance in the past year
 - to have taken a loan or distribution from retirement accounts
 - to be considering postponing their retirement

We must help our youth develop financial life skills and knowledge to last them a lifetime. Financial education is a life skill and can help our youth maximize their chances for success in our free enterprise system.

Guaranteeing financial education in high school increases financial knowledge; student credit scores are 8 to 17 points higher by age 22 (Brown, A., J.M. Collins, M. Schmeiser, and C.J. Urban, 2015). Such a guarantee is found to increase the likelihood that students apply for aid and the amount of federal student loan aid students receive. At the same time would decrease private

loan amounts and decrease the likelihood of carrying a credit card balance. (Stoddard, C. and C.J. Urban, 2018)

Financial education is not just about opening a checking account or charging a new pair of jeans on a credit card, it is providing the tools that will help our young people realize their dream for themselves and their families in our American free enterprise system.

Again, thank you for providing the opportunity for me, and others, to provide testimony on this important issue. I am available to answer any questions that you may have by phone at (608) 572-5794 or by email at david.mancl@dfi.wisconsin.gov.



Testimony of Richard Entenmann

To the Wisconsin Assembly Committee on Education in Support of AB 899

February 1, 2022

Thank you Chairman Thiesfeldt and members of the Assembly Committee on Education. I am speaking in support of AB 899 and urge you to consider the bill favorably.

I am Executive Director of Asset Builders, a Wisconsin nonprofit organization with a mission to increase financial literacy on the part of Wisconsin residents. Founded in 1999, we have carried out direct education programming since then to achieve our mission.

Financial literacy brings the ability to make choices in life: if you know what it takes to save for a car, a house, a snowmobile, or a comfortable retirement you can put those plans into action. Not having this knowledge means one will most likely not achieve his or her financial goals and might be at the mercy of devastating fraudulent or deceptive practices.

Asset Builders primary program is the Finance and Investment Challenge Bowl. This is a statewide personal finance and economics college bowl quiz competition currently held in 12 regions across the state – from Kenosha in the south to Rhinelander in the North and from Milwaukee and Sheboygan in the East to La Crosse and Eau Claire in the west. The Challenge Bowl reinforces content that teachers are already teaching in the classroom, and teachers and students alike find it to be an effective teaching-and-learning strategy.

Through the Challenge Bowl, I can see the benefits of personal finance education. The students who compete in the Bowl have taken the content in school, or are currently taking it. Thanks to the hard work their teachers put in every day, the students are well prepared to manage their personal

finances to optimal effect as adults. When they graduate, they are ready to make good financial choices and they are ready to avoid making bad choices that can take years of hard work to correct and that are expensive to correct.

Asset Builders also conducts community-based educational seminars for adults, in Racine and Wausau and this is where I see what happens when people are not financially literate. The individuals who come to these programs don't know things like how credit works – how to build and maintain a good credit score and why it is important to have good credit. They don't know the difference between checking and savings accounts. They don't know how home mortgages work – how to get a mortgage and what it really takes to buy a home and stay in the home. Their lives are more difficult and complicated and they have fewer choices in life, because financial activities like building credit, working with mainstream financial institutions, and buying a home are all more difficult than they need to be.

The need for financial education will grow exponentially in the years to come as our financial system continues to evolve to give individuals more responsibility for their own financial success – or failure. The decline in popularity of defined benefit retirement plans is one example of this trend, another is the “meme stock” investing craze that was going on just a year ago. People now have access to financial products that give them enough spending power to incur significant debt. Too many don't know how to use these tools and don't realize how powerful they can be.

Every day, day-in and day-out, Wisconsin residents make financial choices.

- some take out payday loans and pay exorbitant rates of interest - and others save money on interest by working with banks and credit unions
- some build their retirement by taking full advantage of employer 401(k) matches – and others leave that match on the table and end up mainly relying on Social Security in retirement
- some allocate their investments to align with their risk tolerance and account objectives – and others take on too much risk or miss out on what could be very substantial investment gains

- some set budgets and stick with those budgets so they can achieve their goals – and others live paycheck-to-paycheck with all sorts of adverse consequences to their personal happiness and to society.

