



NEW YORK
CITY BAR

**REPORT ON LEGISLATION
BY THE INSURANCE LAW COMMITTEE,
EDUCATION AND LAW COMMITTEE AND
SECURITIES REGULATION COMMITTEE**

**A.2298-A
S.4860-A**

**M. of A. Jacobson
Sen. Comrie**

AN ACT to amend the education law, in relation to requiring senior high schools to provide a course in financial literacy and requiring students to complete such course as a condition of graduation.

THIS LEGISLATION IS APPROVED

The Insurance Law Committee, Education and Law Committee and Securities Regulation Committee (the “Committees”) of the New York City Bar Association (“City Bar”) support the concept of the New York State Legislature’s amending the Education Law, or the New York State Education Department’s issuing a regulation, to require that (i) all public high schools in New York State provide a separate course in personal financial literacy for instruction in the ninth, tenth, eleven and/or twelfth grades and to include, among other topics, instruction in automobile, homeowner/renters, health and life insurance, and (ii) unless duly excused, all high school students be required to pass such a course as a condition of graduation.

The Committees are concerned that thousands of New Yorkers graduating high school each year lack essential knowledge of critical financial tools, such as insurance, banking, credit, and investments, which they will need to have to be productive citizens in a complex world. The Council for Economic Education surveys financial literacy curricula in all states and found that, as of 2022, New York does not require any separate personal financial literacy course for high school students, but merely suggests possible topics to be integrated as part of a one-half credit requirement (one credit in New York City) that students complete in economics.¹

¹ See “2022 Economic and Personal Finance Education in Our Nation’s Schools,” Council for Economic Education, March 2022, <https://www.councilforeconed.org/wp-content/uploads/2022/03/2022-SURVEY-OF-THE-STATES.pdf>; see also “New York State Diploma Requirements Applicable to All Students Enrolled in Grades 9-12,” New York State Education Department, June 2022, <http://www.nysed.gov/common/nysed/files/currentdiplomarequirements.pdf> (all websites last visited May 12, 2023).

About the Association

The mission of the New York City Bar Association, which was founded in 1870 and has over 23,000 members, is to equip and mobilize a diverse legal profession to practice with excellence, promote reform of the law, and uphold the rule of law and access to justice in support of a fair society and the public interest in our community, our nation, and throughout the world.

A 2018 study² by the Brookings Institution found that, in New York, only three of the fifteen standards for financial literacy were being taught. The Brookings report stated:

In New York, the DOE framework for “Economics, the Free Enterprise System, and Finance,” which can be used to teach the economics course required for high school graduation, contains a few financial literacy standards (*three of 15 standards*).³

There are presently several bills pending in the New York State Legislature which would mandate high school instruction in personal financial literacy.⁴ By contrast, students in Alabama, Iowa, North Carolina, Tennessee and Utah - to name a few - are required, by law, to pass a separate high school course in personal financial literacy. In total, 9 states require a standalone course; an additional 14 states mandate an integrated personal finance education at the high school level.⁵

Yet here in New York—viewed by many as the financial capital of the world—a student can graduate from high school and even obtain an Advanced Regents Diploma without ever receiving this valuable, essential instruction. As the Brookings Institution found, although some school districts in the State may briefly cover related topics as part of broader instruction in a one-half credit economics course (or one credit course in New York City public schools), this is an insufficient means of educating thousands of New York high school students in what they need to know about banking, insurance, investing and borrowing.

New York City Department of Education Chancellor David Banks has championed the importance of financial literacy education, stating “we need to prioritize personal financial education, so our students graduate financially literate and empowered to make strong financial decisions.”⁶

As just a few examples of the harms caused by lack of such knowledge: without a required, separate course in personal financial literacy, virtually no high school graduates in New York will know that a standard homeowners insurance policy will *not* cover damage from flooding, or that a standard auto policy will *not* cover them if they have an accident while driving for Uber, or how to improve their credit score, or how to prudently borrow for college, or how to economically purchase or lease a car, or how to profitably save for retirement.

