



Financial Education  
Public-Private Partnership

Annual Report to the  
Legislature



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State Superintendent of  
Public Instruction

December 2009



# **Financial Education Public-Private Partnership**

## **Annual Report to the Legislature**

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## **Executive Summary**

Substitute House Bill 1347 (SHB 1347), 2009, established the Financial Education Public-Private Partnership (FEPPP), a recommissioning of the Financial Literacy Public-Private Partnership established by Legislature in 2004. The partnership as it now exists consists of four members of the Legislature, four representatives from the private for-profit and nonprofit financial services sector, including the Jump\$tart Coalition, four teachers with one each representing the elementary, middle, secondary and postsecondary education sectors, a representative from the Department of Financial Institutions (DFI), and two representatives from the Office of Superintendent of Public Instruction (OSPI).

The task of the FEPPP is to seek out and determine the best methods of equipping students with the knowledge and skills they need, before they become self-supporting, in order for them to make critical decisions regarding their personal finances. The components of personal financial education shall include the achievement of skills and knowledge necessary to make informed judgments and effective decisions regarding earning, spending and the management of money and credit.<sup>1</sup>

The 2009 legislative session introduced [SHB 1347](#), which gave new force and structure to the FLPPP, renaming the partnership as the Financial *Education* Public-Private Partnership.

As per the recent legislation, the FEPPP moves forward with the following goals:

- a) Communicate to school districts the Jump\$tart national financial education standards, other important financial education skills and content knowledge, and strategies for expanding the provision and increasing the quality of financial education instruction.
- b) Review on an ongoing basis financial education curriculum that is available to school districts, including instructional materials and programs and school-wide programs that include the important financial skills and content knowledge.
- c) Develop evaluation standards and a procedure for endorsing financial education curriculum that the partnership determines should be recommended for use in school districts.
- d) Identify assessments and outcome measures that schools and communities may use to determine whether students have met the Jump\$tart financial education standards.
- e) Monitor and provide guidance for professional development for educators regarding financial education, including ways that teachers at different grade levels may integrate financial skills and content knowledge into mathematics, social studies, and other course content areas.
- f) Work with OSPI and the Professional Educator Standards Board (PESB) to create professional development that could lead to a certificate endorsement or other certification of competency in financial education.

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<sup>1</sup> SHB 1347 § 1.

- g) Develop academic guidelines and standards-based protocols for use by classroom volunteers who participate in delivering financial education to students in the public schools.
- h) Provide an annual report beginning December 1, 2009, as provided in Section 4 of this act, to the Governor, the Superintendent of Public Instruction (SPI), and the committees of the Legislature with oversight over K-12 education and higher education.

In addition, the legislation provides for a pilot project. OSPI and FEPPP shall provide technical assistance and grants to support demonstration projects for district-wide adoption and implementation of the Jump\$tart national financial education learning standards.

The FEPPP has met in its current form on October 6, 2009 (general membership), and on October 13 and November 10, 2009 (Executive Committees).

## I. Introduction

Substitute House Bill 1347 (SHB 1347), 2009, established the [Financial Education Public-Private Partnership](#) (FEPPP), a recommissioning of the Financial Literacy Public-Private Partnership (FLPPP) established by Legislature in 2004. The partnership as it now exists consists of four members of the Legislature, four representatives from the private for-profit and nonprofit financial services sector, including the Jump\$tart Coalition, four teachers with one each representing the elementary, middle, secondary and postsecondary education sectors, a representative from the Department of Financial Institutions (DFI), and two representatives from the Office of Superintendent of Public Instruction (OSPI).

The task of the FEPPP is to seek out and determine the best methods of equipping students with the knowledge and skills they need, before they become self-supporting, in order for them to make critical decisions regarding their personal finances. The components of personal financial education shall include the achievement of skills and knowledge necessary to make informed judgments and effective decisions regarding earning, spending and the management of money and credit.<sup>2</sup>

The FEPPP, to the extent that funds are available, shall<sup>3</sup>:

1. Communicate to school districts the financial education standards adopted, ... other important financial education skills and content knowledge, and strategies for expanding the provision and increasing the quality of financial education instruction.
2. Review on an ongoing basis financial education curriculum that is available to school districts, including instructional materials and programs and school wide programs that include the important financial skills and content knowledge.
3. Develop evaluation standards and a procedure for endorsing financial education curriculum that the partnership determines should be recommended for use in school districts.
4. Identify assessments and outcome measures that schools and communities may use to determine whether students have met the financial education standards adopted.
5. Monitor and provide guidance for professional development for educators regarding financial education, including ways that teachers at different grade levels may integrate financial skills and content knowledge into mathematics, social studies, and other course content areas.
6. Work with OSPI and the professional educator standards board to create professional development that could lead to a certificate endorsement or other certification of competency in financial education.
7. Develop academic guidelines and standards-based protocols for use by classroom volunteers who participate in delivering financial education to students in the public schools.

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<sup>2</sup> SHB 1347 § 1.

<sup>3</sup> SHB 1347 § 2.