Albert Einstein reportedly said that “compounding of interest is the most powerful force in the universe.” Of course, compounding can work two ways – in favor of the saver and investor, but also against the borrower and debtor. For these powerful financial forces to work in favor of Wisconsin citizens, some knowledge is needed – but the good news is that concepts are not “rocket science.” These concepts are well within the ability of high school students to understand and master.

Please find a way to make this knowledge a part of the education of all Wisconsin students. If you accept that the role of education is to prepare students to succeed in society as functioning adults who contribute to their community, please then recognize that good money management skills are a key part of success in life. By including financial literacy in the required curriculum in our high schools, we can make it possible for students to manage their money in the best possible way as they enter the workforce.

Kerri Herrild
Testimony in support of Bill AB899
Assembly Committee on Education
February 1, 2022

Thank you for allowing me to be here in support of Wisconsin Bill AB899, chaired by Representative Thiesfeldt.

My name is Kerri Herrild, and I am a business teacher and I teach a one semester Personal Finance course at De Pere High School.

I would like to start by asking you to think about your earliest memories of learning about money. I brought a few props that might help spark your memories. The first document is the hospital bill from Marinette General Hospital from when I was born in 1979. The total cost was just over \$400. Luckily, my parents had health insurance to help pay for such a hefty fee at the time.

The second artifact that I brought with me is my Holly Hobby piggy bank. I clearly remember getting a 50 cent weekly allowance for doing my chores, and I had to save half of that in this piggy bank. Once it was full, we would pour out the contents on the living room floor and make piles of coins to count them up. After my total was calculated, we took them to the bank with the third artifact from my childhood, my Junior Savings Passbook. It was always a thrill to see how much interest I had gained since my last deposit, as well as my overall updated balance.

I would say that things have changed a bit since my childhood, and probably yours as well. A report by CBS News shows that the average cost for a hospital birth is now \$11,220. My own children still have piggy banks and save half of their allowance, but we now track their accounts through online banking.

I was fortunate enough to have parents who openly discussed money at home and provided a solid financial education for me at a young age. I was in the minority then, and I would be in the minority now.

To prepare for today's testimony, I surveyed parents of my Personal Finance students. Almost all of them stated that they learned financial education the hard way, by making mistakes. Maybe you can relate. The issue is that the cost of making financial mistakes is now higher than ever.

A Post Crescent story from May 17, 2021, states that Wisconsinites carry an estimated \$24.4 billion in federal student loan debt. That does not include private student loans.

A study by Experian, published on January 4, 2021, states that 75% of Americans carry a balance on their credit card, and the average balance is over \$5,000.

According to U.S. PIRG, 85% of all vehicles purchased in the United States are financed by auto loans. The Experian State of the Automotive Finance Market report shows that in 2020, the average length of auto loans on a new vehicle was 71 months. More people are carrying higher amounts of debt for vehicles, for a longer period of time.

The average retirement savings for Wisconsinites who are 65 or older is about \$449,000 according to Personal Capital. That would allow retirees to live on an average of \$2200 per month. The number of people working beyond 65 because of the cost of living and lack of savings is on the rise.

These few statistics point out the need for financial literacy. Our young people can't afford to continue making the mistakes that many of us have made in the past. The consequences and costs of these mistakes are a drain on our economy. Young people are putting off purchasing homes, getting married and moving out of their parents' homes, because of the adult decisions they made in their late teens and early twenties, without knowing any better.

The mission statement for public education in Wisconsin states that, "Our mission is to ensure that every child, regardless of zip code, has access to quality public education programs, enrichment opportunities, and special education support, so that all of our kids can be successful."

