

JOSH GREEN, M.D.
GOVERNOR



KEITH T. HAYASHI
SUPERINTENDENT

STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/16/2023

Time: 02:00 PM

Location: 309 VIA VIDEOCONFERENCE

Committee: House Education

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: HB 0936 RELATING TO EDUCATION.

Purpose of Bill: Beginning with the 2024-2025 school year, requires the Department of Education to include the teaching of financial literacy in the personal transition plan requirement for each student.

Department's Position:

The Hawaii State Department of Education (Department) provides comments on HB 936.

The Department is committed to providing access to age-appropriate financial literacy education and resources to support students in better managing their money as adults. Efforts are currently underway to facilitate the delivery of financial literacy education to every student before high school graduation, including the development of program standards that establish a baseline of student competency in financial literacy.

Including the teaching of financial literacy in the existing personal transition plan course is one way students may learn about financial literacy. However, some students may learn about financial literacy through a financial literacy elective course, the Junior Reserve Officers' Training Corps program, or other school learning opportunities. Thus, the Department is suggesting amendments that would allow for basic program standards that meet the requirement of providing financial literacy for all students prior to graduation. The Personal Transition Plan would instead serve as a means to document that every student has received financial literacy instruction.

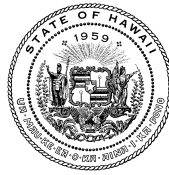
As such, if this bill moves forward, the Department respectfully suggests the following amendments:

SECTION 1: Line 4 - 5, p. 2: "department of education to include ~~the teaching of~~ financial literacy [as a part of] ~~in~~ the existing personal transition plan course"

SECTION 2: Line 8, p. 2: "department of education shall require ~~the teaching of~~ financial "

Finally, to successfully implement financial literacy education, resources would be needed in order to ensure sustainability of this effort. The Department would request an appropriation for a position dedicated to financial literacy within the Office of Curriculum and Instructional Design that will enable the Department to provide appropriate oversight and support to educators. In addition, a program budget allocation for financial literacy efforts would ensure that the Department has sufficient resources to devote toward implementation efforts such as data collection, program evaluation and monitoring, and content area support.

Thank you for your consideration and this opportunity to provide testimony on this measure.



STATE OF HAWAII
BOARD OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

House Committee on Education

Thursday, February 16, 2023
2:00 p.m.
Via Videoconference
Hawaii State Capitol, Room 309

House Bill 936, Relating to Education

Dear Chair Woodson, Vice Chair Marten, and Members of the Committee:

The Board of Education (“Board”) respectfully provides **comments** on HB 936, which would require the Department of Education to include the teaching of financial literacy in the personal transition plan graduation requirement for each student.

The Board generally opposes proposed legislation that diminishes the Board’s power to formulate statewide educational policy as envisioned and established by Article X, Section 3, of the Constitution of the State of Hawaii.

To this end, the Board has **strong concerns** with the intent and language of this bill. This measure would essentially alter the Board’s graduation requirements it set through Board Policy 102-15 and require the teaching of a specific subject. Setting graduation requirements and determining mandatory coursework should be the role of the Board, and we believe the Legislature should leave the responsibility of determining educational requirements to the Board as a foundational part of statewide educational policy.

If the Legislature believes financial literacy education is a high priority, an appropriate alternative to the current language of this measure could be to require the Board and the Department of Education to analyze the need, impact, and feasibility of making financial literacy a graduation requirement or some other kind of mandatory coursework and, based on this analysis, require the Board to determine whether such a requirement would be in the best interests of students and the public.

Thank you for this opportunity to testify on behalf of the Board.

A handwritten signature in black ink that reads "William N. Arakaki". The signature is written in a cursive, flowing style.

Sincerely,

Bill Arakaki

Chairperson, Board of Education 2023 Legislative Ad Hoc Committee



Hawaii House Bill 936: Requiring Financial Literacy Education in Hawaii High Schools

Testimony of Christian Sherrill, NGPF Mission 2030 Fund

February 15, 2023

Chair Woodson, Vice Chair Marten, and Members of the Committee,

Thank you for the opportunity to provide testimony today in support of House Bill 936.

My name is Christian Sherrill. I am a former teacher, and I represent a non-profit called NGPF Mission 2030 Fund. We're affiliated with Next Gen Personal Finance, a leader in no-cost personal finance education. NGPF's free curriculum is used by over 75,000 teachers, including 195 teachers in Hawaii!

Thank you for Hawaii's work to expand access to the most important class in high school. In 2021, many of you helped Hawaii take a tremendous step forward with SCR152, which urged the Department of Education to implement a standalone graduation requirement for personal finance. The resolution passed with incredible public support, along with lots of media attention in Hawaii and beyond. With that resolution, members of this committee bravely gave Hawaii a foundation for progress on this issue.

From that foundation, access to financial education in Hawaii has grown in the last 2 years. Research from Dr. Carly Urban shows that 6.5% of Hawaii's high schoolers now have access to a personal finance elective in their local high schools, up from 0% in 2021.

Hawaii still lags behind the broader movement for financial education access, though. In the same time period, 9 new states with a long tradition of local control have found a way to respect that local control while also guaranteeing this life-changing course. Over 40% of U.S. high schoolers will now be guaranteed to take personal finance before graduation by 2026, but not a single student in Hawaii has that same opportunity yet.

