Ladder Out of Poverty Task Force

Financial Education Work Group Meeting

Thursday, December 2, 2010, 2-4 p.m.

Room 300, State Office Building

**Attendees:** David Wiese, Jane Stockman, Bill Sarvela, Jennifer Cherry, Sandy Neren, Mary Jo Katras, Trish Olson, Andrea Ferstan, Kevin Murphy, Amy Brenengen, Meredith Pain, Karyn Thompson, Dick Todd, Jim Eisenreich, Ron Shimanski, Gina Blayney, Monica Weber, John Comer, Ron Elwood, Catherine Solheim, Bernie Johnson, Darlene Sliwa

**Welcome & Introductions:**

**Discuss compilation of research and data on impact:**

Reminder - Request of research conducted in financial literacy. Please provide academic articles or research conducted locally/nationally on programs. Send to Andrea Ferstan FerstanA@unitedwaytwincities.org . Intern at United Way will compile for task force and be posted on Ladder Out of Poverty Task Force web page. Research will be categorized for youth and adult and by models. Ex – financial education combined with asset development or with key transitions in life cycle. Use the following format to submit your research summaries:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Title | Type of Resource ((report, evaluation, director)  | MN specific?Yes/No | Source: author and/or organization producing report | Link: if available on- line | 1-sentence summary of information | Contributor’s name & organization | Contributor’s e-mail |
|  |  |  |  |  |  |  |  |

**Update on Social Study Standards:**

#### It is encouraged that people with strong backgrounds in personal finance and education apply to be on the Social Study Standards writing committee. It is recommended that those who are interested should watch for request for applications on the Department of Education website: <http://education.state.mn.us/mde/index.html>  or connect with Kevin Maijala ( 651-259-3442, kevin.maijala@mnhs.org) to be put on an announcement list. Department of Education is hoping to announce the online application process in December. In addition, if you have information that would inform the committee, please send it to Director Beth Aune at beth.aune@state.mn.us .

 **Discuss how best to support effective integration financial education in k-12 schools:**

There was a question about the purpose of the LOP-Financial Education Work Group. The excerpt below is from the Ladder Out of Poverty Task Force web site: <http://www.commissions.leg.state.mn.us/ladder/ladder.html>

# Ladder Out of Poverty Task Force

The Ladder Out of Poverty Task force, born out of recommendations from the [Legislative Commission to End Poverty,](http://www.commissions.leg.state.mn.us/lcep/) was created to identify specific policies, strategies, and actions to:

1. increase opportunities for poor and near-poor families and individuals to acquire assets and create and build wealth;
2. expand the utilization of Family Assets for Independence in Minnesota (FAIM) or other culturally specific individual development account programs;
3. reduce or eliminate predatory financial practices in Minnesota through regulatory actions, legislative enactments, and the development and deployment of alternative, nonpredatory financial products;
4. provide incentives or assistance to private sector financial institutions to offer additional programs and services that provide alternatives to and education about predatory financial products;
5. provide financial literacy information to low-income families and individuals at the time the recipient has the ability, opportunity, and motivation to receive, understand, and act on the information provided; and
6. identify incentives and mechanisms to increase community engagement in combating poverty and helping poor and near-poor families and individuals to acquire assets and create and build wealth.
(b) By June 1, 2012, the task force must provide written recommendations and any draft legislation necessary to implement the recommendations to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over commerce and consumer protection. [*(M.L. 2010, Chp. 374)*](https://www.revisor.mn.gov/laws/?id=374&doctype=Chapter&year=2010&type=0)

Ladder Out of Poverty Task Force is made up of 4 representatives from House and 4 from the Senate with liaisons from Dept of Commerce and Attorney General’s office. The Ladder Out of Poverty Task Force is divided into 3 working groups: Financial Literacy and Education; Asset Development and Building (wealth enhancement); & Community Support and Community Initiative. Each working group is to flesh out pieces of their topic area and roll up these ideas up to the larger task force. The end project is to advance legislation – change the social landscape of how we talk about financial literacy (for this work group). Tangible action steps are desired that can be achieved- no report on a shelf. This approach is more comprehensive with financial literacy at all stages of life – not just social studies standards. Proposed legislation that comes from this task force will be a bi-partisan and all legislation will be more than one person’s idea – but endorsement of 8 legislators and 2 agency representatives, and a group of community representatives.

