



Issue Brief 2019

Financial Literacy Graduation Requirement ***Gentle Transition Needed***

Background: During the 2018 Legislative Session, SF 475 was amended during floor debate in the House to require students graduating from an accredited Iowa High School to have completed ½ unit of financial literacy course work. The Iowa Code was amended to include an exhaustive and detailed list of content requirements for the course to qualify as a credit. The requirement was set for students graduating after July 1, 2019.

Current Reality: Financial literacy content is a 21st Century skill, already required by Iowa Code to be included throughout an Iowa student's education. Iowa schools have been teaching the content across the curriculum. This new very prescriptive mandate is impossible to implement in a very shortened transition from current practice:

- DE has not yet written rules or provided guidance, so districts do not currently know what to expect or what might be required.
- Course content from SF 475 is so prescriptive in the Iowa Code that there is little flexibility in how to best incorporate the content in a meaningful way for students. For example, understanding interest rates or the long term impact of inflation is great content to use in teaching algebraic equations. Long term comparison of investments in the stock market vs. bonds might better fit in economics or social studies coursework. Understanding cost of living differences and regional wage differences might be most meaningful to students in 8th grade when involved in career planning or determining where to apply to college.
- Teachers have not been trained to teach the content and there are not enough spaces available within schedules to assure every student access as a senior without severe disruption in their current college and career plans that parents have already signed.
- School districts are scrambling to deliver minimal compliance in the short term (perhaps online learning with a pass-fail option) while planning for a meaningful course delivery at the right time for students with trained staff over the long term. There will be years of overlap until the right timing can be fully phased in.
- UEN prefers that the educational experts determine standards, not the Legislature. Content standards normally go through the public process of the State Board of Education with stakeholder and educator input.

Financial Literacy: It is essential for students in today's world to master financial literacy but implementation of the 2018 mandate is impossible for urban schools. An intelligent phase-in of the requirements would first apply to incoming freshman July 1, 2019, include local flexibility in content delivery, and remove the explicit standards from Iowa Code as they would be better set by the Iowa State Board of Education.

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