

Raising the Grade in Massachusetts

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Are Americans Financially Literate?

Financial literacy and retirement fluency in America

Findings from the 2025 TIAA Institute-GFLEC Personal Finance Index



Paul J. Yakobovitz, TIAA Institute
Atanaska Lovell, Stanford University and Global Financial Literacy Excellence Center (GFLEC)
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TIAA Institute

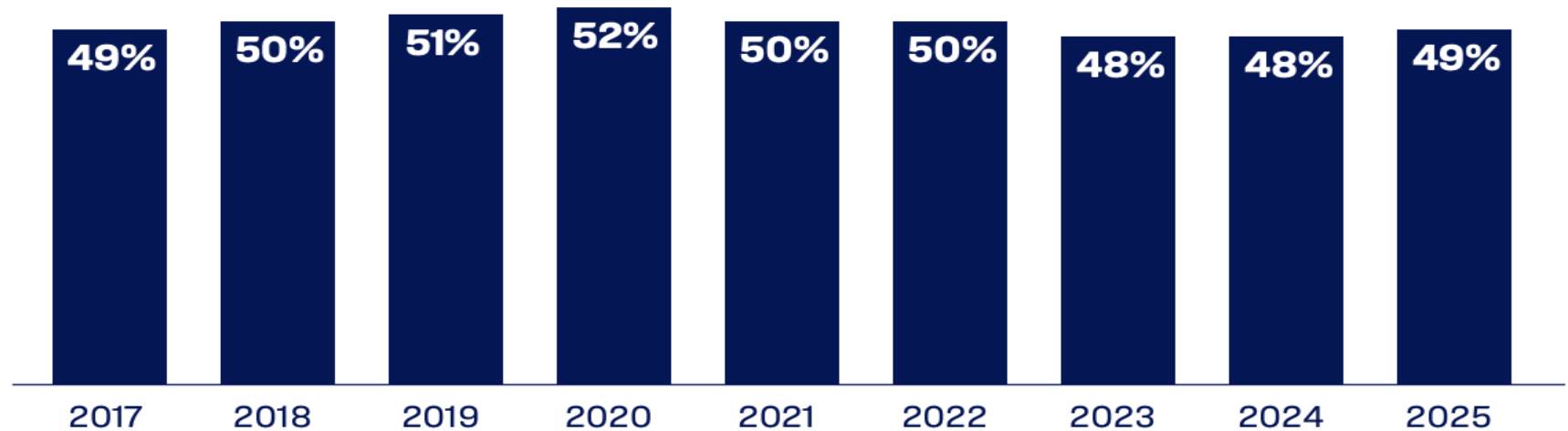
GFLEC
GLOBAL FINANCIAL LITERACY
EXCELLENCE CENTER

Consistently low financial literacy among U.S. adults

U.S. adults have correctly answered only about one half of the *P-Fin Index* questions each year.