**Discussion about ways to incorporate financial literacy concepts into K-12:**

JumpStart’s recent position statement: integrate financial concepts throughout K-12curriculum and require course at HS level. Acknowledging that to bring into curriculum K-12 it is a lengthy process.

1. Pros and cons of legislating a required personal finance course:

Challenges –

* If wanting to influence K-8, then influencing the social studies standards would insure teaching personal finance at k-8 level versus a course requirement.
* There are existing social studies standards pertaining to personal finance, under existing legislation. Opportunity to do something under existing law has a higher probability of success than the higher hurtle to pass a new law to require a course.
* Social Study standards have benchmarks or core competencies that must be met where as a separate required course might not have the same level of accountability.

Opportunity –

* Has potential to ensure greater coverage of key concepts and would not be vulnerable to changes in how standards in different areas are written.
1. Other thoughts on how financial education can be supported in K-12:
* Need to see trajectory of building blocks for personal finance. It was suggested to access national JumpStart, Treasury, & NCEE standards. It was recommended to overlay these standards with MN.
* Another idea presented was to think “outside the box – or brick and mortar” and perhaps to master personal finance at a low cost to school districts is to have students access a course on line. Use MYMONEY.gov as a resource. This idea would also help students be good consumers of information on the web.
* Another idea to teach personal finance is to utilize community experts to understand personal finance. This model is usually effective if there is a quality presenter. Junior Achievement has a philosophy that community professionals provide excellent content and have research to show that is it a best practice.
* One model was discussed in depth: the Junior Achievement Model. 110,000 MN students are reached a year. The JA model is a community perspective and a business perspective. Their primary delivery model is through the schools that supplements social studies, business, and math curriculum. They have 24 programs that deal with economic literacy with 4 in financial literacy. They emphasize the role of citizen, consumer & worker. Personal financial literacy is emphasized because business and parents say it is a priority. JA Finance Park includes 24 lessons targeted at middle school taught by a teacher with a simulation at the end at a facility in Maplewood that acts as a free market economy. Limited by physical location of the simulation the program now has an on-line version of the simulation. Primary outcomes include bringing relevance to the concepts. Teachers are looking for an experiential model that JA Finance Park provides. Motivation to grow this program is from the community. Engine behind it is the private sector to say this is “critical for us to develop our economy.” There is natural motivation from teachers to use JA Finance Park to meet the expectation of teaching economic standards. Scaled up? The on-line simulation model allows for increase in scale. On-line model has a cost of $30 a student. JA works in a non-mandated environment. Minnesota is a local control environment.

**Teacher Training:** Ensure quality of teacher – how do we ensure the capacity is there?

There is still a need to train teachers personal finance skills – to prepare teachers to teach personal finance. There was discussion that some teachers may not be ready to teach personal finance or have the licensure requirements.

Minnesota Council on Economic Education offers a Personal Finance Camp reaching over 450 teachers. Elementary teachers volunteer for training called, “Using children’s literature to teach economics and personal finance.” MCEE also reaches students through a contest co-sponsored with the Federal Reserve called personal finance decathalon.

Dick Todd shared a study that showed teachers with training on a personal finance curriculum have students who do better than untrained teachers. Training does work. How does one know that teachers have been trained sufficiently? Dick Todd recommended testing the students rather than test the teacher.

*Once there are structural changes that ensure that personal finance will be covered in public schools, we will likely need to revisit how we ensure that teachers are adequately trained to teach this content.*

* Ron Elwood: This work group is to make the best recommendation you can and politics should not stop you from making the best recommendation. Ex. Since we are so close to the legislative session – given the calendar we may consider making a 2012 recommendation – not 2011. First filter is “do the right thing.” 2) is inform the recommendation with pragmatic realities. As teachers go through teacher preparation – are they prepared? Business teachers are prepared. Might one recommendation be – teacher preparation institutions prepare teachers?

