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# A BILL FOR AN ACT

RELATING TO EDUCATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. All persons in Hawaii deal with money issues  
2 throughout the course of their lives. However, few students in  
3 Hawaii's public schools are taught basic concepts of financial  
4 literacy. Hawaii's public schools devote a great deal of time  
5 to preparing students for future employment, which provides them  
6 with a paycheck, but relatively little time on how to manage the  
7 earnings in that paycheck. This lack of knowledge leaves young  
8 people unprepared for the financial reality that they will need  
9 to navigate.

10           Within a lifetime, a person may likely need to manage  
11 student and credit card debt, save for a wedding, save for a  
12 down payment on a home purchase, and save for retirement. Due  
13 to the power of compounding interest, these large expenditures  
14 are best managed as early as possible. Therefore, it is even  
15 more important for students to receive education in financial  
16 literacy from a young age.

17           Studies have shown that two of the leading causes of stress  
18 and unhappiness in life are work- and money-related. Both are



1 subsets of an individual's ability to control his or her  
2 financial livelihood. Such stress affects marriages; families;  
3 friendships; health; job satisfaction; and, most importantly, a  
4 person's self-worth and self-esteem.

5 In addition, financial literacy is one of the most  
6 important skills needed to help individuals leave poverty.  
7 Often, persons from the poorest households and neighborhoods  
8 receive the least amount of exposure to financial literacy  
9 education. Educating all students, particularly those in lower  
10 socioeconomic groups, can be one of the most effective public  
11 policy tools for alleviating short- and long-term poverty.

12 Financial literacy can teach young people how to think  
13 critically. It forces them to be more disciplined and more  
14 organized and allows them to quantify their future goals in a  
15 practical way. Furthermore, financial literacy helps explain to  
16 students the importance of trade-offs, which can help them reach  
17 more thoughtful and informed decisions.

18 Personal finance concepts taught to a young person can help  
19 spark an interest in fields such as business and  
20 entrepreneurship. A more financially-savvy entrepreneur is  
21 likelier to create successful businesses. In the long run,



1 these successful businesses can contribute to a more prosperous  
2 and robust local economy for future generations.

3       Although many agree about the importance of financial  
4 literacy education for all students, there are detailed  
5 challenges that need to be addressed before the implementation  
6 of such a program. Some of these issues include legal and  
7 cultural concerns, identification of curriculum, the amount of  
8 time devoted to teaching, acquiring the financial resources for  
9 such a program, and a lack of trained and qualified financial  
10 literacy teachers. A group of key stakeholders is needed to  
11 collaborate and develop effective solutions. Therefore, the  
12 purpose of this Act is to establish a Hawaii public schools  
13 financial literacy task force.

14       SECTION 2. (a) The department of education shall  
15 initially convene a Hawaii public schools financial literacy  
16 task force, at which time a chairperson shall be selected  
17 pursuant to subsection (c).

18       (b) The task force shall:

19       (1) Consider the importance and challenges of implementing  
20 financial literacy education for all public school  
21 students through the department of education



1 curriculum via input from industry experts, such as  
2 education regulators, administrators, teachers, and  
3 advocates; and

4 (2) Develop recommendations and a process for what actions  
5 need to be taken to have every public school student  
6 participate in a financial literacy course prior to  
7 graduating from high school. These actions include:

8 (A) Identifying and addressing legal and cultural  
9 concerns about teaching financial literacy  
10 education;

11 (B) Determining how much financial literacy education  
12 students should receive;

13 (C) Identifying existing programs within department  
14 of education schools and what curriculum  
15 currently exists;

16 (D) Determining the amount of time required for each  
17 student's participation in financial literacy  
18 education;

19 (E) Identifying the best and most relevant curriculum  
20 for students to understand, apply, and retain the  
21 concepts of financial literacy;



- 1 (F) Developing a plan to obtain the required
  - 2 financial and political support, such as trained
  - 3 teachers to teach the selected curriculum;
  - 4 (G) Developing data metrics to determine the
  - 5 effectiveness of the financial literacy
  - 6 curriculum among students over time;
  - 7 (H) Developing a process for making adjustments based
  - 8 upon the data metrics; and
  - 9 (I) Identifying any other issues that need to be
  - 10 addressed, as determined by the task force.
- 11 (c) The task force shall elect a chair from among its
- 12 members and adopt rules and procedures as needed. The task
- 13 force shall consist of the following members:
- 14 (1) One representative from the department of education;
  - 15 (2) One representative from the Hawaii State Teachers
  - 16 Association;
  - 17 (3) Three individuals with experience as a teacher, vice-
  - 18 principal, or principal;
  - 19 (4) Three individuals from financial institutions; and
  - 20 (5) Three individuals to serve as at-large members.



1 (d) No member of the task force shall be made subject to  
2 chapter 84, Hawaii Revised Statutes, solely because of that  
3 member's participation as a member of the task force.

4 (e) The task force shall submit a report of its findings  
5 and recommendations, including any proposed legislation, to the  
6 legislature no later than twenty days prior to the convening of  
7 the regular session of 2016. The report shall be prepared by  
8 the department of education. Copies of the report shall be  
9 distributed to the board of education, governor, speaker of the  
10 house of representatives, and president of the senate. In  
11 addition, the report shall be posted on the website of the  
12 department of education for viewing by interested stakeholders  
13 and the general public.

14 (f) The task force shall cease to exist on June 30, 2016.

15 SECTION 3. This Act shall take effect upon approval.

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**Report Title:**

Financial Literacy; Public Schools; Task Force

**Description:**

Establishes the Hawaii public schools financial literacy task force. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