PERCENTAGE OF *P-FIN INDEX* QUESTIONS ANSWERED CORRECTLY

28 Questions



1 in 5 have had financial literacy education

Off to a slow start

Financial literacy tends to be lowest among the youngest (Gen Z).*



17

PERCENTAGE
POINTS



55% Boomers

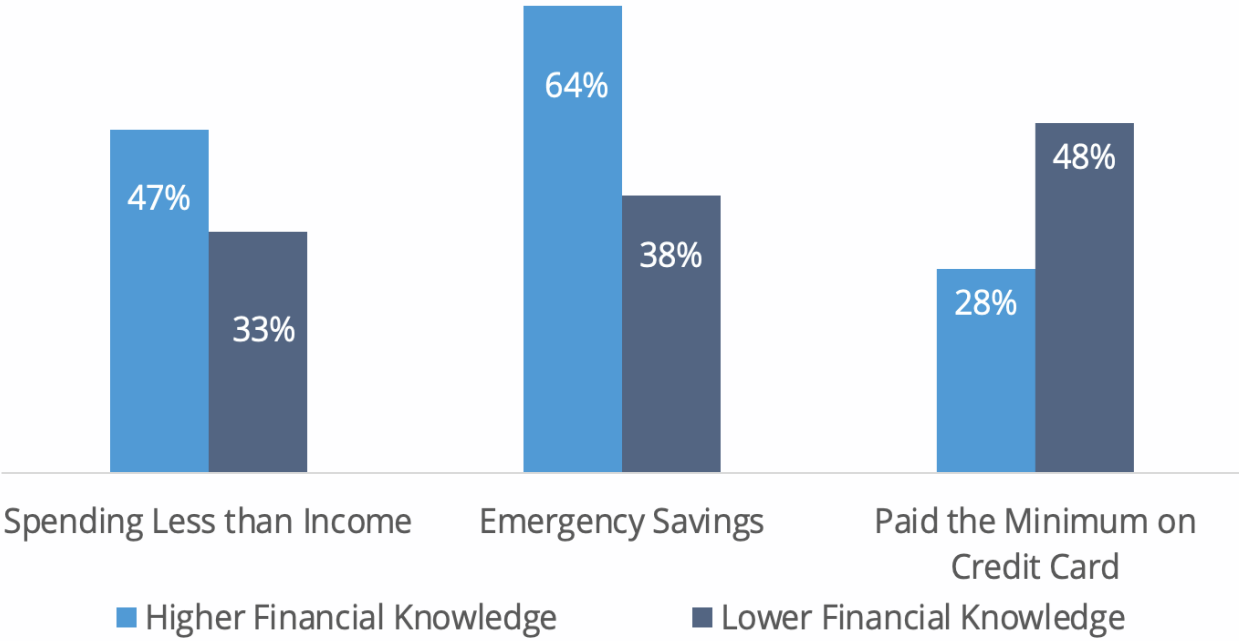


38% Gen Z

FINANCIAL LITERACY

Financial literacy education impacts financial literacy. There is an 14-percentage point differential in correctly answered questions between individuals who have participated in a financial education class or program (60%) and those who have not received financial education (46%).

Financial Knowledge and Capability **FINra** Investor Education FOUNDATION



Higher levels of financial knowledge are associated with **more positive** behaviors and **fewer negative** behaviors

Source: 2024 National Financial Capability Study

IS YOUR STATE MAKING THE GRADE?

2023 NATIONAL REPORT CARD ON STATE EFFORTS
TO IMPROVE FINANCIAL LITERACY IN HIGH SCHOOLS™

10th Anniversary Edition

WILL YOUR STATE BE LEFT BEHIND?

NATIONAL REPORT CARD ON STATE EFFORTS TO
IMPROVE FINANCIAL LITERACY IN HIGH SCHOOLS™

NEW Grade A State Projections for the Class of 2031

2025 Interim Update

Massachusetts Policy—GRADE F

- Most state set a minimum standard for what a Diploma means in the state. Only 4 state do not do this CO, PA, MA and VT (VT off list in 2031)
 - Competency Determination (CD) Standard (post-MCAS)
 - Starting with the Class of 2026, Massachusetts has approved new rules for the CD standard that require students in high school successfully complete 5 year-long courses, Class of 2027 must completed 6 year-long courses
 - Starting with the Class of 2027, Massachusetts has approved new rules for the CD standard that require students in high school successfully complete 6 year-long courses
 - None of these state mandated content areas include personal finance content.
 - In 2019 law required the creation of financial literacy education standards; allowed schools to incorporated these standards into existing curriculum (e.g., mathematics, history and social sciences, technology, or business); and required DOE to assist schools (select PF materials and curriculum; offer some professional development for educators,
 - Standards for Personal Financial Literacy for high schools are included in the 2018 History and Social Science Curriculum Framework. These standards may be used as a stand-alone course or incorporated into a variety of subjects.
 - There is NO REQUIREMENT to teach personal finance topics is high school to students
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New England and New York State

