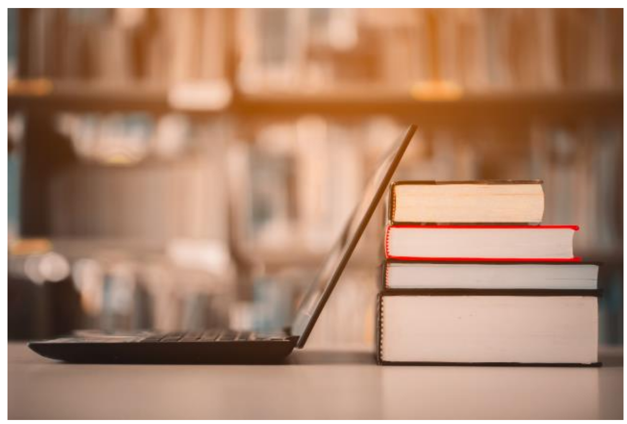
High School Personal Finance Education: The Benefits, the Landscape, & Washington Schools

Young adults start their financial independence by making important long-run financial decisions:

- If (and where) they should go to college
- How to pay for college
- Which auto loans to choose
- How to pay taxes
- How to avoid costly debt traps, like high interest credit cards and payday loans



One policy seeking to improve the financial footing of newly financially independent young adults is incorporating personal finance content into high school curricula. Research is clear that including personal finance content in required coursework for high school graduation improves financial behaviors. This policy lever improves credit scores, reduces delinquency rates, decreases the use of alternative financial services, improves student loan borrowing decisions, and increases subjective financial well-being. Further, requiring financial education improves behaviors with a very limited cost. For example, this requirement does not reduce the likelihood students graduate on-time from high school and is often an unfunded requirement (see National High School Report Card page 22 for more on why financial education is a good investment.) Overall, investing in the financial literacy of youth has long-run impacts on the financial resilience of households.

In the absence of state policy, schools choose what to offer and/or require. My team annually collects data on high school personal finance course offerings and requirements for every public high school in the U.S. that has online course catalogs—10,784 schools. Across the U.S., 24% of students were in high schools where a standalone personal finance course was required for high school graduation in the 2022-2023 academic year; 17% of students were in schools where personal finance content was embedded in another required course.

In *Washington, three percent of students are in schools with standalone personal finance requirements and five percent of students are in schools with personal finance required within another class.*

It is more common in Washington for schools to have a personal finance semester-long class offered as an elective: 63 percent of students are in schools that do not have a requirement of any kind but do offer a personal finance elective course. While this is a great first step, research finds that **offering an elective does not change behaviors**. This is largely due to two factors. First, students who choose to take an elective are often those most interested and who would have accessed the material without the class. Second, elective classes may have capacity constraints that prohibit all students—and particularly those who may benefit the most from the class—from taking it.

Without statewide requirements in place, inequities in access exist. For example, schools with higher fractions of non-White students are more likely to not have universal access to standalone personal finance coursework nationwide. Continuing to track personal finance education in Washington will be paramount to understanding how the recent investment in personal finance instruction translates to universal course availability.

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