8. Provide an annual report beginning December 1, 2009 to the Governor, the SPI, and the committees of the Legislature with oversight over K-12 education and higher education.

This report is intended to meet the above requirement (8) and give a baseline for history and plans of the FEPPP.



## **II. History**

### **2003 Legislative Action**

During the 2003 legislative session, legislation (SB 5456 & HB 2009) was introduced that would have required the teaching of financial literacy in schools. The bills would have required the state to create a model financial literacy curriculum and encourage schools to adopt the model curriculum. The bills authorized the use of federal funds to support development of the curriculum, and required schools to teach financial literacy. The legislation did not require a separate class devoted to financial literacy, and did not require the teaching of financial literacy at any particular grade level; nor did it require schools to use the model curriculum developed by the state. Finally, the bills created a pilot program for the teaching of personal finance.

### **2004 Legislative Action**

During the 2004 legislative session, the Washington State Legislature passed HB 2455, which created the Financial Literacy Public Private Partnership (FLPPP). FLPPP was created as an ad hoc committee on financial literacy made up of legislators, representatives from the State Board of Education (SBE), OSPI, DFI, financial institution industries, school directors, school principals and administrators, educators and representatives from higher education. The committee was charged with the following:

- Completing a survey of school districts to determine if financial literacy training was already being offered.
- Assembling and analyzing statistics on whether financial literacy information was actually making a difference to employers in Washington. (e.g., Is it reducing bankruptcies or financial issues among corporate employers?).
- Developing recommended learning guidelines that could be voluntarily adopted by schools.
- Recommending the structure and operating principles for a public/private partnership that would help local schools judge which financial literacy programs are best for their own schools.
- Selecting voluntary pilot program schools.
- Reporting back to the Governor, the Legislature, SBE, and the SPI on the results of the pilot program.

As introduced, the bill appropriated \$50,000 for the project, with the understanding that many of the private interests at the table would probably also contribute to the project. Unfortunately, 2004 was an extremely tight budget year, and the \$50,000 appropriation was cut out of the budget during final budget negotiations.

### **2005 Legislative Action**

During the 2005 legislative session, HB 2152 was introduced to re-appropriate the missing \$50,000 appropriation originally slated for the prior year, and clarify some of the responsibilities for FLPPP. FLPPP had continued to meet since the creation of the committee. It was, however, very difficult to achieve the objectives of the bill without the involvement of at least one part-time, temporary employee

who could help organize the group, manage the survey process, and analyze existing financial literacy curriculum resources for use in Washington schools.

As originally written, the 2005 bill would have:

- Extended the deadline for making a report identifying strategies to increase the financial literacy of public school students in Washington State from June 2005 to June 2007.
- Added the development of Essential Academic Learning Requirements (EALRs) to the list of FLPPP strategies for improving financial literacy.
- Added recommendations on whether financial literacy should be included in the Washington Assessment of Student Learning to the list of FLPPP strategies for improving financial literacy.
- Required OSPI to make available lists of identified financial literacy skills, instructional materials, assessments, and other relevant information on financial literacy to school districts.
- Encouraged school districts to provide financial literacy training.
- Appropriated \$50,000 over a two-year period to help fund the project.

House Bill 2152 passed the House Education Committee on March 1; however, it failed to make it through the House Appropriations Committee in time, and died in committee.

### **2006 Legislative Action**

- HB 2152 was reintroduced but failed to pass.
- HB 2394, which defined financial literacy activities as “work activities” for the purposes of the WorkFirst program and eligible for up to ten credits under the program, passed (Dickerson).
- HB 3156, which empowers the Department of Community, Trade, and Economic Development (CTED) to offer consulting services to community action agencies who are interested in developing pilot programs to assist low-income families accumulate assets, passed (Darnielle).
- HB 3157, which required the state to provide information to recipients of Temporary Assistance for Needy Families (TANF) about asset building, and required the WorkFirst program to provide information on financial literacy programs, did not pass (Darnielle).
- SB 6219, which encouraged school boards of directors to integrate financial literacy training within existing curricula, did not pass (Keiser).
- SB 6386, which represents the state’s operating budget, included \$50,000 in appropriated funds to fund the FLPPP.

### **2007 Legislative Action**

- As introduced, the Governor’s proposed budget included an ongoing yearly \$50,000 appropriation for the FLPPP.
- HB 1980 and SB 5965 were introduced to expand the duties of the FLPPP.

## 2008-09 Activity

- FLPPP hired a new coordinator, established a workplan and budget, and commenced work on a number of key fronts.
- The FLPPP Education Subcommittee reviewed several bodies of financial education standards, including Jump\$start, standards from other states, and Washington GLE/EALRs and standards in mathematics and social studies. They recommended that districts voluntarily adopt the Jump\$start standards (given that they were in use by a large number of states), covered a comprehensive financial education for elementary, middle and high school students, and complemented relevant standards in mathematics and social studies.
- The Communications Subcommittee established a web site with resources for teachers, parents, students and the public regarding financial literacy (see [www.FLPPP.org](http://www.FLPPP.org)).
- The Development Subcommittee raised almost \$50,000 from private sector donations to fund the work of FLPPP.