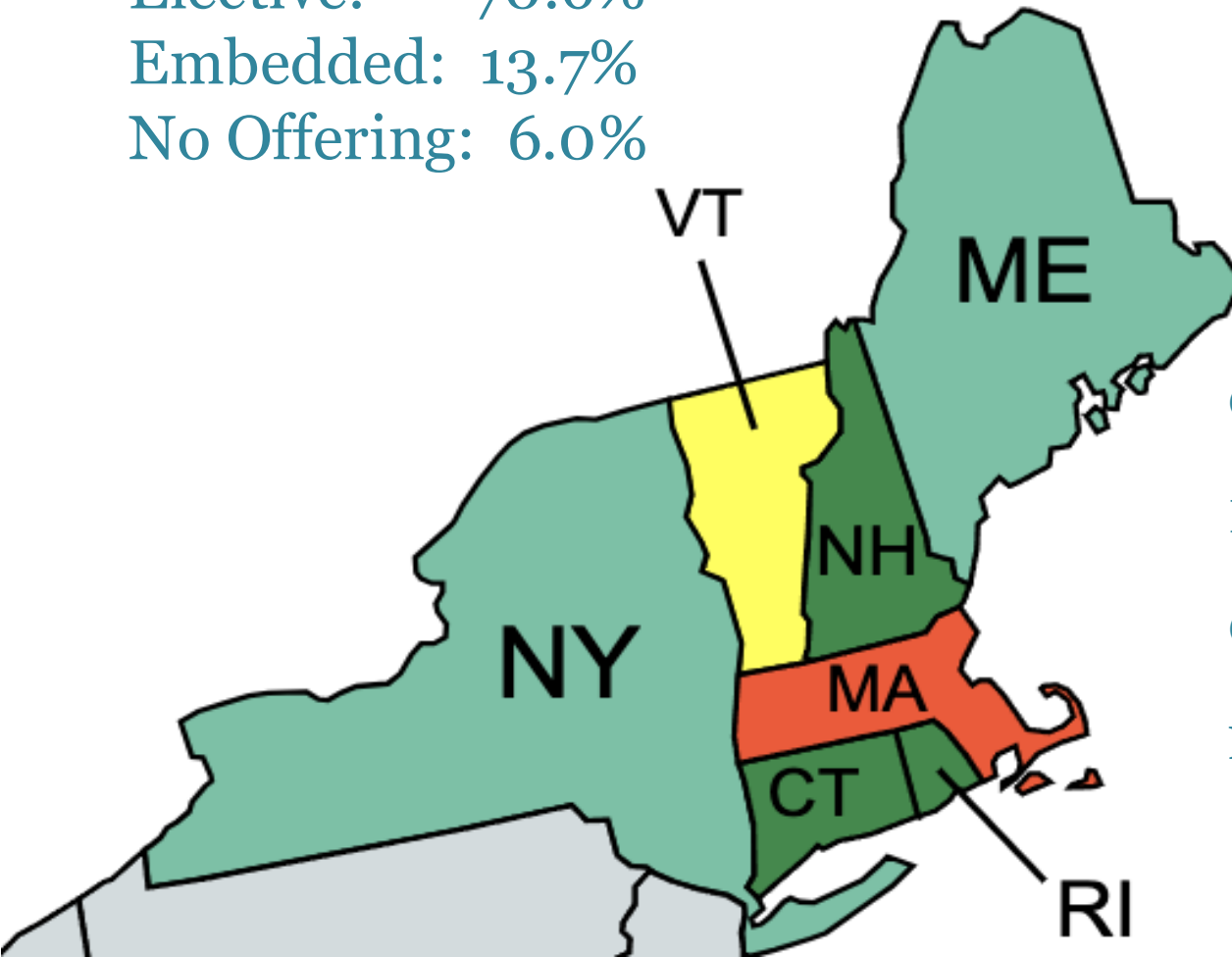
Massachusetts 2026:

Guaranteed: 9.7%

Elective: 70.6%

Embedded: 13.7%

No Offering: 6.0%



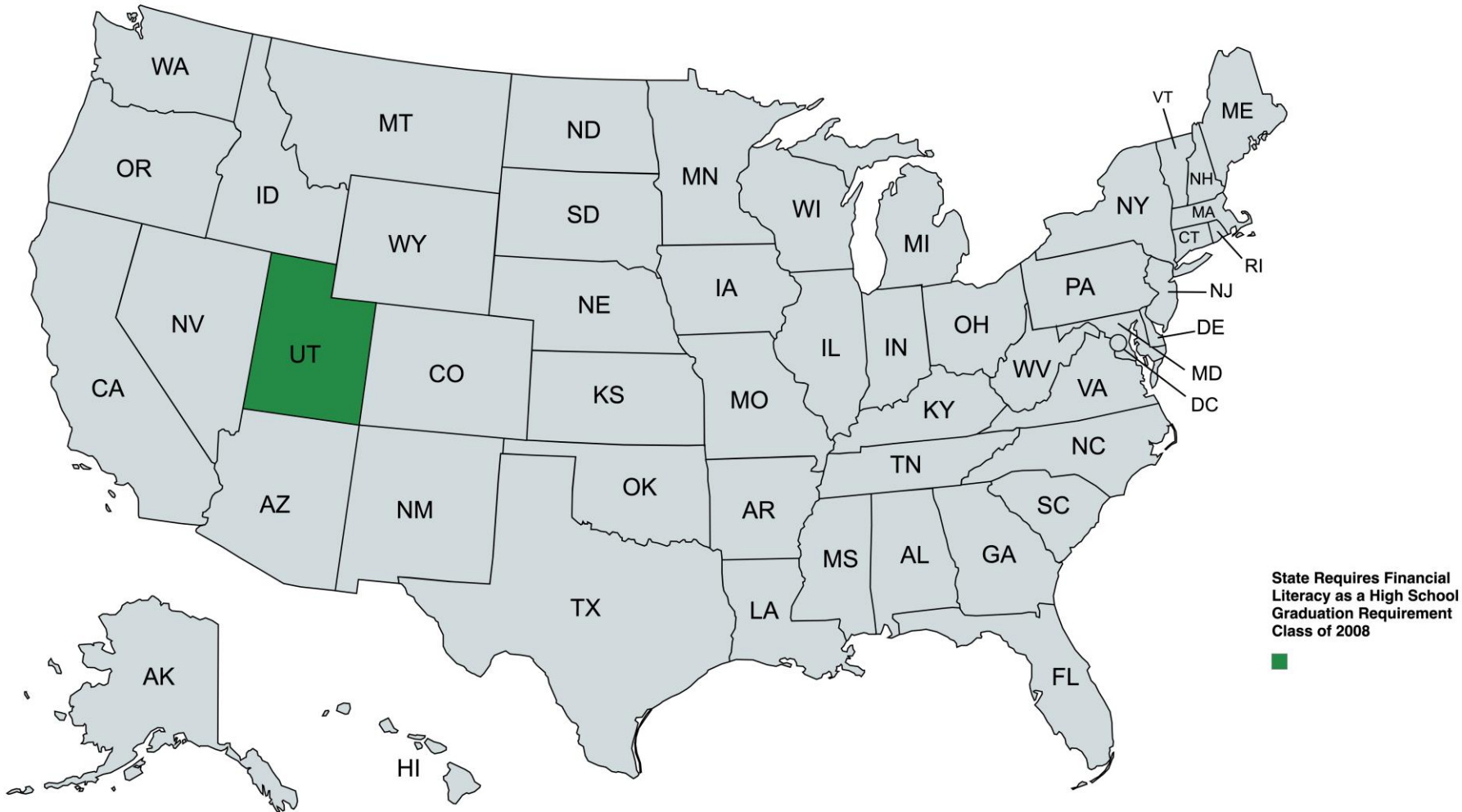
Grade A State 2025 Report

RI: Class of 2024?

