# Financial Education in US High Schools: 2020-2021 Academic Year

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Recent research shows that when states require personal finance content be completed prior to high school graduation, credit scores increase, non-student debt falls, student loan borrowers shift from higher to lower interest financing, student loan repayment increases for first-generation and low-income borrowers, payday lending falls, and delinquencies drop.[1] Additional research studying all randomized experiments in financial education show that financial education improves financial knowledge and downstream behaviors in a cost-effective manner.[2]

This project documents the current status and recent changes in personal finance education in local high schools across America. While five states required all high school students graduating in 2020 and 2021 to complete a standalone personal finance course (AL, MO, TN, UT, VA), another 17 states require that personal finance content be included within another specific course or within a larger content area.[3] The remaining states do not require the completion of any personal finance content prior to high school graduation.

I build upon hand-collected data from 2019-2020 academic year (AY) course catalogs within 7,611 U.S. public high schools, including 14,255 hand-coded specific courses. I collect the same data for the 2020-2021 AY, spanning 8,492 U.S. public high schools and 15,690 hand-coded specific courses. I categorize each school into one of five categories: (1) standalone course requirements (2) embedded course requirements (3) standalone electives (4) embedded electives and (5) no course requirements or offerings.

These data are available for all researchers to use and can be found at: `www.carlyurban.com/home/financial-education`

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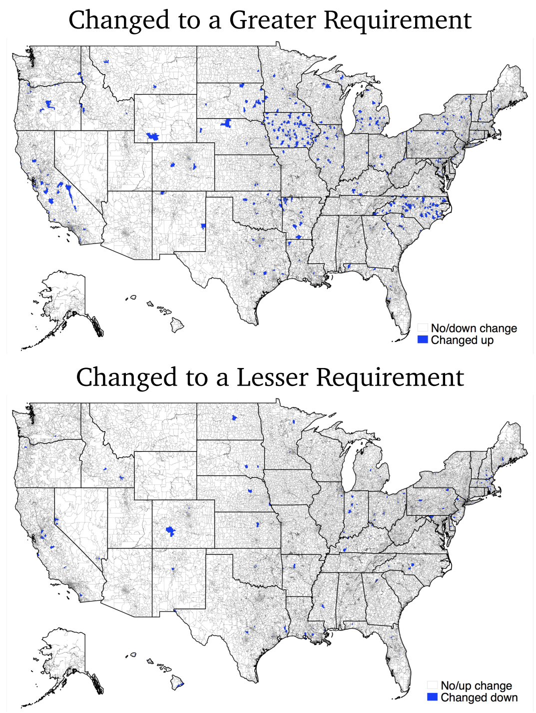
[1]See Urban et al., 2018; Brown et al., 2016; Stoddard and Urban, 2019; Harvey, 2019; Mangrum, 2019.

[2]See Kaiser et al., 2020.

[3]North Carolina is transitioning into a standalone course requirement in the upcoming academic year. Iowa, similarly, has legislation that sounds like a standalone course requirement but it allows schools a great deal of local authority to satisfy the requirement.

**Figure 1:** *Changes in High School Policies from 2019-2020 AY to 2020-2021 AY*




## What is the state of personal finance education in US high schools?

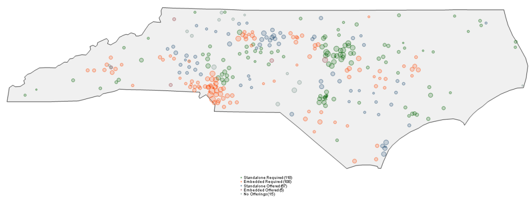
As of the 2020-2021 AY:

- 1,938,526 high school students are enrolled in schools with standalone personal finance course requirements. An increase of 348,675 students from 2019-2020 AY.
- 25% of schools had a standalone course requirement, when compared to 22% in 2019-2020 AY. This increase came from schools that had personal finance electives and schools that had no requirements or offerings.
- 1,660,444 students are enrolled in high schools where personal finance content is embedded in another required class.
- 3,829,697 students are enrolled in high schools where personal finance is offered as a standalone elective class.

## How has personal finance instruction changed since last year?

Since the 2019-2020 AY, there have been 754 changes in schools' financial education policies. Figure 1 shows that it is much more common for schools to change to a greater policy (578 schools) than to a lesser policy (176 schools). There were 265 schools that changed to a standalone course requirement. Of particular note is the increases in Iowa and North Carolina, which are both states that are transitioning towards standalone course requirements. While Iowa's policy allows for more substitutions and local discretion, North Carolina's policy is on track to match those of the five states that currently require standalone personal finance courses. Figure 1 shows the increase in personal finance education in NC from 2019-2020 AY to the 2020-2021 AY, and Figure 2 further shows that there are more schools with standalone personal finance courses (the green dots).

**Figure 2:** *Spotlight: North Carolina*



## Slippage Remains

As mentioned earlier, 17 states require that personal finance be embedded into another required class or into standards in a greater curriculum area. In the 2019-2020 AY, only 36 percent of schools within states with embedded personal finance requirements had either (1) a standalone course requirement or (2) a required class that included personal finance content. Thus, there was clear slippage.

In the 2020-2021 AY, this fraction has risen to 43% of schools. While this shows progress from 2019-2020 AY, it still suggests that the policy is limited when compared to standalone course requirements that have nearly full compliance.

Since local control of education is prominent across the country, standalone personal finance course requirements at the state level are not always a feasible policy lever. Even though embedded requirements have slippage, they still generate a 17 percentage point increase in personal finance content being required for graduating when compared to states with no policy. They should be considered as one policy to increase the fraction of students required to complete personal finance content.

## Momentum Matters

A final point is that momentum is building. The North Carolina example in Figure 2 shows that different colors—representing different financial education policies—appear to be clustered around the state. Recent research shows that having one more school in a ten-mile radius with a standalone course requirement last year increases the likelihood that you adopt that same policy by 7 percentage points.[4] The same relationship exists for adopting embedded requirements and adding standalone electives.

Going forward, this research is informative for those focused on outreach that aims to increase the level of personal finance instruction in US high schools. A promising strategy would be to find just one school in a geographic area where no school has adopted personal finance course requirements and incentivize that school—perhaps through grants—to upgrade their policy. This could, in turn, expand personal finance education in local schools for years to come.

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[4]ADD CITE