The 2009 legislative session introduced [SHB 1347](#), gave new force and structure to the FLPPP, renaming the partnership the Financial *Education* Public-Private Partnership.

The Executive Committee acknowledges that more work remains to incorporate financial education into the public school system and accomplish the intent of the original legislation...

*...to assist school districts in their efforts to ensure that students are financially literate through identifying critical financial literacy skills and knowledge, providing information on instructional materials, and creating a public-private partnership to help provide instructional tools and professional development to school districts that wish to increase the financial literacy of their students.*

As per the recent legislation, the FEPPP moves forward with the following goals:

- a) Communicate to school districts the Jump\$start national financial education standards, other important financial education skills and content knowledge, and strategies for expanding the provision and increasing the quality of financial education instruction.
- b) Review on an ongoing basis financial education curriculum that is available to school districts, including instructional materials and programs and school-wide programs that include the important financial skills and content knowledge.
- c) Develop evaluation standards and a procedure for endorsing financial education curriculum that the partnership determines should be recommended for use in school districts.
- d) Identify assessments and outcome measures that schools and communities may use to determine whether students have met the Jump\$start financial education standards.
- e) Monitor and provide guidance for professional development for educators regarding financial education, including ways that teachers at different grade

levels may integrate financial skills and content knowledge into mathematics, social studies, and other course content areas.

- f) Work with OSPI and the PESB to create professional development that could lead to a certificate endorsement or other certification of competency in financial education.
- g) Develop academic guidelines and standards-based protocols for use by classroom volunteers who participate in delivering financial education to students in the public schools.
- h) Provide an annual report beginning December 1, 2009, as provided in section 4 of this act, to the Governor, the SPI, and the committees of the Legislature with oversight over K-12 education and higher education.

In addition, the legislation provides for a pilot project. OSPI and FEPPP shall provide technical assistance and grants to support demonstration projects for district-wide adoption and implementation of the Jump\$start national financial education learning standards.

The newly re-constituted FEPPP met on October 6, 2009, in a general meeting at which time, the membership present approved the FLPPP recommendation to retain committees to manage the work of the public-private partnership as follows: Communications committee, Development committee, Education committee with Subcommittees for Professional Development and Certification and for Standards and Curriculum, and Executive Committee. The FEPPP membership then elected the following individuals to chair the Committees: Linda Jekel, Communications Committee; Kimberly Scott, Development Committee; Pam Whalley, Education Committee; and, Senator Sharon Tomiko Santos, Executive Committee. The Executive Committee has met twice, on October 13 and November 10, 2009, and the other committees have begun to schedule meetings to develop workplans.

### III. Status of the FEPPP

Current state funding and carry-forward dollars as of July 1, 2009:

Private Contributions	\$ 48,648.00
<u>State Appropriations</u>	<u>\$ 75,000.00</u>
<b>Total Balance</b>	<b>\$ 123,648.00</b>

As has been noted in the Introduction of this document, [SHB 1347](#) established a new mandate for the FEPPP and a new body has been convened. Below are listed the legislative and other appointments to the FEPPP.

Category	Appointed By	Recommendations
Senator, Democrat	President of the Senate	Senator Jean Berkey
Senator, Republican	President of the Senate	Senator Curtis King
Representative, Democrat	Speaker of the House	Representative Sharon Tomiko Santos
Representative, Republican	Speaker of the House	Representative Glenn Anderson
Private Sector/Financial Services	Governor	Kimberly Scott (Jump\$tart, WSCPA)
Private Sector/Financial Services	Governor	Stacy Augustine (WCUL)
Private Sector/Financial Services	Governor	Greer Gibson Bacon, CFP President of Asset Planning & Management, Inc., Spokane
Private Sector/Financial Services	Governor	Eric Pearson, President and CEO of Community First Bank, Kennewick
Post-Secondary Educator	Superintendent	Pam Whalley
HS Educator	Superintendent	Leslie Nuttman
MS Educator	Superintendent	Joni Koch
Elem Educator	Superintendent	Betty Hansen
DFI representative	DFI Director	Linda Jekel
OSPI representative (curriculum)	Superintendent	Greta Bornemann
OSPI representative (PD)	Superintendent	Mary Nagel

The FEPPP has organized itself into four committees: Communications, Development, Education, and Executive. Below are current results and recommendations from three of the four committees.

#### COMMUNICATIONS COMMITTEE

The Communications Committee for FLPPP was created to promote FLPPP, financial education resources, and financial education events. The committee accomplished the following:

- Developed a communications plan.
- Established a website.
- Established a logo.

- Created a “Talking Points” handout.
- Developed marketing materials for the teacher summit; coordinated with FLPPP members and OSPI to promote the event.

The FLPPP Communication Committee’s work concluded on June 30, 2009. The group compiled a list of next steps and action items for the FEPPP Communications Committee to review and consider as they establish FEPPP.