My students taught me that every young person deserves adults in positions of authority to make decisions that place students' needs first, then find creative solutions to the challenges that arise. HB936 does exactly that. Plus, this legislation already has a strong coalition of no-cost implementation partners, including NGPF with our long history of serving teachers in Hawaii middle and high schools. For example, my team delivers free Certification Courses that over 10,000 teachers have taken to build their content knowledge and confidence. That's just one of the supports we and others stand ready to offer local schools to help solve the implementation puzzle.

I urge you to vote yes on HB936. Thank you again!

Sincerely,
Christian Sherrill

House Reps serving on the Education Committee,

On behalf of the Associated Students of the University of Hawai'i (ASUH), we urge support for HB 936. As student leaders, we are concerned about the future financial stability and success of our peers. Additionally, a resolution draft for Prioritizing Financial Literacy Competencies in Hawaii's K-12 Education System is included in this testimony for your review.


Financial literacy is a critical skill that prepares individuals to make informed financial decisions, manage debt, and build wealth. Unfortunately, many students leave high school without a basic understanding of personal finance, and as a result, they may be ill-equipped to handle the financial challenges they will face in college and beyond which HB 936 aims to change.

The nationwide issues concerning student debt and loans further highlight the importance of financial literacy education. According to the [Institute for College Access & Success 2020 report](#), graduates from public and nonprofit colleges in Hawaii had student loan debt, with an average debt of \$23,577. Debt like this can have long-lasting financial consequences for students and limit their ability to achieve other important life goals, such as buying a home or saving for retirement, whereas HB 936 provides an opportunity to mitigate.

Incorporating financial literacy education into the K-12 curriculum will help students develop the skills they need to make informed financial decisions and build a strong financial foundation. HB 936 will lead to increase college readiness and reduce the likelihood of locals incurring excessive student debt.

We strongly believe that financial literacy should be a priority in K-12 education which will be addressed with HB 936. As student leaders, we are committed to advocating for policies that support the financial well-being of our peers and we believe that this legislation will make a significant impact in achieving this goal.

Thank you for your time and consideration.


Rudy Ramirez
ASUH President



ASUH

Associated Students of the University of Hawai'i
YOUR STUDENT GOVERNMENT

**ASSOCIATED STUDENTS OF THE UNIVERSITY OF HAWAII'Ī AT MĀNOA
2465 Campus Road, Campus Center 211A
Honolulu HI 96822**

**In the Senate
February 13, 2023**

**Senate Resolution 10-23
For First Reading**

A RESOLUTION

Prioritizing Financial Literacy Competencies in Hawaii's K-12 Education System

BE IT ENACTED BY THE UNDERGRADUATE SENATE:

WHEREAS, the Associated Students of the University of Hawaii'i (ASUH) at Mānoa Senate is the elected body representing approximately 11,000 full-time classified undergraduate students at the flagship institution of the State of Hawaii

WHEREAS, financial literacy is a critical skill for individuals to be successful in their personal and professional lives;

WHEREAS, the burden of student debt in the United States continues to rise and is having a detrimental impact on the financial stability of young adults;

WHEREAS, a lack of financial literacy is among contributing factors increasing student debt and the ability to save and invest;

WHEREAS, financial literacy education is key to reducing poverty, promoting economic growth and stability, and creating a more equitable society; and

WHEREAS, financial literacy competencies in personal finance and economics can empower individuals to make informed financial decisions, build wealth, and increase economic opportunities;

WHEREAS, financial literacy competencies are currently not a requirement in Hawaii's K-12 education system;

WHEREAS, financial literacy education is a great equalizer, providing all students with the skills and knowledge necessary to build financial stability and increase economic opportunities

WHEREAS, the Native Hawaiian and Pacific Islander (NHPI) community in Hawaii face unique financial challenges and a lack of financial literacy education can exacerbate these challenges;

BE IT RESOLVED, that the Legislature of the State of Hawaii prioritizes financial literacy competencies in Hawaii's K-12 education system by requiring that all students receive comprehensive financial literacy education, including, but not limited to, personal finance, economics, and credit management.

BE IT FURTHER RESOLVED, that the Legislature of the State of Hawaii works with the Department of Education, educators, and financial literacy experts to develop and implement a comprehensive financial literacy curriculum for Hawaii's K-12 students.

BE IT FURTHER RESOLVED, that the Legislature of the State of Hawaii allocate the necessary resources and funding to ensure that all K-12 students have access to quality financial literacy education and resources.

BE IT FURTHER RESOLVED, that the Legislature of the State of Hawaii monitors the implementation and impact of financial literacy education in Hawaii's K-12 education system to ensure its success and effectiveness.

BE IT FURTHER RESOLVED, that the legislature recognizes the importance of financial literacy education in the lives of all students and its impact on future success, and therefore calls for the integration of financial literacy competencies into the K-12 education system in Hawaii. This will help equip students with the skills and knowledge necessary to make informed financial decisions, reduce student debt, and promote financial stability and security in their later life stages.

BE IT FURTHER RESOLVED,

that the legislature specifically acknowledges the importance of financial literacy education for Native Hawaiian and Pacific Islander (NHPI) communities, who have historically faced disparities in financial well-being. Providing financial literacy education will help to mitigate these disparities and provide equal opportunities for all students, regardless of race or demographics.

BE IT FURTHER RESOLVED,

that the legislature calls for the allocation of sufficient resources and funding to ensure that financial literacy education is incorporated effectively and efficiently into the K-12 education system, including but not limited to the development of curricula, teacher training, and student assessment.

