

## **Should Personal Finance Classes be Mandatory?**

**By Kendall Tucker**

4 in 7 Americans are financially illiterate (Fu, 2021). This says how much financial education that students are getting in the classroom. A graduating highschooler should have some personal finance skills. Most students go into the real world not knowing skills such as budgeting, doing taxes, paying bills, or applying for financial aid. A personal finance class should be mandatory in high school instead of being offered only as an elective. This class could be offered at younger ages but will be more beneficial to juniors or seniors. Personal finance skills are so important to have and could be simply involved in school with the activity of budgeting money and trying to live off that amount for a month. This way when students graduate school, they have some idea how to survive financially.

The reason why personal finance courses are not being taught as regularly as they should be is due to standardized testing. Standardized testing has driven schools to put a big emphasis on Math and English then you add in social programs. This makes the students' schedules so busy it is hard to fit in a mandatory personal finance class. Then when it is only offered as an elective it truly only hurts the students and their futures in the long run. Another reason why personal finance classes are not being offered is due to educational decisions that are being made on a state level. According to National Debt Relief (2022), "That means there are no federal mandates or guidelines to help schools master the most effective approach to teaching personal finance." This quote shows one of the reasons why personal finance classes are not being taught and it is unfortunate. With the focus of other subjects, we lost the importance and value that others hold for the true success of our students.

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Money can become a significant stressor and 64% of adults have confirmed that it is. Then 73% of people with high financial literacy scores claimed to gain their education from personal experience (Fu 2021). According to Peng, Bartholomae, Fox, Cravener (2007) “Pervious research suggests that early exposure to financial concepts has positive effects on money management skills of high school students.” This quote gives an example of how much financial security personal finance classes can give. It has also been found that in 2019, 70 percent of highschoolers in America had the option to take a personal finance course, but only 17 percent of students were required to take one. This class is too important and beneficial to only be offered as an elective (Fu, 2021).

In studies there has been more success of states that make personal finance classes mandatory versus the states that do not include them in their curriculum. According to Doyne (2021) “In states that don’t require financial instruction, some schools chose to teach it and do an excellent job, but others ignore the subject completely and they tend to be schools in less affluent districts, Mr. Hensley said.” Personal finance classes have a true impact on student’s future which is stated in the previous quote. It is important that every area provides personal finance classes, but it is even more important in less affluent areas. In these areas those students’ parents are less likely to teach them the personal finance skills that they will need in the future. This is why schools need to offer it for our students. These are skills that every adult individual will have to face in their lifetime. They should be taught to highschoolers as they are about to graduate. This way they feel ready and prepared for the future after graduating. According to Barnum Financial Group (2022) “Personal finance education is lacking in many college programs. This puts new diploma holders in the same situation as their high school classmates four years prior. Unfortunately, the importance for most young people to have a baseline

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knowledge of personal finance isn't realized until it's too late." If we enforce this class now, then it will not be too late any longer. The longer we sit and wait for these classes to be mandatory the more students who graduate will have no clue about these skills. Let's act now rather than later. It is our schools' jobs to set up our child who are becoming adults up for success not failure. According to Cheong (2021), "High schools are failing to provide this aspect of life and career readiness is leading to an increasingly financially illiterate society." This quote states how schools are not fulfilling that goal of setting our future adults up for success. Will your school be the first one to start this change and impact the future of many?

Schools should offer this class to at least juniors and seniors in high school. This type of class provides so much financial information for students who are becoming young adults. The skills that should be taught are how to budget their money properly, how to complete their taxes, how to apply for loans, and how to pay their bills. Every individual will have to handle these tasks at some point in their life so it would be most beneficial for them to start learning about them in their high school careers. Yes it might use up more funding than everyone would like but, the end result of it will be worth the funds used to start up this course. If the school is struggling to figure out a way to fund this course, they could do a test trial to see the true benefits then either take away a less chosen class for an elective or use less money in a different category. The school could also go petition to the school board to get more money in their budget to fund this course.

Some individuals have different views or opinions about personal finance classes. They might believe such things as money is a personal issue, personal finance education does not help, schools believe parents are already doing it, it's a too complex and vast topic, and that students might not pay attention so there would be no benefit. Money is seen as a personal issue today

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because it is like talking about politics or religion which are topics that are off limits. Since it is seen as a personal topic schools believe that personal finance should be covered at home. Not every student though has the luxury of having a parent who will take on the responsibility of teaching them these skills to help prepare them for adulthood. Schools are supposed to be the safe place that students can go to for help in succeeding. It is also said that personal finance education does not help because education does not always correlate to better behavior. Money management can sometimes be seen as something you have or do not have. Like with any class or activity it might not help or improve something, but it is better to have that opportunity available to provide help rather than not have it at all.

Some individuals also believe that students might not pay attention so there would be no benefit. This is true, this might occur if students are forced to enroll in this class but that can be the same with every other class. Any class that a student is made to attend can choose not to pay attention or to participate. The least we can do though is have it and provide the information needed for our students that are leaning towards adulthood. That way we can feel confident enough that we prepared them for the world and they can also feel confident enough to enter the world. I know when I took a personal finance class in high school it was an elective and at first, I just picked it to fill the credit requirement. But, after I was in the class for two quarters I truly realized the information I learned and now had when leaving the class. I felt more prepared for the world than I ever did before financially. There is also a possibility that students will pay attention and learn things that will totally change their knowledge about personal finance skills. Lastly it is said that it is too vast of a topic and that it would be too much for school to take on. It does not have to start off with a course that covers tons of topics in the personal finance world. If

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the program is new to the school, they can start slowly. In the class at first just cover budgeting then slowly cover other topics such as taxes or applying for loans.

Everyone is going to have their own view and opinions about why personal finance classes should be mandatory in high school as a course. They also will have their own views and opinions about why personal finance classes should not be mandatory in high school as a course. The school system is never going to be able to please everyone. Their job is to do the thing they believe will be the most beneficial for their students to help them become successful individuals when they graduate. This course should start out as a testing trial. Where students will be enrolled in the class for one semester, and we will see how it goes and how the students feel about personal finance afterwards. Do they feel more confident and prepared to handle these skills and tasks on their own or even with a little assistance? Or do the students still feel uneasy and unconfident about personal finance classes and are still unsure what to do? A test trial will be a good idea before the school fully invests or works to get the funding that they will need. Again, as I mention previously 4 in 7 Americans are financially illiterate (Fu 2021). These classes could change that static and make Americans more financially literate, and this could all start by having this class mandatory in high school. Don't you want to see a change?

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