**FEPPP Communication Committee Work Plan:**

<b>Goals</b>	<b>Tasks</b>
<b>Recruit Committee Members</b>	<ul style="list-style-type: none"> <li>• In December 2009, convene Committee meeting with the FEPPP members who volunteered at the 10/6/09 general membership meeting to be on the Committee.</li> <li>• At Committee meeting, review preliminary work plan goals for 2010 and revise as necessary.</li> <li>• At Committee meeting, decide knowledge and skills needed to accomplish Committee goals and assess what gaps in knowledge and skills to recruit for Committee membership.</li> </ul>
<b>Name Change</b>	<ul style="list-style-type: none"> <li>• Solicit ideas for name change from FEPPP and present to FEPPP Exec. Committee January 2010.</li> </ul>
<b>Promotion of FEPPP</b>	<ul style="list-style-type: none"> <li>• Revise the “Talking Points” sheet to reflect changes to FEPPP and new resources.</li> <li>• Develop a brochure.</li> <li>• Update the Communication Plan to reflect FEPPP.</li> <li>• Determine target audiences and best avenues to reach them; how to use current networks.</li> <li>• Communicate with educators about guidelines, approved materials, training opportunities, and classroom resources.</li> <li>• Create a marketing piece/strategy to recruit subcommittee members and experts.</li> </ul>
<b>Website</b>	<ul style="list-style-type: none"> <li>• Develop plan for maintaining the website and keeping the content up-to-date; including content guidelines.</li> <li>• Explore adding new features, such as curriculum for FEPPP approved materials.</li> </ul>
<b>Budget</b>	<ul style="list-style-type: none"> <li>• Determine cost of deliverables for 2010, such as: <ul style="list-style-type: none"> <li>» Maintaining website.</li> <li>» Upgrading website for (1) user-friendly tools to sort and find curriculum applicable to grade-level and (2) receive feedback from educators on curriculum.</li> <li>» Printing brochures.</li> <li>» Activities to be determined to create excitement about financial education for students.</li> <li>» Create branding materials so FEPPP is source on financial education for students in Washington State.</li> </ul> </li> </ul>

## DEVELOPMENT COMMITTEE

The Development Committee for FLPPP was created to plan for and provide feedback for the continuation of FLPPP/FEPPP, to fundraise, and to create a documented history of the committee. The committee accomplished the following:

- Developed a written history available on-line.
- Raised private funds for FLPPP.
- Provided feedback for the creation of FEPPP.
- Secured sponsorship money for teacher training.

The FLPPP Development Committee's work concluded on June 30, 2009. The group compiled a list of next steps and action items for the FEPPP Communications Committee to review and consider as they establish FEPPP.

### FEPPP Development Committee Work Plan:

Goals	Tasks
<b>Fundraising and Budget</b>	<ul style="list-style-type: none"><li>• Develop annual operating budget.</li><li>• Provide financial reports for committee.</li><li>• Develop list and create relationships with potential donors based on common interests.</li><li>• Set fundraising goals based on needs.</li><li>• Secure funding for projects.</li><li>• Create project cost formulas based on history.</li></ul>
<b>Development</b>	<ul style="list-style-type: none"><li>• Promote FEPPP to potential donors and invite them to participate on committee, creating potential new board members.</li><li>• Provide description of volunteer job duties based on committees needs.</li><li>• Reach out to other coalitions and community groups.</li></ul>

## EDUCATION COMMITTEE

The Committee worked on the construction of a database of instructional materials that is designed to provide people involved with financial education the opportunity to easily compare a number of different instructional materials. In order to be included in the database, materials had to meet No Child Left Behind Proof of Effectiveness requirements.<sup>4</sup> Information provided about the curriculum includes: whether or not it is correlated with Washington State standards and/or the JumpStart voluntary national standards, the cost of the materials, training availability, the curriculum's format and construction, number of instructional hours are required, and in which languages it is available. (The Committee recommended that inclusion on this list should not be construed as a recommendation on the part of the FLPPP.)

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<sup>4</sup> The Committee allowed materials to meet this requirement in one of two ways. Material providers could provide rigorous studies showing statistically significant increases in financial literacy test scores or by providing evidence that materials with similar approaches increased student learning.

The Education Committee also recommended that FLPPP advocate for the adoption of the Jump\$tart Voluntary National Content Standards in Personal Finance. The adoption of the Jump\$tart standards, developed by the leading national organizations in the area of personal finance, would be cost effective for districts because virtually all of the nationally developed and distributed curriculums are correlated to the Jump\$tart standards. More importantly, they represent the “gold standard” of financial literacy standards, and the vast majority of states with comprehensive personal finance standards used them as their template. The standards are given in *Appendix A* of this report.

The education committee also designed a *preliminary* district-wide implementation plan for financial education. The plan includes training, assessment, and community involvement components. The plan is contained in *Appendix B*.