CT: Class of 2027

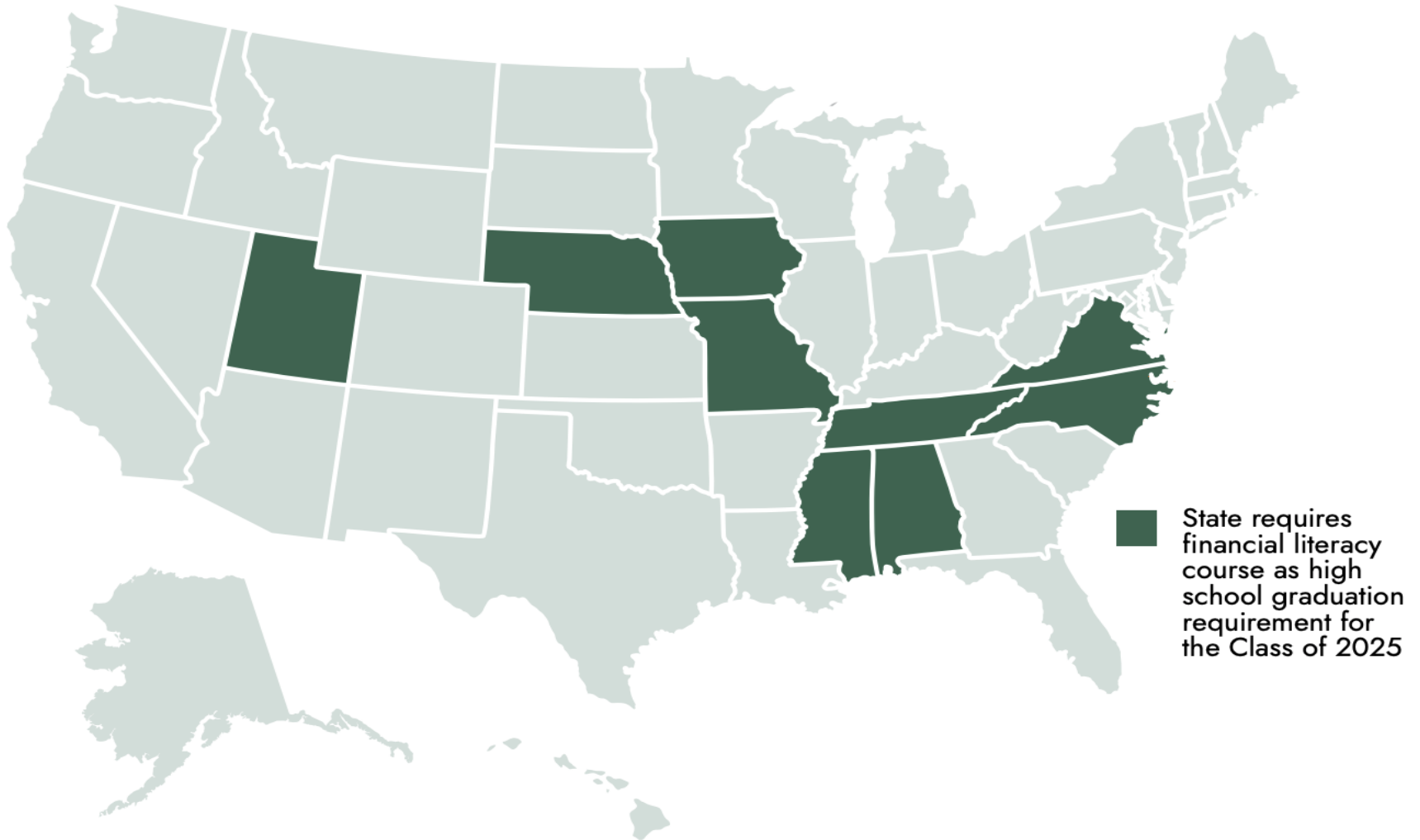
NH: Class of 2027

Grade A Sates for the Class of 2008



1 State

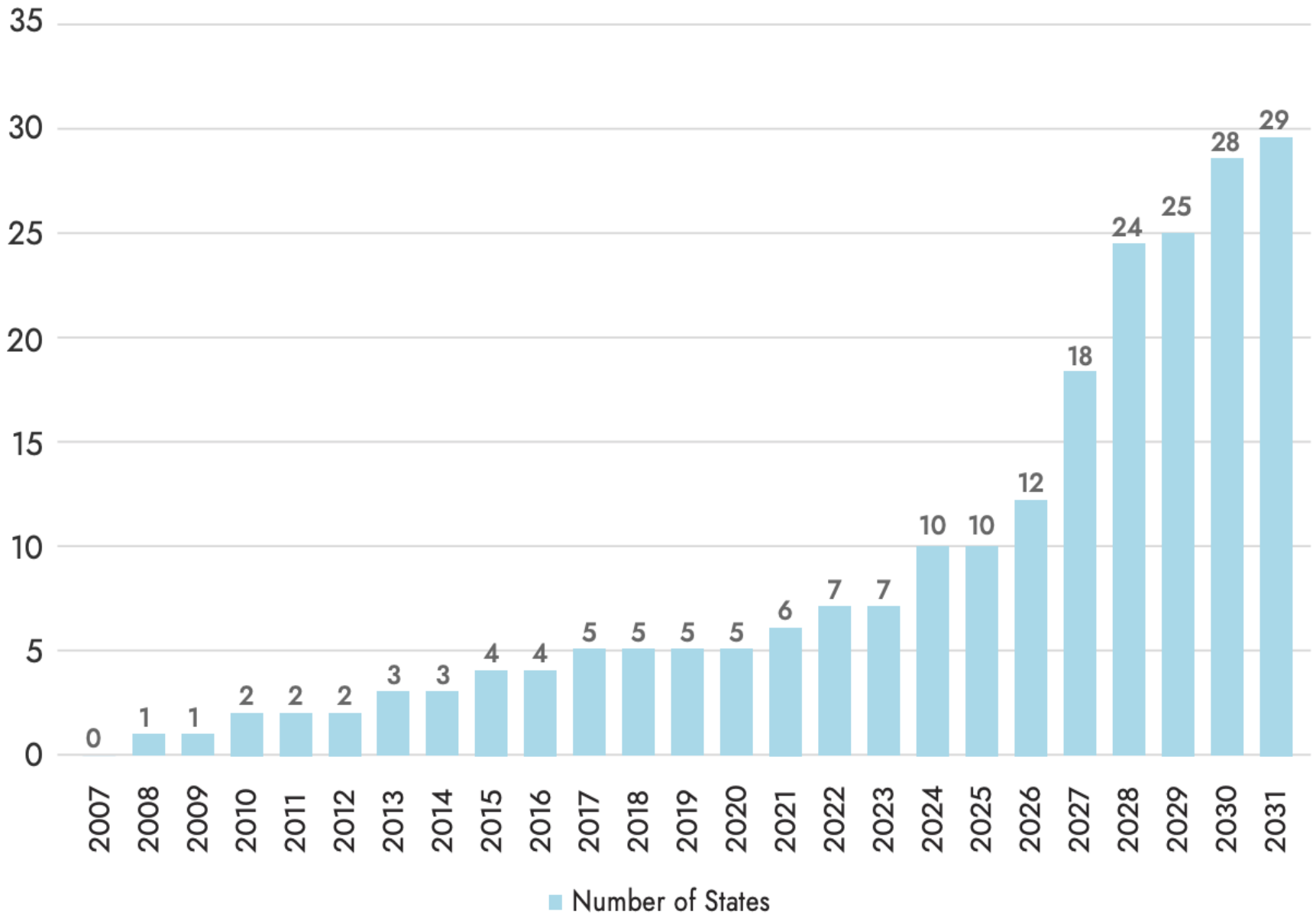
Grade A States for the Class of 2025



