



**Statement of the Massachusetts Bankers Association
In Support of H.4199 -
An Act Relative to Personal Financial Literacy
Joint Committee on Education
January 10, 2024**

On behalf of our more than 120 commercial, savings and cooperative banks and federal savings institution members with more than 72,000 employees and over five million customers located throughout the Commonwealth and New England, we are writing to express our support for **H.4199**, *An Act Relative to Personal Financial Literacy* that will further enhance and encourage the implementation of a financial literacy and personal finance curriculum in Massachusetts public schools.

H.4199 calls for the creation of a standalone “Financial Literacy Trust Fund,” which would allow for money from state appropriations, private and public grant funds, and other funding sources to be allocated to support the implementation of financial literacy curricula throughout public schools across the Commonwealth. The legislation also provides the Commissioner of Elementary and Secondary Education with the authority to administer the fund and ensure that funding is allocated appropriately throughout school districts.

The challenges facing today’s young adults are greater than ever, especially when it comes to managing their finances. Our local, national and international economies continue to deal with enormous change and stress as we attempt to recover from the effects of the pandemic. Today’s financial services markets are far more complex and competitive than ever, and consumers of all ages and backgrounds need to be educated on the differences in various products and services, how they work and how to determine which best meet their needs and help them reach their goals.

Studies suggest that a college graduate today, on average, will borrow more than \$825,000 in their lifetime for homes, motor vehicles, college tuition, credit cards, and other reasons. Are these students prepared to make educated and informed decisions on what loans, bank accounts, investments and retirement plans are best suited to their needs? Most studies suggest they are not, including the [2023 National Report Card on State Efforts to Improve Financial Literacy in High Schools](#) published by the Center for Financial Literacy which has given Massachusetts a grade letter “F” for financial literacy from 2017 – 2023. Furthermore, Massachusetts is currently projected to be one of only four states with the same letter grade by 2028.¹ Our New England neighbors fared much better with Connecticut, New Hampshire, and Rhode Island projected to reach a grade letter “A” by 2028, while Maine and Vermont are projected to achieve “B” and “C” grades respectively.

H.4199 would ensure that each student in grades 9 – 12 takes a standalone financial literacy class that would cover topics including earning and spending income, local, state and federal taxes, balancing checkbooks and budgeting, using credit and making investments, and much more. The curriculum would also mix classroom teaching with experiential learning and provide students with the skills and know-how to approach financial decisions in a financially astute manner.

Several years ago, Massachusetts banks and banks across the nation recognized the substantial need to provide financial education services to many audiences, but especially students. Our Association and dozens of Massachusetts banks have actively participated in programs with local schools such as Savings

¹ [2023 NATIONAL REPORT CARD ON STATE EFFORTS TO IMPROVE FINANCIAL LITERACY IN HIGH SCHOOLS TM \(champlain.edu\)](#)



Makes Sense created by the State Treasurer, the FDIC Money Smart Program, *JumpStart*, operating branches in local high schools and the *Credit Smarts* program initiated by the Office of Consumer Affairs, among others. Many banks are also active supporters of Credit for Life fairs in their local high schools and now virtually. At these fairs, students are engaged in hands-on interactive lessons that prepare them for the demands of balancing their income and expenses and making sound financial decisions that impact their future.

While financial literacy education has been voluntarily offered for decades, it has not been an integral part of most public-school curriculum, usually just offered in economics or related classes, if at all, dependent on the initiative of a local teacher or principal. Nationally, at least twenty-five (25) states require students to take a course in financial literacy to graduate from high school while at least forty (40) require financial literacy standards for grades 9-12. States across the nation, despite severe fiscal and time challenges, recognize the importance of incorporating financial literacy curriculum into K-12 education and we believe Massachusetts should join this growing list.

We appreciate the opportunity to support the objectives envisioned by **H.4199**, *An Act Relative to Personal Financial Literacy* and encourage this committee to work toward broad expansion of financial education in the most expeditious and fiscally prudent way possible.