Educator training in the form of conference presentations, full and half day workshops, train-the-trainer programs, and a culminating four day financial education summit was organized and presented by members of the education committee. The four day conference, the Financial Education and Training Institute: Building Blocks for Financial Literacy, was held from June 23 to June 26, 2009, at Western Washington University in Bellingham, Washington. Forty-seven elementary, middle and high school teachers participated in a number of concurrent sessions presented by representatives from the Boeing Employees Credit Union (BECU), Family Economics and Financial Education (FEFE), Washington State Society of CPAs, Department of Financial Institutions, Washington Council on Economic Education, Junior Achievement, Twin Star Credit Union, Cents, Wells Fargo, and Allstate. Section leadership was provided by three master teachers and Financial Fellows, Joni Koch (Lynden Middle School), Mike Shannon (Foster High School), and Charles Collier (Harmony Elementary School). The institute was coordinated by Pam Whalley from Western Washington University and the Washington Council on Economic Education.

Other Items:

- The Financial Fitness framework has been completed by OSPI and can be taught by a Family and Consumer Sciences Educator (FACSE) or Business teacher and may qualify as an equivalent course for an Algebra 1 math credit. Equivalency crediting is a district decision.
- Training on this framework’s implementation was given at the *Integration Creates High Demand Workshop* sponsored by OSPI and the Washington Association for Career and Technical Education (WA-ACTE) on November 5, 2009.
- Training about how to integrate math into a personal finance course using the financial fitness framework was given at the *Integration Creates High Demand Workshop* sponsored by OSPI and WA-ACTE on November 5, 2009.



- The Excellence in Economic Education Grant received from OSPI for student-lead Family, Career and Community Leaders of America (FCCLA) projects launched the request for proposals October 2, 2009, and the grants will go to districts in November 2009.

**FEPPP Education Committee Work Plan:**

<b>Goals</b>	<b>Tasks</b>
<b>Recruit Education Committee members</b>	<ul style="list-style-type: none"> <li>• In December 2009, convene Education Committee, meeting with the FEPPP members who volunteered at the October 6, 2009, general membership meeting to be on the Education Committee.</li> <li>• Review preliminary work plan goals for 2010 and revise as necessary.</li> <li>• Set work plan.</li> <li>• Consider two Subcommittees for Education: Standards and Curriculum, Professional Development and Certification.</li> <li>• Decide knowledge and skills needed to accomplish goals and assess what gaps in knowledge and skills to recruit for committee membership.</li> </ul>
<b>Develop curriculum evaluation standards and a procedure for endorsing curricula</b>	<ul style="list-style-type: none"> <li>• Identify committee members.</li> <li>• Create checklist for inclusion, including criteria.</li> </ul>
<b>Review financial education curriculum on an ongoing basis</b>	<ul style="list-style-type: none"> <li>• Identify committee members.</li> <li>• Conduct review of Jump\$start members to determine who to contact materials providers and solicit new materials.</li> <li>• Determine how to disseminate information.</li> <li>• Place steps for contacting FEPPP for inclusion of materials on website (checklist) (what criteria being used).</li> <li>• Marketing partnership create buzz to make people want FEPPP endorsement.</li> </ul>
<b>Identify assessments and outcome measures for financial education</b>	<ul style="list-style-type: none"> <li>• Begin researching various materials and methods.</li> </ul>
<b>Monitor and provide guidance for professional development for educators regarding financial education, including how to integrate financial</b>	<ul style="list-style-type: none"> <li>• Survey educators in variety of content areas to collect sample syllabi.</li> <li>• Create central resource of sample syllabi and advice on effective methods of integrating personal finance into existing classes.</li> </ul>

<b>education content into other courses at different grade levels</b>	
<b>Work with OSPI and Public Education Standards Board (PESB) to create a certificate endorsement/certificate of competency in financial education</b>	<ul style="list-style-type: none"> <li>• Provide input.</li> </ul>
<b>Develop guidelines and standards for classroom volunteers who deliver financial education in public schools</b>	<ul style="list-style-type: none"> <li>• Begin discussion.</li> </ul>
<b>Provide professional development opportunity</b>	<ul style="list-style-type: none"> <li>• Develop and professional development plan.</li> <li>• Provide professional development.</li> </ul>
<b>Budget</b>	<ul style="list-style-type: none"> <li>• Substitute and travel costs for educators for meetings (Three all day meetings—sub pay, travel \$3,000).</li> <li>• Mailing and other costs associated with circulation of materials for evaluations (\$1,000).</li> <li>• Professional development (\$30,000).</li> <li>• Information transfer to website (\$1,000).</li> <li>• Presentation at superintendent, principal and state association of school board meetings (\$1,000).</li> </ul>

**EXECUTIVE COMMITTEE**

The Executive Committee consists of the following members: the Chair of FEPPP, the Chairs of the Communications, Development, and Education Committees, a representative of the DFI, and representatives from OSPI with responsibility for professional development and for curriculum development. The Executive Committee provides oversight of and helps to coordinate and facilitate the work of the committees in meeting the legislative mandate to FEPPP. In addition, the Executive Committee convenes the quarterly general membership meetings.

#### **IV. Proposed FEPPP 12-Month Work Plan**

The task of the FEPPP is to seek out and determine the best methods of equipping students with the knowledge and skills they need, before they become self-supporting, in order for them to make critical decisions regarding their personal finances. The components of personal financial education shall include the achievement of skills and knowledge necessary to make informed judgments and effective decisions regarding earning, spending and the management of money and credit.