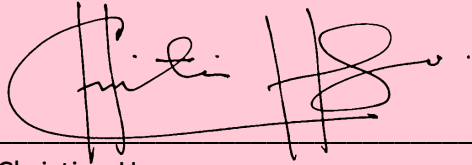
BE IT FURTHER RESOLVED,

that the legislature commits to regularly monitoring and evaluating the implementation and impact of financial literacy education in the K-12 education system, to ensure that students receive the benefits of this critical education and that any necessary adjustments are made to support their success.

NOW, THEREFORE, BE IT FINALLY RESOLVED, that copies of this resolution shall be sent to:

the University of Hawai'i Board of Regents Randolph Moore and Members, President David Lassner, Provost Michael Bruno and Members of the Provost Council including Vice-Provost for Students Lori Ideta, Associate Vice-Provost & Dean of Students Dr. Theresa Crichfield, the Graduate Student Organization, Kual'i Council, Manoa Faculty Senate, Manoa Staff Senate, Ka Leo O Hawai'i, Gov Green, Lt Gov. Sylvia Luke, Hawai'i State Department of Education Board of Education Members, Senate and House Education Committee Chairpersons and Members, State Legislature's Leadership, DECA, Operation Hope, Jump\$tart, Moneythink, Clearpoint, National Foundation for Credit Counseling, GFLEC, American's Banker Association, Council for Economic Education, Hawaii Bankers Association

INTRODUCED BY



Christian Hermoso
Introducing Member
Senator-at-Large



Hannah Crishel Sambrano
Introducing Member
Senator, College of Arts & Science



Hayden Kasal-Barsky
Introducing Member
Vice-President



Nikhil Stewart
Introducing Member
Chairperson, Student Affairs Committee
Senator, College of Arts & Science



Riley Tollett
Introducing Member
Senator, Hawai'i inuiākea School of Hawaiian
Knowledge



Jalen Dulai
Introducing Member
Chairperson, Investment & Long-Range
Planning Committee
Senator, Shidler College of Business

Mis Unutoa

Mis Unutoa
Introducing Member
Chairperson, Elections Committee
Senator, College of Engineering

Melvin Dizon

Melvin Joseph Dizon
Introducing Member
Chairperson, Internal Affairs
Committee
Senator-At-Large

Kayla Lum

Kayla Lum
Introducing Member
Senator, College of Arts & Science

Carlo Genova

Carlo Genova
Introducing Member
Senator, College of Arts & Science

Kyle Martin

Kyle Martin
Introducing Member
Senator, Shidler College of Business

AnhVy Tran

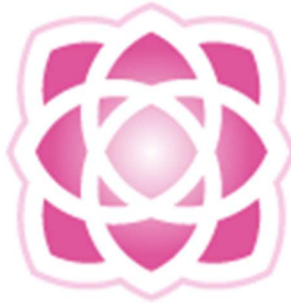
AnhVy Tran
Introducing Member
Vice-Chairperson, Investment &
Long-Range Planning Committee
Senator, College of Arts & Science

Jason Chen

Jason Chen
Introducing Member
Chairperson, Finance Committee
Senator-At-Large

Aimie Katayama

Aimie Katayama
Introducing Member
Vice-Chairperson, Finance Committee
Senator, College of Arts & Science



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE HOUSE COMMITTEE ON
EDUCATION
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 309
THURSDAY, FEBRUARY 16, 2023 AT 2:00 P.M.**

To The Honorable Justin H. Woodson, Chair
The Honorable Lisa Marten, Vice Chair
Members of the Committee on Education

SUPPORT HB936 RELATING TO EDUCATION

The Maui Chamber of Commerce **SUPPORTS HB936** which requires the Department of Education (DOE) to include the teaching of financial literacy in the personal transition plan requirement for each student.

The Chamber notes that a lack of financial literacy poses a significant barrier for individuals seeking to achieve financial prosperity and stability. Personal financial education is essential to ensure that Hawaii's youth are prepared to manage money, credit, and debt and to become responsible workers, heads of households, investors, entrepreneurs, business leaders, and citizens.

We feel that it is of the utmost importance to educate Hawaii's youth in economic and financial matters to prepare them for financial independence through the development of fiscal responsibility and financial management skills.

The Chamber also recommends that economics be a required course at the University of Hawaii for all students, especially those seeking a political science degree.

For these reasons, we **support HB936**.

Sincerely,

Pamela Tumpap
President

Aloha Chair Woodson, Vice-Chair Marten, and members of the Education Committee:

My name is Danson Honda, and I am a former student member of the Hawai'i State Board of Education testifying in **strong support** for HB936 relating to financial literacy.

Hawai'i leads the nation in high cost of living yet lags the nation in preparing students with the financial education needed to tackle the real world. Implementing financial literacy as a high school graduation requirement is a nationwide movement. Seventeen states have statewide mandates to have financial literacy as a graduation requirement.

Teaching financial literacy in school is a must. A [2017 T. Rowe Price Survey](#) found that many parents are reluctant to discuss finances with their kids and that parents are likely to pass down good and bad financial habits to their kids. This shows that teaching financial literacy to students doesn't just affect this generation, but also for future generations to come. Furthermore, when children exhibit responsible and positive behaviors, it can inspire and motivate their parents to adopt similar habits, leading to a healthier and more harmonious household. In this way, good habits can "trickle up" from children to their parents and lead to positive changes throughout the family.

