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## **N.J. makes financial literacy a graduation requirement**

By Megan DeMarco

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Credit score. Personal bankruptcy. Balancing a checkbook.

A series of recent moves by state officials could ensure those will not be foreign terms to high school students as they head off to college.

Last month, the state Board of Education adopted new high school graduation standards, adding a half-year requirement of economics and financial literacy to the core curriculum.

A bill cleared in the Senate the next day by a 35-1 vote would establish a three-year pilot program requiring that high school seniors in selected districts take a semesterlong personal-finance course.

"All the stars are aligned for financial education in New Jersey," said Maryanne Evanko, president of the New Jersey Coalition for Financial Education (NJCFE). "We're just absolutely thrilled that this is happening."

The bill was passed by the Assembly in September and is on the governor's desk.

"These are life skills that young people need to learn early on in life," said Senate Majority Leader Stephen M. Sweeney (D., Gloucester), one of the cosponsors of the bill. "Mistakes you make as a young person can impact you throughout life."

Only Utah, Missouri, and Tennessee require a one-semester course on financial literacy, while 18 states require personal finance be incorporated into other subject matter. Neither New Jersey nor Pennsylvania has any current requirements.

A 2008 Capital One survey found 14 percent of high school students have taken a personal-finance course. According to the survey, 69 percent say what they know about finance they learned from their parents.

Sweeney said many young people don't realize the implications a personal-finance mistake can

have later.

"They have no idea how important your credit rating is and how it can impact your life in the future," he said. "Your credit score impacts everything that you do."

Under the bill, the education commissioner will choose six districts - spanning urban, suburban, and rural districts; two from South Jersey, two from the center of the state, and two from North Jersey - to participate. Each district will be awarded a grant and sample materials by the Department of Education.

Assistant Commissioner of Education Jay Doolan said some districts had expressed interest in participating.

Under the new standards for graduation adopted June 17, high school students must take half a year of economics and financial literacy, starting with ninth graders in the 2010-11 school year. They can take the credits any time throughout their high school years.

Taking the class established under Sweeney's bill would fulfill that requirement, Doolan said.

"We would make sure that they are aligned," he said.

While Sweeney's bill establishes a separate class on financial literacy, Doolan said the financial-literacy requirement could be incorporated into another social-studies class, although he said he believed most districts would choose to establish a separate course.

There's also an entrepreneurial aspect to the new graduation requirements.

"It's enhancing the creative flow of students who may have good ideas and the reality of what it takes to implement those ideas," Doolan said. "The current economic downturn underscores the need for this type of awareness on the part of the students."

Susan Bastnagel, spokeswoman for Cherry Hill Public Schools, said the district would probably be interested in the pilot program, although officials don't have many details on it yet.

The district already offers several full-year business and economics classes - Advanced Placement economics, economic theory and practice, introduction to business - that might fill the new graduation requirements, she said.

Evanko said she hoped that, "in the spirit of things," some districts would choose to enact financial-literacy requirements sooner than the 2010-11 school year, when the core curriculum standards go into effect.

In the meantime, NJCFE will help the Department of Education run summer training for teachers who will teach the finance courses.

At the conclusion of the pilot program, the department will report the success of the program to the governor and legislature. Sweeney said he believed it would eventually be implemented statewide.

"I think it's going to have a major impact," he said.

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