##### **Legislative Charge**

- Communicate financial education standards, skills and content knowledge to school districts.
- Review financial education curriculum on an ongoing basis.
- Develop curriculum evaluation standards and a procedure for endorsing curricula.
- Identify assessments and outcome measures for financial education.
- Monitor and provide guidance for professional development for educators regarding financial education, including how to integrate financial education content into other courses at different grade levels.
- Work with OSPI and PESB to create a certificate endorsement/certificate of competency in financial education.
- Develop guidelines and standards for classroom volunteers who deliver financial education in public schools.
- Provide an annual report (beginning December 1, 2009).

##### **Other Tasks**

- Monitor progress toward adopting financial education standards by school districts.
- Provide recommendations for policies or activities to support financial education in public schools.
- Solicit contributions from private sector partners and supporters.
- Review federal financial education legislation and write grants.
- Make recommendations about terms of appointment (time, term limits).
- Create a marketing plan and development plan (fundraising).
- Create and monitor budget.

## **V. Conclusion**

The FEPPP held its first meeting on October 6, 2009 (general membership), and has had meetings on October 13 and November 10, 2009 (executive committee). December 8, 2009, is the next scheduled Executive Committee meeting. The next general membership meeting will be scheduled on December 8, 2009. Because of the reconstitution of the FEPPP as a new body, there is nothing to report beyond the above-outlined work plans.

The FEPPP-proposed FEPPP 12-month work plan and the current legislation will be the guiding instruments for the group.

## VI. Appendices

### A. THE JUMP\$TART VOLUNTARY CONTENT STANDARDS IN PERSONAL FINANCE

#### **Financial Responsibility and Decision Making**

##### ***Overall Competency: Personal Financial Decisions***

- Standard 1:* Take responsibility for personal financial decisions.
- Standard 2:* Find and evaluate financial information from a variety of sources.
- Standard 3:* Summarize major consumer protection laws.
- Standard 4:* Make financial decisions by systematically considering alternatives and consequences.
- Standard 5:* Develop communication strategies for discussing financial issues.
- Standard 6:* Control personal information.

#### **Income and Careers**

##### ***Overall Competency: Use a career plan to develop personal income potential***

- Standard 1:* Explore career options.
- Standard 2:* Identify sources of personal income.
- Standard 3:* Describe factors affecting take-home pay.

#### **Planning and Money Management**

##### ***Overall Competency: Organize personal finance and use a budget to manage cash flow***

- Standard 1:* Develop a plan for spending and saving.
- Standard 2:* Develop a system for keeping and using financial records.
- Standard 3:* Describe how to use different payment methods.
- Standard 4:* Apply consumer skills to purchase decisions.
- Standard 5:* Consider charitable giving.
- Standard 6:* Develop a personal financial plan.
- Standard 7:* Examine the purpose and importance of a will.

#### **Credit and Debt**

##### ***Overall Competency: maintain creditworthiness, borrow at favorable terms and manage debt***

- Standard 1:* Identify the costs and benefits of various types of credit.
- Standard 2:* Explain the purpose of a credit record and identify borrowers' credit report rights.
- Standard 3:* Describe ways to avoid or correct debt problems.
- Standard 4:* Summarize major consumer credit laws.

#### **Risk Management and Insurance**

##### ***Overall Competency: Use appropriate and cost effective risk management strategies***

- Standard 1:* Identify common types of risks and basic risk management methods.

*Standard 2:* Explain the purpose and importance of property and liability insurance protection.

*Standard 3:* Explain the purpose and importance of health, disability, and life insurance protection.

### **Saving and Investing**

***Overall Competency: Implement a diversified investment strategy that is compatible with personal goals***

*Standard 1:* Discuss how saving contributes to financial well-being.

*Standard 2:* Explain how investing builds wealth and helps meet financial goals.

*Standard 3:* Evaluate investment alternatives.

*Standard 4:* Describe how to buy and sell investments.

*Standard 5:* Explain how taxes affect the rate of return on investments.

*Standard 6:* Investigate how agencies that regulate financial markets protect investors.

## **B. PRELIMINARY PROPOSED DISTRICT IMPLEMENTATION PLAN**

1. Hold discussions with district personnel (preferably arranged by an educator who has previous interest in financial education).
  - a. The program's goal is to integrate personal financial education into the 1-12 curriculums. All first to ninth grade students will be taught basic personal finance. Depth of instruction will increase with each grade level and districts may choose to include a capstone high school level course or middle grades capstone course with high school continued learning and final high school experience.
  - b. Discussion group members: Superintendent, School board representative(s), curriculum director, one or two interested teachers, program providers (hereafter referred to as lead agency).
  - c. Spell out parameters of agreement: who will provide trainings, pay for trainings, materials, program implement timeline, assessment, feedback.
  
2. Create a Learning Community at each school by providing educator training programs aimed at specific grade level specialists and content specialists.

Elementary Teachers: All 1st-5<sup>th</sup> grade teachers participate in:

  - a. Pre-training knowledge and attitude assessments (done on-line).
  - b. Half-day training, middle and high school: Math, Social Studies, Family and Consumer Sciences, and Business educators participate in:
    - i. Pre-training knowledge and attitude assessments (done on-line).
    - ii. Full-day training.

