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PRESS RELEASE

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State Senate Passes Bill on Financial Literacy in Public Schools

Legislation would allow financial literacy to be integrated within existing curricula in public schools to reduce foreclosures and unsustainable debt

BOSTON – Today, **Senator Anne M. Gobi (D-Spencer)** and the Massachusetts State Senate unanimously passed legislation aimed at improving students’ knowledge on saving, investing, insurance, banking, inflation, and other financial matters.

"Learning the value of money and proper management are important lifelong lessons that can be taught at every level," said Senator Gobi.

The complexity of the American financial services market has made millions of consumers vulnerable to misleading and fraudulent business practices, which has bankrupted families, ruined communities, and contributed to the “Great Recession.”

According to a recent report by the Federal Reserve Bank of New York’s Center for Microeconomic Data, [total household debt in the United States rose to an all-time high of \\$13.15 trillion by the end of 2017](#). Mortgage debt constitutes \$8.88 trillion of total debt, while credit debt accounts for \$834 billion. 2017 was the fifth consecutive year of annual household debt growth with increases in mortgage, student, auto, and credit card debt.

“Every student should be given the opportunity to learn how to manage their personal finances,” said **Senate President Harriette L. Chandler (D-Worcester)**. “By passing this financial literacy

legislation, the Senate has exemplified its commitment to providing Massachusetts' students with the comprehensive education they deserve.”

S.2343, *An act relative to financial literacy in schools*, would allow personal financial literacy to be integrated within the existing mathematics, social sciences, technology, business, or other curricula where teachers have the capacity to teach financial literacy for all schools in the Commonwealth.

The bill directs the Department of Elementary and Secondary Education (DESE) to create and implement standards and objectives on personal financial literacy for grades K-12. This would include information on loans, borrowing money, interest, credit card debt, online commerce, rights and responsibilities of renting or buying a home, saving, investing and planning for retirement, banking and financial services, balancing a checkbook, state and federal taxes, and charitable giving. The Student Financial Literacy Advisory Committee created in the FY13 budget will advise and oversee the development of such standards and objectives.

At least 20 states now require students to take a personal finance course or personal finance included in an economics course as a high school graduation requirement. By incorporating financial literacy in K-12 education, Massachusetts residents will be introduced to financial concepts earlier in life, and be better equipped to make prudent decisions based on their needs and budget considerations.

The bill now goes to the House of Representatives for consideration.

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