

Promoting Insurance Literacy

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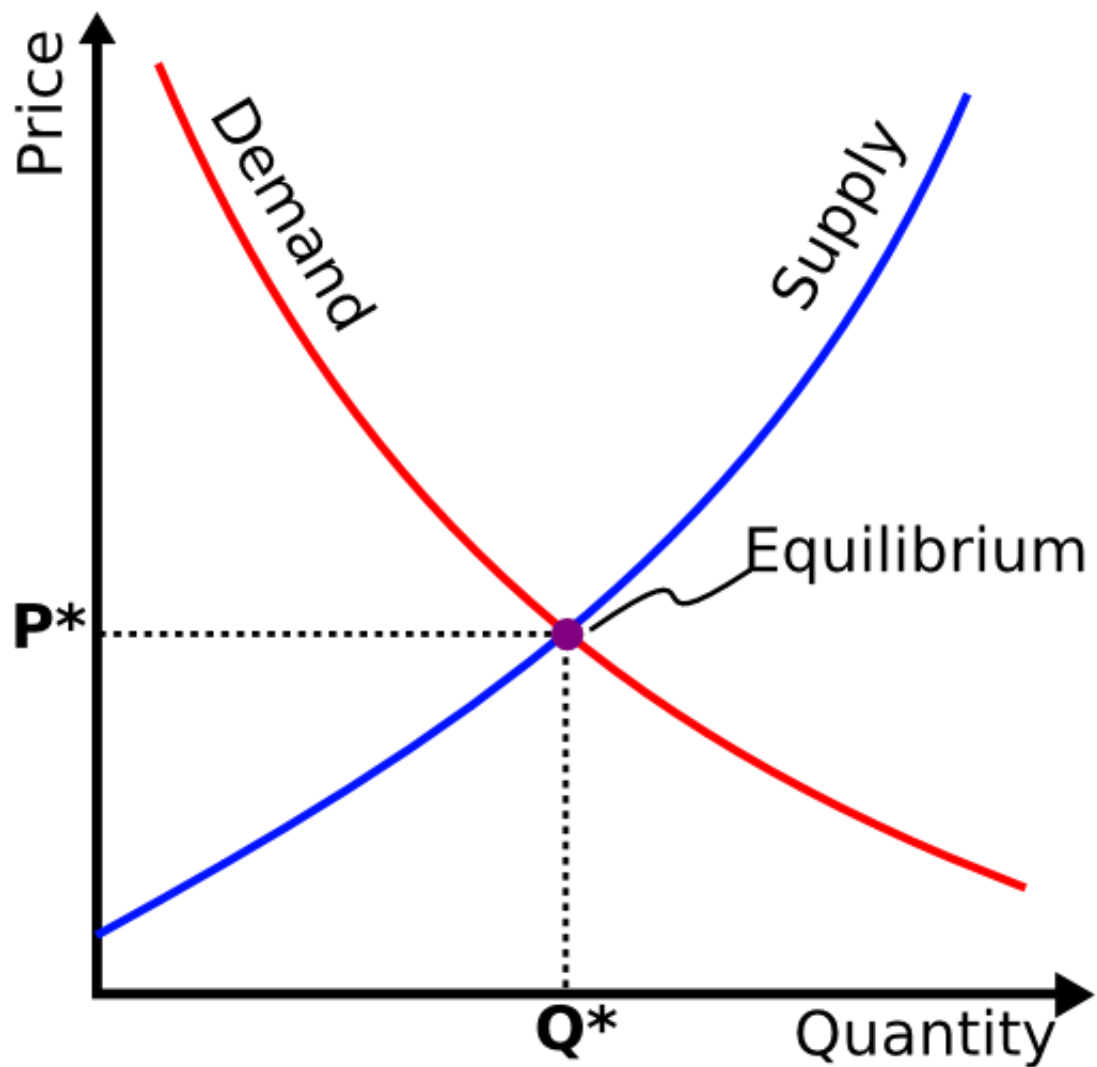
NAIC Consumer Representative



In 2016, 45 states included personal finance in their K-12 standards and required those standards to be taught



In 2018, the number is STILL 45



In contrast, every state includes economic education in their K-12 standards and requires those standards to be taught