The trainings will be designed to introduce educators to curriculum and assessment materials. Time will also be allocated to discussion of options with respect to which lessons would be best introduced at each grade level and/or in which courses/content areas.

Each school will select an educator to serve as its learning community leader. The leaders will gather input from members of their school on their preferred method of implementation of the program materials, share this information with the lead agency and other learning community leaders and together create the education plan that will ensure all students have access to personal financial education. Each school will have the latitude to determine optimal implementation timing.

3. Implementation Phase:

In the method preferred by the district, all students are administered multiple choice pretests geared to the lessons they will be taught and attitudes the district /learning community would like to track. Pretest results are reported to lead agency (student/teacher confidentiality will be protected). Lessons will be taught at each grade level. Post testing will consist of relevant test questions being inserted into teachers' standard testing instruments (not WASL instruments). Teachers will report student responses to lead agency, and will complete an evaluation form.

Community volunteers will be recruited by lead agency or the schools to augment traditional classroom instruction. Community members, parents and parent-teacher organizations will be educated about the program prior to its inception.

4. Learning community leaders will meet with a representative of the lead agency to analyze results, re-examine education plan design, and propose refinements and changes for year two. Lead agency will provide data analysis, record experience and generate report that will be distributed electronically to teachers and administrators.

#### **PROGRAM AUGMENTATION OPTIONS**

All 4-12<sup>th</sup> grade teachers will be invited to attend one or two Stock Market Game training(s) and to have their students play the Stock Market Game.

All middle grades teachers will be invited to attend the Finance Park training and have access to the Finance Park program as middle grades financial education capstone experience. Training is four hours; and, depending upon the personal financial education plan created for the district, it could be wrapped into the all day personal financial education training for middle and high school teachers.

All 9-12<sup>th</sup> grade students would be encouraged to participate in the President's Advisory Council on Financial Literacy's National Financial Literacy Challenge (if available). If the President's Advisory Council opts out of this program, the Washington Council on Economic Education will run a Washington Financial Literacy Challenge. The district would be encouraged to formally recognize student achievement in this area. (No out-of-pocket cost to districts.)

#### **Minimum Public Schools Commitment**

1. Provide teachers for training (all elementary, 30 middle and high).
2. Teach entire curriculum (all students).
3. Pre- and post-test all students.
4. Provision of teacher training locations.

#### **Preferred public school buy-in (in addition to Minimum Public Schools Commitment)**

1. Provision of in-service time (early release or LID day for training).
2. Provision of time for Learning Community Leaders work.
3. Access to school service catering if available and less costly than private sector cost.

A variety of curricula will be reviewed for use in this program.



## C. JUMP\$TART SURVEY RESULTS<sup>5</sup>

### EXECUTIVE SUMMARY

The 2008 national Jump\$tart survey of high school seniors was the sixth such biennial survey and completed the first ten years of measuring financial literacy in the United States. In 2008, the Jump\$tart Coalition also conducted its first national survey designed to measure the financial literacy of college students. The two surveys present contrasting results.

The financial literacy of high school students has fallen to its lowest level ever, with a score of just 48.3 percent. The average score for college students on the same 31 question exam, however, was 62.2 percent, nearly 15 percentage points above that of high school seniors. In fact, if measured on the high school senior base of 48.3 percent, college students actually did nearly 29 percent better. In addition, scores improved for every year of college with seniors averaging 64.8 percent. The good news is that American college graduates are close to being financially literate and probably will be so with more life experience. The bad news is that just 25 percent of our young adults are graduating from college and this number appears to have stabilized. This means that 75 percent of young American adults are likely to lack the skills needed to make beneficial financial decisions.

The positive turnaround in high school financial literacy scores, first noted in the 2004 survey, continued only through 2006. Beginning with an average score of 57.3 percent in 1997, scores fell to 51.9 percent in 2000 and 50.2 percent in 2002 before staging a rebound to 52.3 percent in 2004. In 2006, the mean score increased by a tenth of a percent to 52.4 percent before falling to 48.3 percent in 2008.

When the Jump\$tart Coalition for Personal Financial Literacy first began measuring financial literacy eleven years ago, the term was literally unknown. Today, hundreds of organizations promote financial literacy, members of Congress introduce bills supporting it, a Federal commission promotes it, many states have passed initiatives and serious scholarly work is being published.

We have long noted with dismay that students who take a high school course in personal finance tend to do no better on our exam than those who do not. This finding has been a great disappointment to consumer educators and to those who support efforts to make courses in personal finance a requirement for high school graduation; and, it points to the need for better materials and teacher training.

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<sup>5</sup> Summarized from: Mandall, Lewis. *The Financial Literacy of Young American Adults: An Analysis of the Jump\$tart Coalition's 2008 Biennial Survey*. May 22, 2009. <http://www.jumpstart.org/fileindex.cfm>, November 18, 2009.