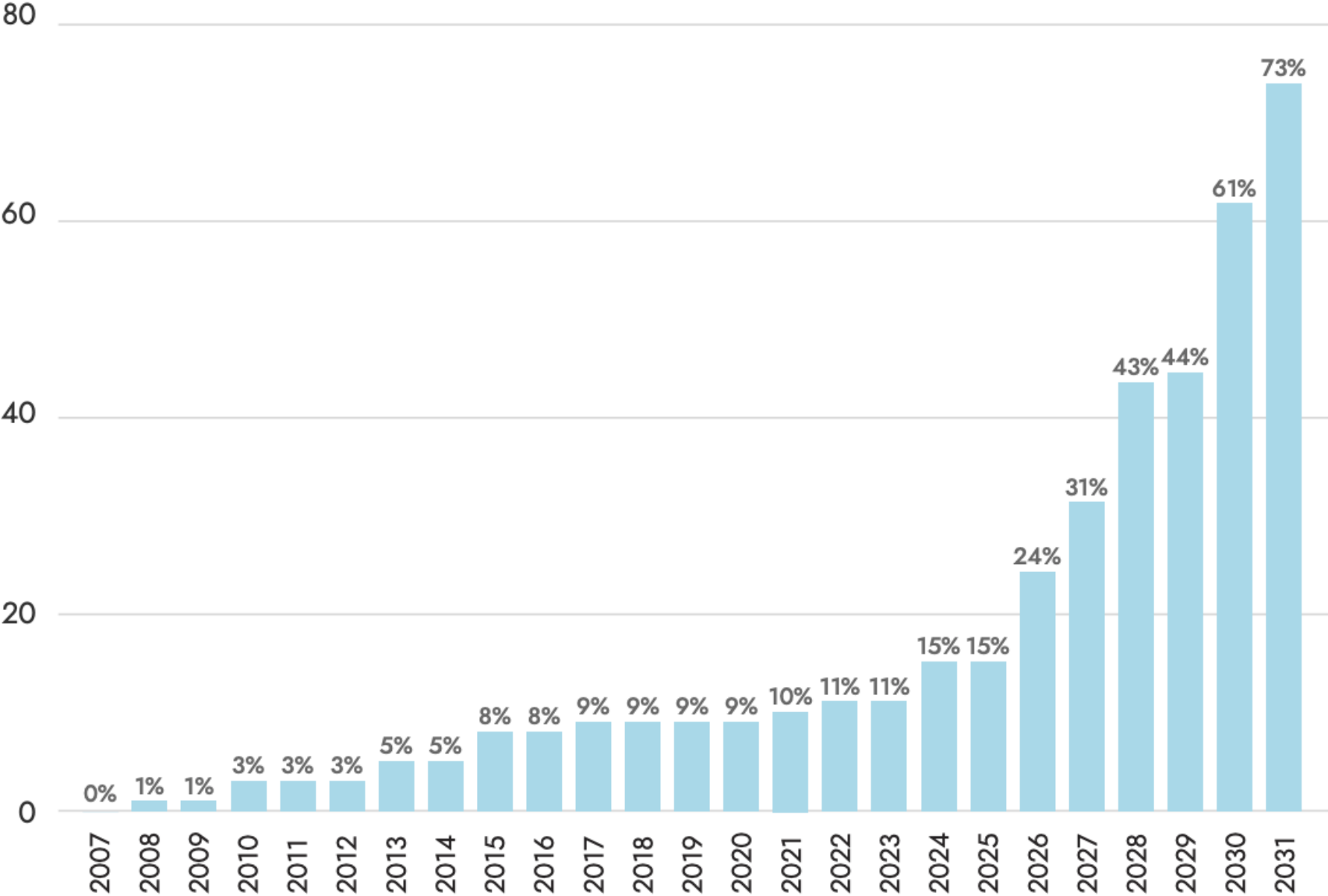
10 Grade A States

Data is based on the Center's 2023 *National Report Card on State Efforts to Improve Financial Literacy in High Schools™*.

