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Ohio Chamber Pushing Financial Literacy As a Graduation Must

An inordinately high number of Ohioans, especially many young people coming out of college, have amassed a significant amount of burdensome debt that compromises their financial future. While it is in no way the complete answer to this dilemma, House Bill 383 would make a one-semester course in financial literacy a high school graduation requirement. This one-half credit for financial literacy is not in addition to the current requirements, but instead reduces the number of electives needed for graduation from 5.0 to 4.5. The bill passed the House and is in the Senate Education Committee, which meets later today. The Ohio Chamber supports the legislation and will testify as a proponent.

HB 383 would bring a much-needed level of consistency and more uniform emphasis to financial literacy instruction. It would accentuate greater conformity with the approved financial literacy academic standards and facilitate more focused instruction through a properly prepared and licensed teacher, resulting in increased understanding of financial concepts such as credit, debt, risk, investments and compound interest, to name a few.

Ohio's business community has been concerned about the overall lack of knowledge and judgment many consumers exhibit in financial matters. Consequently, we have investigated how school districts across the state have taught financial literacy over the past decade. The answer seems to be that, although financial literacy and personal finance instruction is available as an elective in many districts' curriculums, too many are not teaching it as a stand-alone course with a trained instructor. At best, students currently receive inconsistent instruction in financial literacy depending on the decisions of their individual school districts.

This inconsistency is made worse by the fact that, while some districts teach financial literacy as a stand-alone course as part of a Family & Consumer Science or Business Education or Social Studies curriculum, other districts include a unit of personal finance within an already crowded American Government course. Some districts have even included it in math courses, and one district includes personal finance in their wellness program with health teachers delivering the content. The Ohio Chamber believes this is much too haphazard an approach and explains, at least in part, why far too many students are ill-prepared to make sound and prudent financial decisions later in life.

The Ohio Chamber believes the relatively small change in the requirements necessary for high school graduation contained in HB 383 will pay large dividends in the future for Ohio businesses, the consumers that purchase their products and services, the families that avoid burdensome debt and, ultimately, the state as a whole.

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