The Hawai'i DOE has shown numerous times that allowing them to implement financial literacy on their own terms is ineffective and **a state mandate is needed**:

In 2015, [Senate Concurrent Resolution 97; S.D. 1](#) was passed, establishing the financial literacy task force. This task force recommended submitted a report to the Legislature recommending the implementation of a financial literacy program in schools.

This did not happen, thus [Senate Concurrent Resolution 152](#) was introduced in 2021 and passed, urging the Department of Education to coordinate with the Department of Commerce and Consumer Affairs to implement a graduation requirement of at least a half credit in financial literacy during the junior year or senior year. At the April 15, 2021 hearing for SCR152, former Superintendent Kishimoto even [testified](#) saying "The Department will collaborate with the Department of Commerce and Consumer Affairs to develop financial literacy materials." Upon contacting numerous people at DCCA, I discovered that the DOE did not follow through even though DCCA reached out to them. Our students certainly deserve better than these blank promises from the DOE.

Despite these previous efforts, nothing meaningful has happened. A vast majority of students continue to complete their K-12 education without ever being exposed to financial education. Thus, Hawai'i continues to be ranked among the states with the lowest level of high school financial literacy in the nation. Furthermore, the Hawai'i State Board of Education's newly proposed [2023-2029 Strategic Plan](#) identifies in Goal 1.3.3 that "all students graduate high school with a personal plan for their future." Financial literacy can help students achieve that goal by giving them the financial tools they need to make informed financial decisions, regardless of which career path they choose or end up in.

Requiring financial literacy to be taught in the personal transition plan is a good start and would be even better if it's taught in a standalone course. Financial literacy should be a cumulative process, with basic concepts first being taught as early as elementary school. The financial decisions students will need to make continue to grow as they enter adulthood. A standalone class addressing more complex topics is suitable for high school students.

Here are why schools should teach financial literacy in a standalone class:

1. **Dedicated time:** A standalone class provides dedicated time for students to learn about financial literacy and allows them to delve deeper into the subject.
2. **Specialized curriculum:** A standalone class can have a specialized curriculum tailored to financial literacy, providing students with a more comprehensive understanding of the subject.
3. **Tailored assessments:** A standalone class allows for assessments tailored to the subject, which can help evaluate students' understanding of the material and provide feedback for improvement.

Hawai'i has the highest cost of living in the nation. As a result, the financial skills students need to succeed are beyond simply budgeting and saving. Becoming a homeowner in Hawai'i is likely the most significant challenge students will face in their adult lives and addressing Hawai'i's housing issue has dominated the headlines. Unfortunately, spending \$5 less daily on coffee and cutting down on avocado toast will not prepare students to become homeowners, and in the time it takes to save \$100,000 for a down payment, house prices will likely increase much more than that.

Advanced topics, such as investing, the true cost of college, and the home-buying process, must be explored in depth. Investing in the stock market has become easier over the years, with popular apps such as Robinhood attracting the attention of many young investors. With the swipe of a finger, eighteen-year-olds with zero knowledge of the stock market can buy and sell stocks. We need to teach students about investing, so they understand the risks and opportunities involved. Students should also learn about the home-buying process so they can plan early. Eighteen-year-olds right out of high school can already start building their credit score, a critical factor in the home-buying process. Furthermore, students must learn about the true cost of a college education. Allowing students without an understanding of student loans to get into tens if not hundreds of thousands in debt right out of high school, to get a degree that may or may not be relevant in the future, is **irresponsible** and may cause irreversible financial harm in the future. Addressing these topics goes beyond what can integrate into existing classes.

A National Endowment for Financial Education [study](#) shows how state-mandated financial education drives college financing behavior. Specifically, the [paper](#) addresses how personal finance graduation requirements in high school change whether or not young adults attend college, the types of institutions attended, and how individuals finance their postsecondary educations. This study shows that states with **state-mandated** personal finance graduation

requirements cause students to make better decisions about how to pay for college. Furthermore, a recent [study](#) by Carly Urban, Associate Professor of Economics at Montana State University, shows that fewer than half of schools in states with embedded course requirement mandates actually teach it.

I will address potential concerns I have heard regarding this bill, including:

- "Requiring a financial literacy course will take away from other credits"
- "The Hawai'i DOE is already offering financial literacy as an elective class"

To address the concern of taking away from other courses to implement a financial literacy class, we must take a hard look at what students are currently learning in school. There is twenty-four credits total for high school students to graduate. Unfortunately, many of these required credits often leave students wondering how they will ever use them in real life. And it's true: many don't. Memorize, regurgitate, forget, and repeat is the common theme in our education system. Give any former student the same tests they took in school and see how much they remember. As the saying goes, if you don't use it, you lose it. And if you don't use it, why do we spend so much time and resources teaching it? Times are changing, and many traditionally stable jobs are no longer stable. A good example is the recent mass layoffs in the tech industry, which was once seen as a high demand industry students should pursue. We need to teach students skills they can use regardless of which career path they end up in. Students don't walk away from a financial literacy class wondering how they will ever use that knowledge in real life. Therefore, saying there is no room in the twenty-four-credit graduation requirement for even a half-credit course that teaches real-life skills is **exceptionally** short-sighted. States already implementing statewide mandates can give us many good examples of how to implement a financial literacy requirement into existing graduation credit requirements.