We are all here to see that mission fulfilled. We care about the future of Wisconsin and the future of our children. How can we say that they will be successful without ensuring that, no matter what school they attend, or what zip code they live in, that they will receive basic financial education to inform their future decisions?

As a state, we have recognized that English/Language Arts, Math, Science, Social Studies, Physical Education and Health are all important enough to require for our high school students to be prepared for adulthood as responsible citizens. The financial literacy bill passed in 2017 was a great starting point that encouraged school districts to incorporate more financial literacy into their curriculum. However, it's just not enough.

No matter what path students take, whether it is pursuing college, military, or workforce, they will face financial decisions that can lead to consequences that follow them for years.

English/Language Arts is required so that our students can read, write, communicate, and analyze information to be informed citizens and make informed decisions. The language of

finance is really no different. When students don't understand the language of credit, insurance, and investing, they can't make the most effective decisions for themselves.

Math is taught to allow our students to calculate numbers and to problem solve. Financial literacy takes these math principles and applies them to their real life situations.

Science is about developing hypotheses, and critically thinking through possible solutions. Science allows students to see the problems in the world around them and to be responsible citizens. Financial literacy allows students to analyze what solutions will lead to the best financial outcome for themselves.

Physical Education is about getting students moving and to promote an active lifestyle in which they will lead healthier lives. Financial literacy prepares students to lead financially stable lives.

Health education is taught to promote healthy behaviors for individuals and the community. Financial literacy promotes financially sound behaviors that will positively impact individuals and their communities.

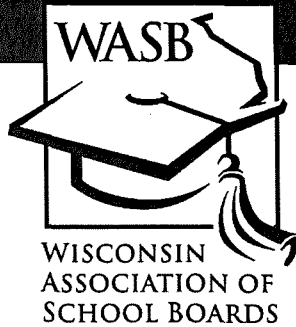
Financial literacy is being taught in many schools around Wisconsin, but not all. All of our students deserve to be informed about financial decisions that they will have to make in the future. They can't afford to continue making mistakes of the past, through a live and learn philosophy. Our state can't afford to have young adults who continue to bury themselves in debt and have to rely on older generations for support. Right now, we are letting down thousands of students in our state by not requiring comprehensive financial education for all.

We need this bill, because including a one or two week finance unit in another class is just not enough. In 2020, our state was a leader by implementing comprehensive Financial Literacy Standards that go beyond defining a few terms and explaining that debt is bad. Every student in Wisconsin deserves a stand alone course in Personal Financial Literacy that teaches these standards.

Written and submitted by:

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JOHN H. ASHLEY, EXECUTIVE DIRECTOR

TO: Members, Assembly Committee on Education
FROM: Dan Rossmiller, WASB Government Relations Director
DATE: February 1, 2022
RE: OPPOSITION TO ASSEMBLY BILL 899, relating to: requiring one credit of personal financial literacy for high school graduation.

The Wisconsin Association of School Boards (WASB) is a voluntary membership association representing all 421 of Wisconsin's locally elected public school boards.

During a typical legislative session, numerous bills are introduced to impose additional, new mandates on schools. The WASB generally opposes those bills when they impose significant unfunded mandates on local school boards.

We submit our opposition to Assembly Bill 899 not to diminish the merits of financial literacy for Wisconsin's public-school students, but to highlight our concerns about the impact that an additional graduation requirement will have upon student programming and staffing, particularly in elective courses, that consequently could adversely impact students' post-secondary educational opportunities and career readiness upon graduation.

For the record, the WASB took a neutral stance on a recent legislative change (in 2017 Wisconsin Act 94) that required each school board to adopt academic standards for financial literacy and required each school board to incorporate instruction in financial literacy into the curriculum in grades kindergarten to 12. That legislation imposed relatively minimal burdens on school districts. The same cannot be said of the Assembly Bill 899.