Number of Grade A States Over Time



Percent of Public High School Students in States with Financial Literacy Course Mandate Over Time



Projected Grade C, D, and F States

2023 Report Projected Grades of States in 2028*	State	Public High School Enrollment in 2022**	Percent of Public High School Population in America	Percent of States
Grade C	Delaware+	45,134	3%	6%
	Vermont,	24,384		
	Washington	348,814		
Grade D	Alaska	38,913	1%	8%
	Hawaii	52,100		
	Montana	45,378		
	Wyoming	29,151		
Grade F	District of Columbia	21,239	2%	6%
	Massachusetts	293,359		
	South Dakota	42,036		
Totals	10 States	940,508	6%	20%

*From our Center's 2023 National Report Card on State Efforts to Improve Financial Literacy in High Schools™.

ONLY Massachusetts and South Dakota will be Grade F in 2026 Report for our 2031 Projection. However, SD requires all public high schools students to take either an economics course or a personal finance course and 52% of students attend schools that require a personal finance course and another 47% offer a personal finance elective.

2026 Projection: DE: A; HI: B, MT: B & DC: C. ONLY 6 state will be C, D or F—2 state in each category.

NGPF's 2026 State of Financial Education Report



THE CLASS OF 2026

Spotlighting gaps in access along demographic lines

In the states without fully implemented Personal Finance course requirements, access to the standalone course is still divided along racial, socioeconomic, and geographic lines. High-fidelity implementation can level the playing field for all students.

BLACK & HISPANIC STUDENTS



Percent of students guaranteed to take a Personal Finance course of at least one semester before graduation:

18.5% In schools serving >75% Black & Hispanic students	22.6% In schools serving <25% Black & Hispanic students
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FREE & REDUCED LUNCH



Percent of students guaranteed to take a Personal Finance course of at least one semester before graduation:

14.9% In schools with >75% FRPL* eligibility	21.9% In schools with <25% FRPL* eligibility
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***Free and Reduced Price Lunch:** a proxy for the household income of students in public schools.

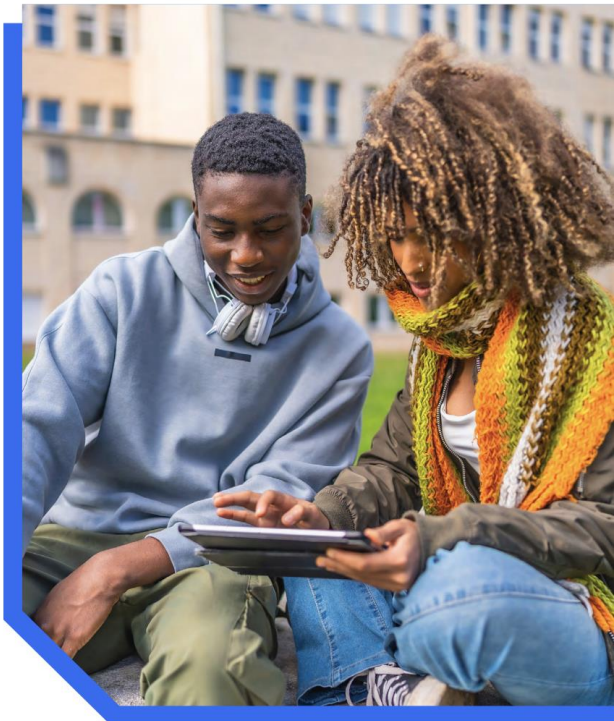
- Households with two parents, two children and a combined annual income of \$40,560 or less are eligible for free school meals.
- Households with two parents, two children and a combined annual income of \$57,720 or less are eligible for reduced-price school meals.

LOCAL ACCESS



Percent of students guaranteed to take a Personal Finance course of at least one semester before graduation:

11.5% in City locales	23.9% in Suburb + Town locales	27.2% in Rural locales
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NGPF's 2026 State of Financial Education Report



- **Momentum:** 30 states have adopted standalone Personal Finance graduation requirements.
- **Brighter futures:** Over 3% of U.S. public high school students in the Class of 2031 will be required to take Personal Finance before graduation.
- **Implementation:** Lessons from implementing new graduation requirements across the U.S.