Lastly, the Department of Education's elective financial literacy class does not go nearly far enough in preparing **all** our students for the real world. Upon analysis of course catalogs, only [eight](#) out of the forty-plus public high schools across the state even offer this course for students. Of those eight schools, only a fraction of their students will end up taking the course. It has been **eight years** since the DOE established a financial literacy task force, and to only have such minimal progress since then highlights their inefficiencies and why a state mandate is needed. The cost of living has increased exponentially during this time, with the median price of single-family homes increasing by FIFTY percent on top of rising interest rates. The DOE did nothing to prepare all students for this reality, and our school system has failed our students.

As the state with the highest cost of living in the nation, we have an incredible duty to our keiki to empower them with the tools they need so they can afford to stay here in Hawai'i. We must ask ourselves, "what do students **really** need to learn to be successful in the future?"

Mahalo for your consideration.

“We would not allow a young person to get in the driver's seat of a car without requiring driver's education, and yet we allow our youth to enter the complex financial world without any related education. An uneducated individual armed with a credit card, a student loan, and access to a mortgage can be nearly as dangerous to themselves and their community as a person with no training behind the wheel of a car.”

- Champlain College, Center for Financial Literacy

With Aloha,

Danson Honda

Testimony of Dr. Carly Urban

Professor of Economics, Montana State University
College of Agriculture and College of Letters and Science
Department of Agricultural Economics and Economics

Research Fellow, Institute for Labor Economics (IZA)

Fellow, TIAA Institute

Hawaii's House Bill 936

Requiring Financial Literacy Education in Hawaii High Schools

February 12, 2023

Biography

Dr. Carly Urban is a professor of economics at Montana State University, where she holds an appointment in the Department of Agricultural Economics and Economics. She is also a Research Fellow at the Institute for Labor Economics (IZA), and a Fellow at the TIAA Institute. She holds an M.A. and Ph.D. in Economics from the University of Wisconsin-Madison, and a B.A. in Economics and International Affairs from the George Washington University. She was selected to be a member of the G53 Financial Literacy Research Network in 2020, and she serves as a co-editor for the Journal of Financial Literacy and Wellbeing.

Dr. Urban has studied financial education for the last ten years, focusing predominantly on the effectiveness of personal finance instruction in high schools. She was a visiting scholar at the Federal Reserve Board from 2013-2014, where she studied this more closely with restricted credit report data. She then worked with the US Consumer Financial Protection Bureau's Office of Financial Education from 2017-2019 to help them determine which programs are most effective for youth. In this capacity, she reviewed the landscape of financial education policies and programs for youth, summarized the literature, and developed a research agenda.

Dr. Urban's research has been published in top peer-reviewed journals in Economics and Finance. Her work has also been covered by leading news outlets, including NPR, the Wall Street Journal, the New York Times, and many other local news outlets.

Background on the policy in other states

Currently, all high school students in 8 states are required to complete one semester of personal finance coursework prior to receiving their high school diploma in 2023 (AL, IA, MO, MS, NC, TN, VA, UT). Another 9 states have passed legislation requiring students to complete one semester-long personal finance course prior to receiving their diplomas by 2026 (FL, GA, KS, MI, NE, NH, OH, RI, SC).

Approximately 20 states require economics to be incorporated into another course for the 2023 graduating class.

What are the benefits of requiring financial education in high school?

1. Credit improves: [credit scores increase and delinquency rates fall](#).
2. Use of costly alternative financial services falls: [less payday borrowing](#).
3. Student loan decisions improve: [borrowing shifts](#) from high cost (credit card debt, private student loans) to low cost (Stafford loans, grants, and scholarships).
4. Student loan repayment improves: in the long-run student loan, [repayment rates increase](#) for first-gen and low-income students.

5. Subjective [financial well-being improves](#): overall those required to have financial education in high school feel better about their ability to meet day-to-day and month-to-month financial objectives.

6. Teacher's financial well-being improves: after teachers are first required to teach personal finance, they are [more likely to save](#).

7. Required financial education in high school [does not change retirement savings](#) by age 40.

What are the potential costs?

1. Can requiring financial education reduce high school graduation by making students check one more box prior to graduation? When comparing students in states just before and just after a one-semester course requirement went into place to students in states where no personal finance requirements exist, [the likelihood of completing high school on time does not change](#). It also does not change for students from lower income families or non-white students.
2. Training existing teachers to teach personal finance. This cost is mitigated because: high-quality [online teacher professional development](#) opportunities and high-quality personal finance [high school-level curricula](#) already exist free of charge.
3. Finding space for new content in the current high school curriculum.

Why does it have to be a requirement vs. an elective?

1. A study in Montana shows that [offering a personal finance elective does not change outcomes](#) for students.
2. [Without a requirement, schools without guaranteed access to financial education tend to be from under-represented groups](#). Schools without guaranteed access to personal finance education have higher proportions of students receiving free and reduced-price lunch, higher fractions of Black students, and higher fractions of Hispanic students.

Why a standalone course versus an embedded requirement?

1. Many states require personal finance to be incorporated into another class or curriculum, meaning that personal finance content is required but is not a full semester class. A study of all online course catalogs across 9,464 high schools in the US shows [only 43 percent of schools in states with an embedded personal finance requirement actually require personal finance content to be included in any way](#). Thus, this policy is implemented less than half of the time.