The 2008 high school survey found that nearly half of students who had taken a full semester course in personal financial management were not seniors when they took the course. In fact, many were freshmen and sophomores at the time and probably lacked exposure to many financial decisions and whose motivation to become financially literate must be questioned.

Not only did college students prove to be far more financially literate than high school seniors, but those high school seniors who planned to attend a four-year college did much better on our exam than others. In fact, those who had no post-high school plans averaged just 34.9 percent while those who planned to attend a junior college averaged 44.6 percent and those headed to a four-year college averaged 50.9 percent. Note that the large number of students who drop out of high school before their senior year are not measured in our exams but are presumed to be far less financially literate than those still in school. There are still many important concepts that are not getting through to the next generation.

- Only 16.8 percent of high school seniors and 19.2 percent of college students feel that stocks are likely to have higher average returns than savings bonds, savings accounts and checking accounts over an 18 year period.
- Just 27.3 percent of high school seniors and 39 percent of college students realize that interest on a savings account is taxable if one's income is high enough.
- Only about 40 percent of high school seniors realize that their own health insurance could stop if their parents become unemployed. Nearly 70 percent of college students answered this question correctly.

Since standard of living is a multiplicative function of both financial resources (income and wealth) and the ability to use those resources efficiently (financial literacy), we find it increasingly disturbing that those with less income and education are saddled with the additional disadvantage of not possessing the ability to spend what they have efficiently. It is no great surprise to learn that the current financial crisis began with the sub-prime mortgages that were marketed primarily to those with less income, education, and presumably less financial literacy than those who were eligible for prime mortgages. Financial literacy clearly has ongoing macroeconomic ramifications.

### **RESULTS OF THE 2008 SURVEYS**

A record 6,856 12th grade students completed the high school survey by February 2008, achieving an average score of 48.3 percent, the lowest ever recorded. While the founders of the Jump\$tart Coalition had hoped that the average score of 58.3 percent achieved in the baseline survey of 1997-98 would increase to a "passing" score of at least 60 percent in 10 years, just the opposite occurred. Instead of increasing, scores fell by 10 percentage points in 10 years, revealing a situation that was becoming more and more dire.

## **THE HIGH SCHOOL SAMPLE**

The 2008 sample of high school seniors was designed to give results that could be compared to the five previous surveys. The universe for this sample was all public high schools in the United States from the list provided online by the U. S. Department of Education. The latest available data were from the 2004-05 school year and totaled 3,090,176 students. With a desired sample size of 4,000 and estimating a 15 percent response rate, the national sample interval came out to 5,150. This means that we set out to test one out of every 5,150 high school seniors in public high schools. The sample was stratified by state to insure geographic representation.

Since the cost of randomly selecting and testing students across every state would have been prohibitive, students were clustered by high school. First, every public high school within a state was rank-ordered from smallest to largest by the number of 12th grade students. Then, a random number between 1 and 5,150 was chosen as the start number within each state. High school seniors were added up (from lowest to highest) and when the random start number was reached, that high school was chosen for inclusion in the sample. From that point on, the sample interval was added to the cumulative number continually, until the largest high school was reached. Each time the random start number plus a multiple of the sampling interval was reached, another high school was added to the sample. Each school that fell into the sample was contacted and asked if a specific class would take the JumpStart survey.

To improve the probability that sampled schools would participate in the survey, members of statewide JumpStart Coalitions in 47 states agreed to contact school principals to urge cooperation. As added incentive for the JumpStart Coalitions, those states that wanted comparative state-specific results were over-sampled (40 schools per state) with the provision that state-specific results would be supplied if ten or more schools within their state participated in the survey. As a result, the data used in the analysis had to be weighted to insure that every school in the sample had a probability of selection proportionate to the size of its senior class.

Letters were sent to the principals of the 1,888 randomly selected schools, explaining the purpose of the study and asking for their cooperation. Principals who were personally known by members of the JumpStart Coalition or by members of the state coalitions were contacted by phone as well. They were asked to select a 12th grade (non-honors) in English or Social Studies (aside from economics) class to participate in the Survey. This was done to avoid biasing the results by specifically selecting classes in economics, business or related areas. To randomize the process further, principals were asked to select classes meeting closest to 10 a.m.

A small incentive was offered to help gain the cooperation of the schools. The teacher who administered the Survey was offered a \$50 gift card from

Staples to purchase school supplies. Some participating teachers declined this offer.

In all, 388 of the 1,888 schools participated: a response rate of 21 percent. This was an increase from the response rate of 17.6 percent in 2006 but slightly below 21.3 percent in the 2000 study and well below the 43.6 percent rate that had been achieved in 1997. Conversations with school superintendents and principals have indicated that while they are interested in financial literacy, the intense pressure to achieve satisfactory scores on standardized national examinations has diverted energy and resources to core academic areas. The increased response rate in 2008 was the result of great efforts put out by members of the state Jump\$tart Coalitions who persuaded more than a fifth of sampled schools to participate.

*For a full report on the 2008 test results, see [The Financial Literacy of Young American Adults: An Analysis of the Jump\\$tart Coalition's 2008 Biennial Survey](#).*

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