

JAN 17 2025

A BILL FOR AN ACT

RELATING TO EDUCATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that financial education
2 is a lifelong learning process that empowers individuals to plan
3 for their futures. Historically, the education system has
4 assumed that students learn important financial skills from
5 their families. However, not all students are taught the
6 financial skills they will need to be successful later in life.
7 Presently, the lack of financial literacy poses a significant
8 barrier for individuals seeking to achieve financial prosperity
9 and stability. Personal financial education is essential to
10 ensure that the State's youth are prepared to manage money,
11 credit, and debt, and to become responsible workers, heads of
12 households, investors, entrepreneurs, business leaders, and
13 citizens.

14 Nationwide, there is growing support for a personal finance
15 course requirement for high school graduation. In a 2022 poll
16 conducted by NORC at the University of Chicago, eighty-eight per
17 cent of respondents supported a requirement of a semester- or



1 year-long course focused on personal finance education for high
2 school graduation. Eighty per cent of adults also responded
3 that they wished they were required to complete a semester- or
4 year-long course focused on personal finance during high school.
5 Regarding selected topics to be taught, seventy-five per cent of
6 respondents selected spending and budgeting; fifty-five per cent
7 selected credit management; and forty-nine per cent selected
8 savings. Increasing opportunities for financial literacy may
9 alleviate growing uncertainty over financial preparedness and
10 challenges faced by young adults.

11 The legislature also finds that in 2013 and 2017, the State
12 received an "F" grade, meaning that schools did not offer any
13 education on personal finances. In 2023, the State received a
14 "D" grade in its ability to prepare students for financial
15 literacy upon graduation from high school. While most Hawaii
16 high schools require students to complete a personal transition
17 plan before graduation, the requirements are self-directed,
18 remain underfunded, and lack a clear framework for long-term
19 financial success.

20 In 2015, the financial literacy task force issued its final
21 report, noting that financial literacy is a subject that should



1 be taught in schools. As certain community resources had
2 restrictions that were limited to specific islands or areas, a
3 coordinated state effort would provide greater equity for all
4 students to engage with financial literacy topics. The task
5 force noted that increasing partnerships between the department
6 of education and community stakeholders to provide national and
7 local financial literacy resources; identifying core financial
8 literacy concepts; providing professional development
9 opportunities for educators; integrating financial literacy into
10 curriculum; and securing federal funding for financial literacy
11 programs may address the implementation of a statewide program
12 for all schools.

13 Therefore, the legislature further finds that it is of the
14 utmost importance to educate Hawaii's youth in economic and
15 financial matters to prepare them for financial independence
16 through the development of fiscal responsibility and financial
17 management skills.

18 Accordingly, the purpose of this Act is to require the
19 department of education to include the teaching of financial
20 literacy in the existing personal transition plan course
21 requirement.



1 SECTION 2. Commencing with the 2026-2027 school year, the
2 department of education shall require the teaching of financial
3 literacy to be included in the existing personal transition plan
4 requirement for each student. Schools may develop their
5 financial literacy program based on the particular school's
6 stakeholder input on the scope and sequence of its personal
7 transition plan or provide financial literacy systemically in
8 their school program.

9 For purposes of this section, "financial literacy" includes
10 but is not limited to curriculum addressing financial skills,
11 personal financial management, budgeting, debt, credit, and tax
12 planning.

13 SECTION 3. This Act shall take effect upon its approval.

14
INTRODUCED BY:

Anthony P. Penland *yes*



S.B. NO. 497

Report Title:

DOE; Financial Literacy; Curriculum

Description:

Beginning with the 2026-2027 school year, requires the Department of Education to require the teaching of financial literacy to be included in the existing personal transition plan requirement for each student.

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