Hawaii State Legislature

February 16, 2023

**The Honorable Justin Woodson, Chair
The Honorable Lisa Marten, Vice Chair
and Members Committee on Human Services**

H.B. NO. 936 RELATING TO EDUCATION.

Friday, February 16, 2023

2:00 PM Via Videoconference

IN SUPPORT

Dear Chair Woodson, Vice Chair Marten, and Members of the Committee:

My name is Desiree Ancheta, a student with Myron B. Thompson School of Social Work and Public Health at the University of Hawaii at Manoa. I am respectfully submitting the following testimony in strong support of H.B. 936, Relating to Education.

I believe financial literacy for emerging adults is important because you deal with money every single day. I voluntarily took an accounting elective in high school and was able to learn the basics of money through that class. I utilize what I learned about basic money behaviors from my accounting class in high school every day more than the required 2 years of language I had to take. I would have been very unprepared after high school if I did not voluntarily take this class.

Thank you for this opportunity to testify,

Desiree Ancheta
MSW Candidate
School of Social Work and Public Health
University of Hawaii at Manoa

HB-936

Submitted on: 2/14/2023 1:54:07 PM

Testimony for EDN on 2/16/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kalma Wong	Individual	Support	Written Testimony Only

Comments:

Please pass HB936.

HB-936

Submitted on: 2/14/2023 4:46:44 PM

Testimony for EDN on 2/16/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gillian Kiana Mapnao	Individual	Support	Written Testimony Only

Comments:

As a high schooler I believe this is very important and I support this bill.

HB-936

Submitted on: 2/14/2023 9:28:57 PM

Testimony for EDN on 2/16/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Matt Yamada	Individual	Support	Written Testimony Only

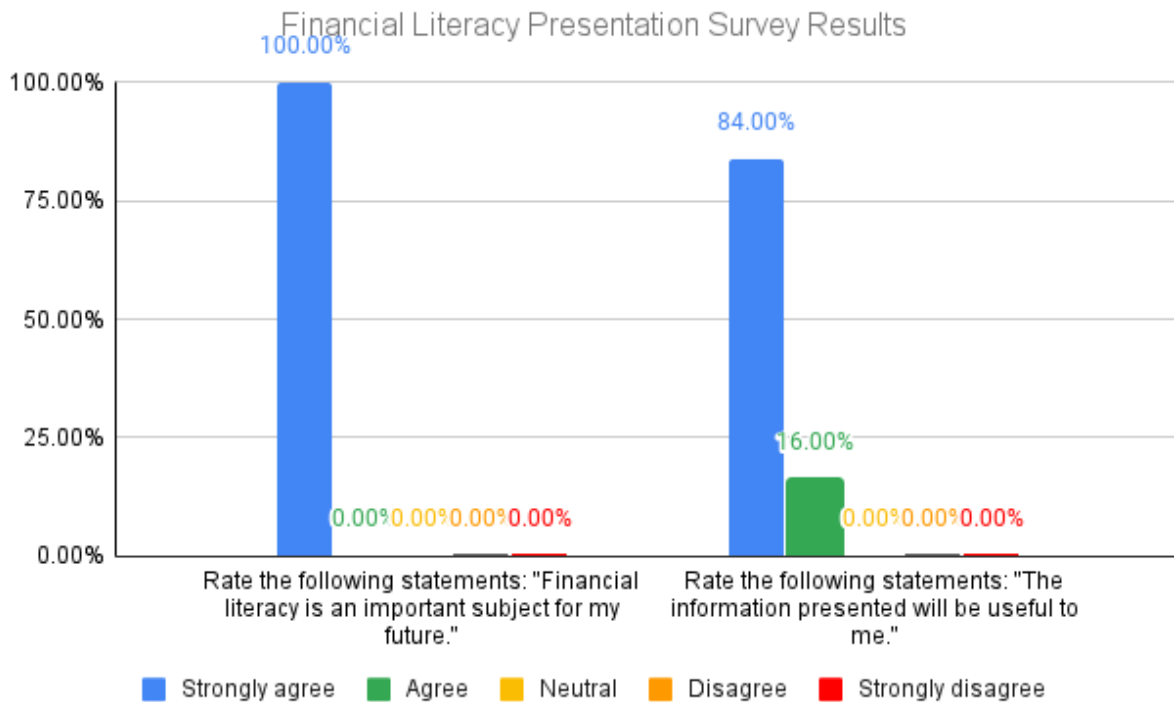
Comments:

Please pass this bill.

Tuesday, February 14, 2023

My name is Kera Wong-Miyasato, M.B.A. and I'd like to express my full support for House Bill #936 to make financial literacy classes a requirement in the DOE.

I am a former volunteer of the UH Mānoa Financial Literacy Program (FLP), which was defunded in 2020. I strongly believe that financial literacy is essential to a successful future, so I have been volunteering my time to give financial literacy presentations in place of the FLP to various cohorts at UH Mānoa and local high schools. Nearly every student and parent I've taught has mentioned how important they think financial literacy is and that they wish they learned about it earlier. See the chart below showing survey results from my students.



As you can see, 100% of students surveyed said they strongly agree that financial literacy is an important subject for their future. 84% of students surveyed said they strongly agree that the information presented about financial literacy will be useful to them, while the remaining 16% agreed with the statement.