6 states have no personal finance requirements

STATE	GUARANTEED	ELECTIVE	EMBEDDED	NO OFFERING
ALASKA	0.5%	32.9%	66.6%	-
WASHINGTON DC	0%	31.8%	36.4%	31.9%
HAWAII*	0.8%	11.4%	57.1%	30.8%
MASSACHUSETTS	9.7%	70.6%	13.7%	6%
NEW YORK**	3.8%	47.9%	46.9%	1.4%
WASHINGTON	3.1%	65.8%	26.1%	5%

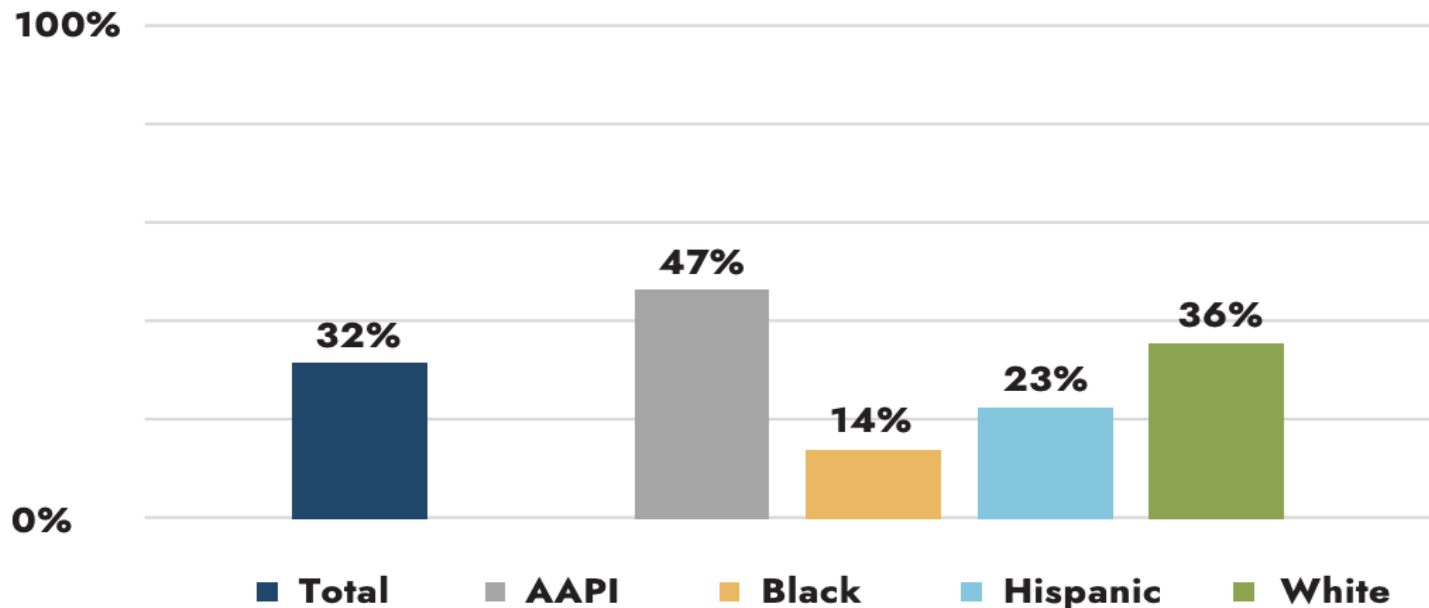
* Hawaii DOE adopted an embedded instructional requirement in January 2026 starting with the Class of 2030

** New York adopted a personal finance instructional requirement in March 2026 starting with the Class of 2032 (standalone course, embedded instruction, or CTE, locally determined)

Equitable Access to Financial Education

Figure 5. Large Differences in Financial Knowledge Based on Race/Ethnicity

Percent with High Financial Knowledge (4+ out of 5 Correct Answers)



Why Is Requiring Financial Education in High School a Good Investment?

Carly Urban

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Benefits of High School Financial Literacy

- A recent wave of research on the positive effect of requiring personal finance education:
 - Improves credit and debt behaviors
 - Improves credit scores
 - Reduces delinquency rates
 - Reduces the use of alternative financial services (e.g., payday lending)
 - Shifts students from high-interest to low-interest methods of financing a college education
 - Increases longer-run student loan repayment rates for first-generation college students and students from low-income families
 - Subjective financial well-being improves up to 12 years after graduation
 - Educators who teach the subject improve their personal finance behaviors

Racial and Ethnic Disparities in Financial Capability

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Questions?



LET US DARE