² See Matt Kasman, Benjamin Heuberger, and Ross A. Hammond, “Are States Providing Adequate Financial Literacy Education?” Brookings Institution, Oct. 3, 2018, <https://www.brookings.edu/research/are-states-providing-adequate-financial-literacy-education/>.

³ *Id.* (emphasis added).

⁴ While the focus of this report is on A.2298-A/S.4860-A, the Committees generally support any legislation or regulation that would require instruction in personal financial literacy for students as outlined on pg. 1 of this report. See *i.e.* A.2928 (AM Jensen) / S.918 (Sen. Cooney).

⁵ Council for Economic Education *supra* note 1. See also Herb Scribner, “These states require personal finance education before graduation,” Axios, June 8, 2022, <https://www.axios.com/2022/06/08/personal-finance-education-states-full-list>. .

⁶ “Chancellor Banks Outlines Vision for Transforming and Building Trust in NYC Public Schools,” <https://www.schools.nyc.gov/docs/default-source/default-document-library/chancellor-david-c-banks-outlines-bold-vision>.

Indeed, instruction in financial literacy in our state’s schools is nearly nonexistent. The New York State Education Department’s website includes a document entitled “Grades 9-12 Social Studies Framework,” in which the Department lays out what topics in history, civics and economics New York high school students should learn. In the section on economics, the Framework devotes all of two paragraphs to understanding the role of credit as informed consumers. It does not mention the importance of knowing about checking accounts, savings accounts, individual retirement accounts, money transmitter services such as Zelle and Venmo, student loans, car leases, auto insurance, health insurance, homeowners/renters insurance, and life insurance.⁷

The Department of Financial Services provides useful and detailed information to consumers about various types of insurance and about banking services, credit and student loans on its consumer web pages.⁸ Yet the Department has not published statistics showing how many New Yorkers have read any of these materials, and there is no systematic effective program to encourage, let alone require, high school students in New York to read them.

In addition, a wealth of internet-based programs is available for school districts to utilize. Specifically, there are a wide variety of internet-based lesson modules and other materials developed by experts and made available through organizations such as CentsAbility, Jump\$tart, and The Council for Economic Education.⁹ The Federal Reserve also offers numerous online materials.¹⁰

The City Bar does not advocate for or endorse the exact content of any of these materials for use or adaptation in personal financial literacy courses for New York high school students. The State Board of Regents, the Commissioner of Education, and the staff of the State Education Department would be best suited to develop such curricula with input from educators, educational consultants, school boards, and other stakeholders. We note the availability of these materials simply to make the point that legislation or an Education Department regulation requiring New York public high schools to provide a course in personal financial literacy should not be an onerous or expensive undertaking, given the wealth of instructional materials available for districts to use.

As lawyers we have a responsibility to promote greater understanding by consumers—each of whom is a potential client—of financial services, which a panoply of federal and state laws extensively regulate. Requiring all public high school students in New York State to successfully complete a separate, robust course in personal finance—which would teach them the basics of

⁷ “New York State Grades 9-12 Social Studies Framework,” New York State Education Department, Revised Feb. 2017, <http://www.nysed.gov/common/nysed/files/programs/curriculum-instruction/framework-9-12-with-2017-updates.pdf>, at p. 48.

⁸ “Financial Help for New Yorkers,” New York State Department of Financial Services, <https://www.dfs.ny.gov/consumers>.

⁹ See, e.g., <https://centsabilityeducation.org/modules/>; [https://jumpstartclearinghouse.org/resource/search/results/?grade_levels=high-school&page=1&page_size=8&price_high=1000&price_low=0&types=curricula-pgms-sys-courses](https://jumpstartclearinghouse.org/resource/search/results/?grade_levels=high-school&page=1&page_size=8&price_high=1000&price_low=0&types=curricula-pgms-sys-courses;); <https://www.econedlink.org/resources/grade/9-12/>.

¹⁰ See <https://www.federalreserveeducation.org>.

banking, insurance, investments, and the prudent use of credit—would help achieve that worthy public policy goal. We urge the New York State Legislature to pass legislation, or the New York State Education Department to issue a regulation, to mandate successful completion of a personal financial literacy course for all New York State high school students in order to graduate from high school in the state.

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