Requiring financial literacy classes in Hawai'i's high schools will prepare our keiki for their financial futures. It will increase students' confidence and help them reach their financial goals more quickly and with less mistakes along the way. It will also create greater generational wealth, helping to elevate the quality of life of lower-income families throughout the state.

Mahalo,
Kera Wong-Miyasato, M.B.A.

HB-936

Submitted on: 2/15/2023 2:39:11 AM

Testimony for EDN on 2/16/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ruth Love	Individual	Support	Written Testimony Only

Comments:

Wholeheartedly support

HB-936

Submitted on: 2/15/2023 9:29:16 AM

Testimony for EDN on 2/16/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Hye Jin Park	Individual	Support	Written Testimony Only

Comments:

Aloha.

My name is Hye Jin Park and I'd like to express my support for HB936 to make financial literacy classes a requirement in the DOE.

As part of a high school college transition project that I'm directing, we recently offered a financial literacy workshop to students' parents. We all agreed that our students should learn this in high school or earlier. It will help build financial literacy and responsibility of our keiki, which is essential knowledge and skill for their life after high school. Thus, I strongly support offering these classes in the DOE.

Thank you.

HB-936

Submitted on: 2/15/2023 11:47:24 AM

Testimony for EDN on 2/16/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Susan Pcola_Davis	Individual	Support	Written Testimony Only

Comments:

I am in strong support for financial literacy in t least our high schools. I do believe their is a place for it in intermediate schools also.

I do not see any testimonies on this bill. I doubt it is due to lack of interest. This session there is a plethora of bills regarding education. This one is just as important!

Today's economic climate requires students to understand all facets of finance. Students are starting work as early as 14 years old. Teaching them about income, taxes and saving are important. Due to the high cost of living in Hawaii, young adults need to understand contributing to family.

Many of our students will graduate, some going off to college others remaining at home.

It is no surprise that we have multiple generation families living under one household. Household incomes vary widely. You can see expansions on many homes to accommodate larger households.

Learning to contribute to a household means many things. Graduating students need to understand budgeting.

Please pass this bill.

HB-936

Submitted on: 2/15/2023 1:47:59 PM

Testimony for EDN on 2/16/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Marion K A Kapuniai	Individual	Support	Written Testimony Only

Comments:

AMEND TO INCLUDE PROVIDING SAME SUBJECT OPPORTUNITIES FOR CHARTER SCHOOLS UNDER THE AUTHORITY OF THE HAWAII STATE PUBLIC CHARTER SCHOOL COMMISSION.

ALL PUBLIC SCHOOL SYSTEMS SHALL HAVE THESAME OPPORTUNITIES FOR UPLIFTING THEIR PUBLIC SCHOOL STUDENTS.

THANK YOU, M KAPUNIAI

HB-936

Submitted on: 2/15/2023 9:54:57 PM

Testimony for EDN on 2/16/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Valdeane U Odachi	Individual	Support	Written Testimony Only

Comments:

Aloha,

As an academic counselor at a local university, I frequently encounter students of all ages and from various backgrounds, who lack basic personal finance education. This is often evidenced by statements of being in debt or willingly accepting loans to cover their tuition, yet being unwilling to apply for scholarships and grants.

Of course, financial literacy is not only for the college bound, but essential for every member of our society. Implementing financial literacy education at the high school level will help to ensure young adults are better prepared to avoid debt, learn to save and invest their money, have a basic understanding of banking, the use of personal credit, learn to understand the difference between a credit score and a credit report, completing their taxes, and much more.

Additionally, it's essential to keep personal finance relatable, updated to account for current topics and newly available resources like finance apps and online banking. Also, lessons need to be interesting and educators should be dynamic and engaging.

Finally, there is strong evidence that when educators learn to teach personal finance, they themselves improve their own finances. And this is crucial for our educators due to the high cost of living in Hawaii and the fact that teachers should be paid much more for all they do. But that's an argument for another committee.

Mahalo for your consideration of my testimony.

LATE

Aloha Chair Woodson, Vice-Chair Marten, and members of the Education Committee:

My name is Jody Libed and I am a lifelong resident of the State of Hawaii, a licensed Realtor, and a graduate of Hawaii's public school system. I am testifying in **strong support** for HB936 relating to financial literacy.

Financial literacy is the ability to understand and effectively use various financial skills, including personal financial management, [budgeting](#), home ownership and investing. The earlier someone starts, the better off they will be because education is the key to success when it comes to personal finances.

A strong foundation of financial literacy can help support various life goals, such as saving for education or retirement, buying or selling a home, using debt responsibly, or running a business. Knowing how to create and manage budgets, save for home ownership, manage and track expenses and evaluating the tradeoffs between different credit and investment products, often require at least a working knowledge of key financial concepts, such as compound interest and the time value of money. These skills are key to a financially sound life.

Previously, barter and cash purchases were the way that people did business. However, in today's world many goods and services are transacted via credit products such as credit and debit cards, electronic transfers such as Apple Pay, Venmo and Zelle or digital currencies such as bitcoin. Other products, such as mortgages, student loans, personal loans, insurance, health insurance, and self-directed investment accounts have also grown in importance. This has made it even more imperative for individuals to understand financial products and services and know how to navigate and utilize financial strategies in our current economy.

Financial literacy covers short-term as well as long-term financial strategy. Financial literacy encompasses knowing how investment decisions made today will impact your financial plans and tax liabilities in the future. This also includes knowing which investment vehicles are best to use when saving for a home or retirement.

