

## Assembly Bill No. 166

### CHAPTER 135

An act to amend Section 51284 of, and to amend the heading of Article 6 (commencing with Section 51280) of Chapter 2 of Part 28 of Division 4 of Title 2 of, the Education Code, relating to pupil instruction.

[Approved by Governor August 26, 2013. Filed with  
Secretary of State August 26, 2013.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 166, Roger Hernández. Pupil instruction: financial literacy.

Existing law requires a school district, as part of its adopted course of study for grades 7 to 12, inclusive, to offer courses in specified areas of study, including, among others, social sciences, drawing upon the disciplines of anthropology, economics, geography, history, political science, psychology, and sociology.

Existing law requires the State Board of Education, after January 1, 2003, and concurrently with, but not prior to, the next revision of textbooks or curriculum frameworks in the social sciences, health, and mathematics curricula, to ensure that these academic areas integrate components of human growth, human development, and human contribution to society, across the life course, and also financial preparedness.

This bill would require the state board to integrate financial literacy, including, but not limited to, budgeting and managing credit, student loans, consumer debt, and identity theft security with those specified academic areas. The bill would also make conforming and nonsubstantive changes.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares all of the following:

- (a) California does not have an official statewide policy or educational plan for the teaching of financial literacy.
- (b) According to the 2011 Consumer Financial Literacy Survey Final Report of the National Foundation for Credit Counseling, one in three adults in the United States reported that they had no savings.
- (c) Two in five adults give themselves a grade of C, D, or F on their knowledge of personal finance.
- (d) Ninety-three percent of Americans indicated in a 2010 Visa survey that they believe all high school students should be required to take a class in financial literacy.
- (e) A biennial survey by Jump\$tart Coalition for Personal Financial Literacy, conducted from 1997 to 2008, inclusive, showed that financial

literacy of high school seniors had fallen from 57 percent in 1997 to a record low of 48 percent in 2008.

(f) A 2011 Junior Achievement and Allstate Foundation survey revealed nearly 50 percent of American teenagers are unsure how to use a credit card effectively, yet 24 percent believe high school or younger is when they should get their first credit card.

(g) According to a 2011 Capitol One survey of the students planning to take out student loans, 44 percent of the students said that they have either not discussed with their parents how student loans work, or they have had a brief conversation with little detail.

(h) Financial literacy education is an essential component of preparing individuals to manage money, credit, and debt, and of becoming responsible workers, heads of households, investors, entrepreneurs, business leaders, and citizens.

(i) The teaching of financial literacy skills empowers young Californians with the tools they need to enter a globally competitive workforce.

(j) In recognition of the importance of teaching financial literacy, 46 states report having personal finance standards in various forms, while 13 of those states include personal finance instruction as part of their graduation requirement.

(k) At this crucial economic time, it is imperative that California encourage the provision of financial literacy instruction for all students.

SEC. 2. The heading of Article 6 (commencing with Section 51280) of Chapter 2 of Part 28 of Division 4 of Title 2 of the Education Code is amended to read:

Article 6. Primary Education Model Curriculum for Lifelong Health,  
Aging, and Financial Literacy

SEC. 3. Section 51284 of the Education Code is amended to read:

51284. Concurrently with, but not prior to, the next revision of textbooks or curriculum frameworks in the social sciences, health, and mathematics curricula, the state board shall ensure that these academic areas integrate components of human growth, human development, and human contribution to society, across the life course, and also financial literacy, including, but not limited to, budgeting and managing credit, student loans, consumer debt, and identity theft security.