Math

Science

Computer skills

Sex ed

History

Soft skills



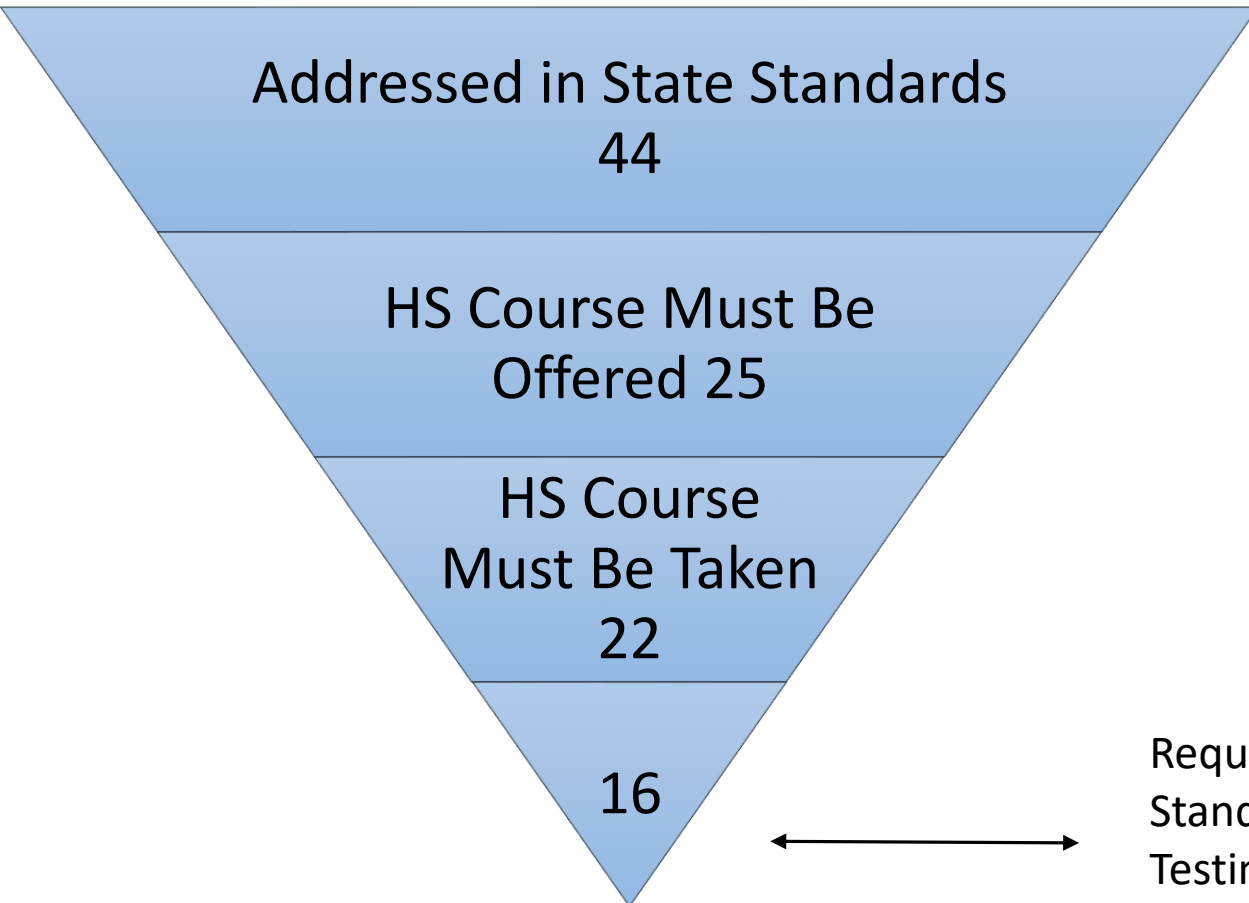
Ethics

First aid

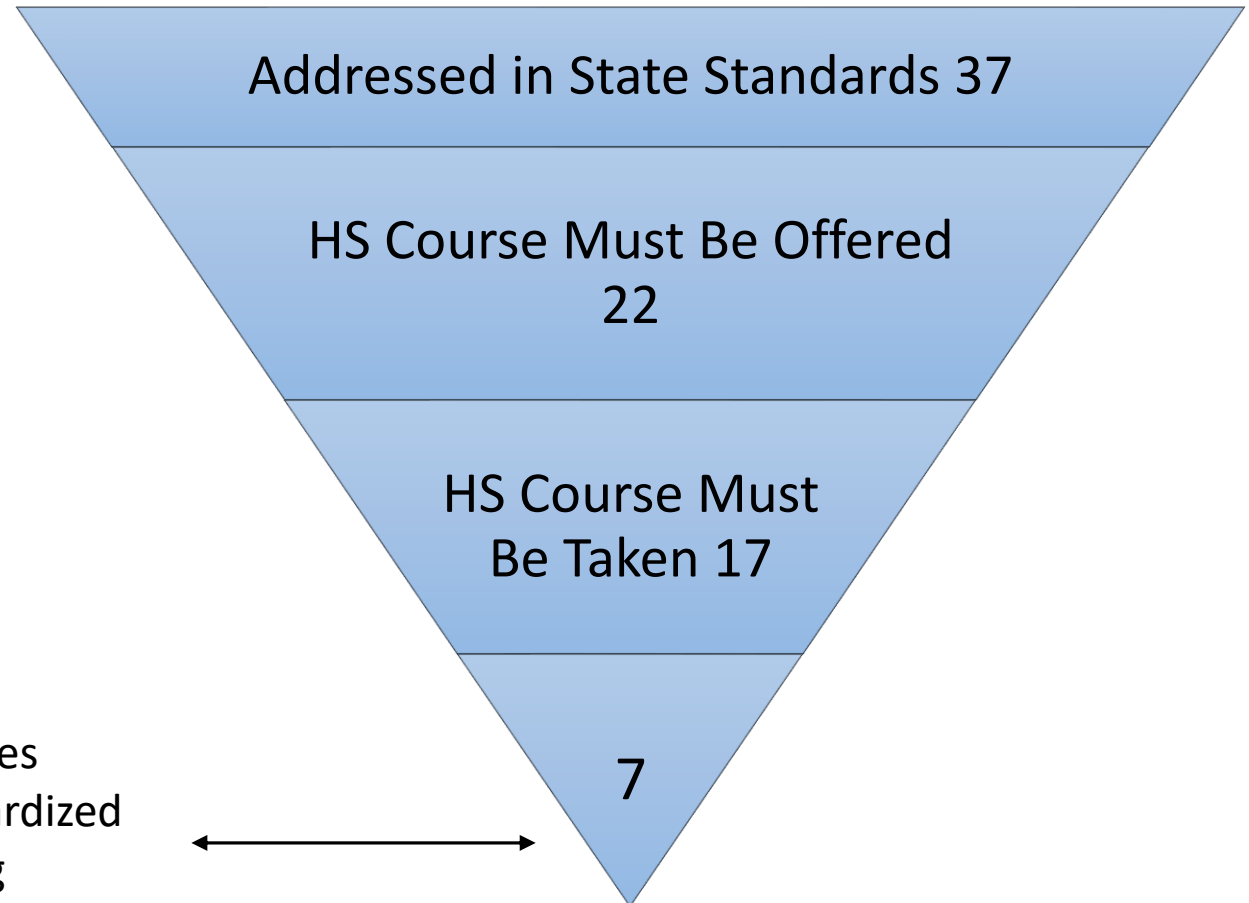
English

The Reality

Economics



Personal Finance



Requires
Standardized
Testing



#SOS2018



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UTAH IS EXEMPLARY

since it requires a semester
of instruction in **BOTH**
economics AND
personal finance
in high school.





MICHIGAN IS EXEMPLARY

since it requires a semester
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TEXAS IS EXEMPLARY

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TEXAS



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“

Economic and financial literacy is a foundational element to achieving financial health and needs to be included in early education programs. We have seen firsthand that improving the financial health of individuals has a powerful ripple effects across families, communities, companies, and economies. And that process starts in the classroom.

DAN SCHULMAN
PRESIDENT & CEO, PAYPAL

”

Research that connects high school personal finance with

- Saving and investing
- Use of financial institutions (banks and credit unions)
- Improved credit scores

BUT...

- Mandates vary by state
- Implementation varies by district and classroom
- Students come from different backgrounds
- Life often means that many of us may not use our knowledge to implement “good” financial behaviors

What IS Personal Finance Education?

Council for Economic Education

- Earning Income
- Buying Goods and Services
- Using Credit
- Saving
- Financial Investing
- Protecting and Insuring



**COUNCIL FOR
Economic
Education**

Teaching Opportunity

Jump\$tart Coalition for Personal Financial Literacy

- Employment and Income
- Spending and Saving
- Credit and Debt
- Investing
- Risk Management and Insurance
- Financial Decision Making



What IS Personal Finance Education?