From day-to-day expenses to long-term budget forecasting, financial literacy is crucial for managing these factors. As mentioned above, it is important to plan and save enough to provide adequate income for home ownership as well as in retirement while avoiding high levels of debt that might result in bankruptcy, defaults, and foreclosures.

The benefits of financial literacy are key to a fiscally healthy life:

- Financial decisions may have long-term implications that cost individuals money or impact life plans. Financial literacy helps individuals avoid making mistakes with their personal finances.
- Financial literacy helps people plan for emergencies through savings and rainy day funds.
- By better understanding how to budget and save money, individuals can create plans that set expectations, hold them accountable to their finances, and sets a course for achieving seemingly unachievable goals. Though someone may not be able to afford a dream today, they can always make a plan to better increase their odds of making it happen. This is especially true in achieving homeownership.

- By having appropriate knowledge about finances, individuals can approach major life choices with greater confidence realizing they are less likely to be surprised or negatively impacted by unforeseen outcomes.

Conversely, lacking financial literacy can be damaging to an individual's long-term financial success. Being financially illiterate can lead to a number of pitfalls, such as being more likely to accumulate unsustainable debt burdens, either through poor spending decisions or a lack of long-term preparation. This, in turn, can lead to poor credit, bankruptcy, housing foreclosure, and other negative consequences.

Low financial literacy has left Millennials—the largest share of the American workforce—unprepared for a severe financial crisis, according to research by the TIAA Institute. Even among those who report having a high knowledge of personal finance, only 19% answered questions about fundamental financial concepts correctly. Forty-three percent report using expensive alternative financial services, such as payday loans and pawnshops. More than half lack an emergency fund to cover three months' expenses, and 37% are financially fragile (defined as unable or unlikely to be able to come up with \$2,000 within a month in the event of an emergency).

Millennials also carry large amounts of student loan and mortgage debt—in fact, 44% of them say they have too much debt.

Unfortunately, research has shown that financial illiteracy is very common, with the Financial Industry Regulatory Authority (FINRA) stating that 66% of Americans are financially illiterate.

Hawai'i leads the nation in high cost of living yet lags the nation in preparing students with the financial education needed to tackle the real world. Implementing financial literacy as a high school graduation requirement is a nationwide movement. Seventeen states have statewide mandates to have financial literacy as a graduation requirement. Teaching financial literacy in school is a must to enable our youth to be better prepared for today's economy.

In 2015, [Senate Concurrent Resolution 97; S.D.](#) and again in 2021, [Senate Concurrent Resolution 152](#) was introduced asking the DOE to work with DCCA and other groups to set up programs and nothing to date has come of that. The Hawai'i DOE has shown numerous times that allowing them to implement financial literacy program on their own terms is ineffective and has barely gotten off the ground. **A state mandate is needed.**

Hawai'i's high cost of living and housing is a prime concern for many. As a result, the financial skills students need to succeed in home ownership are more than simply budgeting and saving. Becoming a homeowner in Hawai'i is one of the biggest challenges Hawaii's students will face and the current state of financial literacy for many students is woefully lacking. Unfortunately, cutting back on a few things here or there and occasional saving will not prepare students to become homeowners.

In financial literacy classes, advanced topics, such as investing, the true cost of college, and the home-buying process, must be explored in depth. Understanding of economic principles and basic financial skills will equip our youth to learn about investing, so they understand the risks and opportunities involved. They can learn about the home-buying process so they can plan early. Eighteen-year-olds right out of high school can already start building their credit score, a critical factor in the home-buying

process. Furthermore, students must learn about the true cost of a college education. Allowing students without an understanding of student loans to get into tens if not hundreds of thousands in debt right out of high school, to get a degree that may or may not be relevant in the future, is **irresponsible** and may cause irreversible financial harm in the future.

Luckily I was taught by my parents about fiscal responsibility and finances at an early age, but, in looking back, at what I know now, I think how much better my classmates and I would be prepared had we had the opportunity to learn about financial skills in depth. Also, financial literacy is generational, so if a parent/community cannot pass it on to a child, then they already start at a disadvantage.

As a realtor, we oftentimes work with first time homebuyers. It is astonishing to see how many do not understand income, expenses, loans, debt, debt-to-income ratio, etc. or even have a checking account. Programs such as the Hawaii Homeownership Center has helped a lot in filling some of this gap. However, there is so much more financial knowledge that would help home Buyers and

I think back to one of my clients, both of whom were well educated and had good higher paying jobs. They came to me seeking to purchase a new home but when we started discussing the need to obtain a mortgage and credit scores, they told me that their credit score was bad because they had a lot of loans and kept falling further into debt and couldn't seem to climb their way out of this spiral. After advising them to work with a financial advisor/accountant, they began to understand that there were ways to get out of their predicament. After we all worked together for 2 years and they diligently followed the financial advisor's recommendations, they were able to pay off their debts and improve their credit score from low 500s to high 700s and were then able to qualify for a mortgage, follow a budget and purchase a home. One of the things that she said to me at that time really struck me because she said that she wished that when she was younger if only someone had taught her the financial knowledge that she learned now, she would have never allowed herself to fall into such disarray and that all Americans should be educated about finances.

If we do nothing to prepare our students for this new financial reality, our school system, our community, and our State will have failed our Keiki and our future.

Mahalo for your consideration.

Aloha,
Jody Libed