According to the Council for Economic Education’s “Survey of States,” which analyzes and compares laws across the nation, every state in the Midwest shares at least one policy — the inclusion of personal finance in its K-12 standards. But from there, the policies of states diverge, and they’ve also been changing in recent years due to the enactment of new laws.

Wisconsin’s AB 280, signed into law in late 2017, requires school districts to adopt academic standards for financial literacy and to incorporate instruction on this topic into their K-12 curriculum.

In Iowa, with this year’s passage of SF 2415, all of the state’s high school students (starting with the class of 2020) must take a semester course in financial literacy that includes instruction on savings funds, wealth building and college planning, credit and debt, consumer awareness and insurance. As of 2017, five U.S. states (none in the Midwest) had a graduation requirement similar to Iowa’s, the Champlain College Center for Financial Literacy notes in its evaluation of state policies.

A second tier of states — including Illinois, Michigan, Minnesota, North Dakota and Ohio — stops short of requiring a stand-alone course, the center notes, but ensures that instruction on personal finance is embedded in a prerequisite class such as economics.

Some Michigan lawmakers want to require more of the state’s high schools. Under HB 5905, every school would offer a semester course in financial literacy; a companion measure (HB 5906) would allow students to then take this course in place of Algebra II or economics.

Illinois has required consumer education to be taught in high school since 1967 — the oldest such mandate in the country. Topics covered during the nine weeks of instruction include budgeting, debt, contracts, insurance, taxes, student loans, homeownership and identity theft. More recently, Illinois made personal finance a central part of its new K-12 academic standards in social studies — a move identified by Champlain College in its list of “great progress” made by states since 2013.

The Smart Ohio Financial Literacy Pilot Program, meanwhile, has been singled out by the Council for Economic Education. This university-led program develops instructional materials and teacher training to improve elementary-level instruction. Legislators created the program in 2016 (HB 391).

Under a more recent proposal in the Buckeye State, high school students would have to complete a semester of instruction in economics and financial literacy. HB 108 also would require Ohio’s public colleges and universities to issue an “informed student document” — details on what prospective students should expect in terms of costs, student debt and loan repayments.

Wisconsin’s colleges and universities already must provide this kind of information. In addition, during a student’s first semester of enrollment, he or she receives financial literacy-related resources from the college. These requirements in Wisconsin are the result of a 2016 law (AB 744).
Question of the Month highlights an inquiry sent to the CSG Midwest Information Help Line [11].

By:
Tuesday, September 18, 2018 at 12:11 PM

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