Georgia

- 12 standards that include
 - Evaluate alternatives for life after high school
 - Describe how government taxing and spending decisions affect consumers
 - Explain and evaluate various forms of consumer protection.
 - Explain sources of and protection against identify theft.

Michigan

- 6 standards
 - Scarcity and Opportunity Costs
 - Marginal Benefit and Cost
 - Personal Finance Strategy (earning, spending, saving, investing)
 - “Key Components” of Personal Finance
 - Personal Decisions
 - Risk Management Plan

The Reality?

- Even in exemplary states, a large proportion of high school graduates don't experience personal finance education because they...
 - Attend private school (10% of US PreK-12)
 - Take Advanced Placement (AP) Economics or dual-enrollment Economics (17%?)
 - Are home schooled (3.4% of US student population)
- Personal finance is embedded in other courses
- Teachers often aren't prepared to teach it

What About Insurance Literacy?

- Small piece of personal finance education, which is a small piece of other education
- Teachers lack confidence in their knowledge
- Reluctance to bring in guest speakers, who invariably are biased
- Students who aren't interested – unless it has relevance to them right now which is rare
- Poorly defined – Auto insurance literacy? Health insurance literacy? Life insurance literacy?

What Can You Do?

- Learn what your state's requirements are and work to improve them
- Find out who provides leadership in your state and join them
- Support state insurance departments and others to provide *unbiased* education
- Support existing personal finance curricula
 - We don't need more curricula! Add or expand insurance component to existing curricula
- Support programs that provide teacher in-service education
- Support good research to evaluate personal finance education

Questions? Comments?

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