Any time an additional graduation requirement is required, unless there were to be a comparable increase in instructional time, other course offerings will be displaced. Elective coursework is often the only opportunity that high school students have to explore areas of interest for their continuing education or employment upon graduation. Many of our member school boards represent small, rural districts that are already limited in their elective offerings, with many districts offering elective courses on alternate year schedules. Further increasing high school graduation requirements, especially requiring completion of a full year (two semester) class, will force school boards to prioritize what may be eliminated in the scope of elective course offerings. For many of our members, adding a graduation requirement for a full-year course is likely to also require hiring an additional full-time teacher, or teachers.

We have strong concerns about how school districts that are already facing teacher supply challenges will be able to find teachers to meet this proposed mandate. All schools are currently facing an immense burden to attract and retain quality teachers. Financial literacy is typically provided by mathematics teachers, career and technical education instructors, or business education teachers. All of these positions are among those in the highest of demand, with many schools filling these vacancies with individuals who have emergency credentials. Although these teachers, whatever their license status, may be able to provide instruction for financial literacy, it comes at an additional cost, and additional time in preparation and instruction.

We note that because of 2017 Wisconsin Act 94, the Department of Public Instruction adopted model academic standards for financial literacy that incorporate financial literacy into the curriculum throughout grades K-12. The DPI officially released these updated standards in June of 2020.

Wisconsin schools are already expected to provide financial literacy for their students, across all grade levels, and typically accomplish this through partnerships with local financial institutions to incorporate these standards through lessons in a variety of content areas. These standards can be met in numerous, creative ways as determined by locally approved curriculums. We are concerned whether there is enough curricular material on this subject matter to merit requiring a full credit (two semester) course.

The WASB strongly supports that locally elected school boards have flexibility to ultimately determine how curriculum is provided in their schools and how model academic standards are incorporated in their curriculums. We are concerned that, if adopted, this bill will impose costs and other burdens on school districts that may force school boards to reduce or eliminate critical programming at the secondary level. This includes offerings which contribute to the preparation of their students for careers that are available locally, offering post-secondary credit opportunities to save students time and money in their post-secondary certifications and degrees, or in preparing students via higher-level courses needed for college entrance requirements.



Testimony of the Wisconsin Bankers Association

**Assembly Committee on Education
Assembly Bill 899**

February 1, 2022

Chair Thiesfeldt and Members of the Assembly Committee on Education:

Please accept the Wisconsin Bankers Association's testimony in favor of Assembly Bill 899.

Founded in 1892, WBA is the state's largest financial industry trade association, representing over 200 banks and savings institutions, their branches, and over 21,000 employees. The Association represents banks of all sizes in Wisconsin, and over 98% of banks in the state are WBA members. WBA also oversees the Wisconsin Bankers Foundation, our non-profit arm organized for charitable and education purposes with the mission of promoting financial literacy and financial responsibility.

WBA and our members have long been supportive of efforts to enhance financial literacy and we are appreciative to Rep. Dallman and Sen. Ballweg for authoring this proposal furthering this pursuit. We also commend the Legislature for their engagement and action on this topic, as demonstrated by the overwhelming bipartisan support for legislation that was eventually signed into law as 2017 Wisconsin Act 94. Act 94 required school boards to adopt standards for financial literacy and incorporate it into K through 12 curriculum.

As active members of their communities, WBA members work diligently throughout their footprints to promote prudent financial behavior. However, legislation like AB 899 has the capability of imparting these important principles on a larger, statewide scale. Doing so will undoubtedly better equip students for day-to-day financial decisions, and when they approach critical junctures in their lives such as entering the workforce, pursuing higher education, beginning to save for retirement, or purchasing a home.

We know a few things about students who receive financial education; they save more, have higher credit scores, are more likely to borrow within their means, and are more capable of making choices in their best interest despite an increasingly complex landscape of financial products and services. Financial literacy begets financial resiliency, which in turn benefits the economic wellbeing our state and its citizens.

WBA appreciates the efforts of the bill authors and urges support of AB 899.

Respectfully submitted,

John Cronin

Director – Government Relations | Wisconsin Bankers Association | 608-441-1215