Cathy Solheim recommended a lifespan approach to financial literacy could happen through human service agencies, college, and work force locations. How can we encourage workplace education? There are many people being asked to teach personal finance- not just at schools-and they are not prepared– such as human service professionals and social workers and they are struggling with their own personal finances, and then being expected to teach it. Solheim is working on a teacher certification program for both on-campus teacher preparation (more than one course) and community-based instructors. The Board on Teaching plays a large role for licensure standards or endorsements. There is a need to understand this whole arena. Find out where we can dovetail with training for multiple audiences with similar materials.

On behalf of jumpstart - Dick Todd has a network of college level network “On-Campus” – staff & faculty public and private campuses who are interested in financial education. Dick could poll them if needed.

Eisenrich recommended that Dept of Ed turn to people who are trained and are currently teaching personal finance. He recommended a collaborative approach where social studies teachers, business teachers, family and consumer science teachers work together in course development and not mandate who teach it.

Another idea generated was to provide good workplace training for teachers to understand their own benefits, and then in turn they would have better understanding to apply this understanding to their teaching.

**Other ideas:**

It was recommended that the Itasca Group be asked as to their status on financial literacy at the work site and what have they learned.

Shared by Ron Elwood - Rep Shimanski thought about for the 2011 session – would it be good to get a junior and senior high baseline and what is the level of financial awareness now? The assessment could be conducted by a non-profit. The concept of percentages needs to be incorporated early on. In response to this recommendation, it was shared that this data exists as recent as 2008 for Minnesota. In 2008 the JumpStart survey was conducted in Minnesota, showing that about 50% “passed” or “failed” a knowledge test on personal finance (50% above and below the 70% score). Another idea for a potential assessment is the Department of Treasury Financial Capability challenge – conducted in the spring of the year.

Another idea generated was the concept of youth interventions around being “banked.” Solheim said that adults in poverty often are not “banked” – are there youth interventions? There needs to be an opportunity to link knowledge and behavior. Knowledge behavior link happens when people are ready to absorb it and apply it right away. A potential application is the “banks in the school” model.

Jim E – One idea is to develop a “College in the Schools” curriculum for personal finance. He had talked with Virginia Zuiker, U of M FSOS, and about the potential to create this course at HS level and students receive college level credit.

Amy – there is energy around some sort of standard – could be an idea bill to “t” up for 2012 session. If there is something ready this year.

As social studies standards are being rewritten, encourage the committee to assess if the national standards were incorporated. If all standards are not in social studies standards ask Dept of Ed if they are “covered elsewhere.”

Review Dr. Sharon Danes’ efficacy study of NEFE High School Financial Planning Curriculum.

Note: Although discussion to this point has focused on social studies standards to date… they in themselves are not poverty focused.

**Specific recommendations and next steps:**

* Propose K-12 broad requirement for personal finance/financial literacy without being too specific
* *Jim Eisenrich* will investigate and then report on the Hopkins school district. He was informed that Hopkins requires a personal finance course. Jim will also talk to regional rep for JumpStart for more information on what other states are doing about standards/requirements for personal finance/financial literacy education. Jim will also investigate and report on Wisconsin’s work in this area.
* The work group will facilitate the comparison of MN standards (all standards) to national standards provided by JumpStart, Treasury (Financial Literacy and Education Commission); & Council on Economic Education. *Dick Todd will help with national standards.*
* The workgroup will facilitate the comparison Minnesota to other states in the offering of specific personal finance courses.
* **Homework:**
	+ Send research to Andrea at ferstana@unitedwaytwincities.org
	+ See work plan template and read prior to the next meeting.
	+ Prior to next meeting, review the Financial Literacy and Education Commission Promoting financial Success in the United States; National Strategy for Financial Literacy 2011 - Review 4 goals on bottom of page 3 for beginning of our discussion for workplan development <http://www.mymoney.gov/sites/default/files/downloads/NationalStrategyBook_12310.pdf>
	+ Consider discussion about social studies standards and FLEC report to guide work plan.
* Next meeting is mid January, 2011