

Testimony on HB2229
Submitted by: Pamela Leavitt, Northwest Credit Union Association
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Good afternoon Chair Doherty and Members of the Committee, my name is Pam Leavitt and I represent the Northwest Credit Union Association. The Northwest Credit Union Association represents the 65 state and federally-chartered credit unions in Oregon, with 2 million Oregonians as members. Credit unions are not-for-profit financial cooperatives, organized to meet the needs of their members. Oregon credit unions strive to preserve a legislative climate that recognizes their unique structure and mission.

The Northwest Credit Union Association focused on financial literacy as a top priority several years ago to address the fact that personal finance was no longer a required unit for those graduating from public schools in Oregon. Several of our credit unions have spent countless hours teaching financial education in Oregon classrooms, at community and senior centers, as well as providing free seminars to their members.

Credit unions throughout Oregon are very involved with the public education system, by supporting thousands of scholarships to students wanting to go on to college; by supporting Oregon's teachers by providing special home-buying programs; and most importantly, providing thousands of hours of course work training in the area of financial education. Credit union staff work with schools to teach classes on financial education, and some of our members even support student-run credit unions in the high schools – paid for and supported by the local credit union.

In 2007, Oregon credit unions were instrumental in legislation that created the Civics and Financial Literacy Task Force. That task force completed their work and made recommendation for improvements in those areas, but the recommendations were never fully implemented. In 2012, we supported legislation to add “finances” to Essential Learning Skills and require school districts to provide curriculum in finances. Again today, we would like to work with the members of this committee to find a compromise on HB2229 that would support our continuing goals of giving students personal financial management skills.

Financial illiteracy results in poor spending, saving, and investment decisions that can lead to consumers using excessive credit just to make ends meet. Financial Literacy is crucial to your future as a knowledgeable consumer. Without it, a consumer can't make wise decisions about:

- Buying a car.
- Shopping for a good rate on a mortgage.
- Saving for retirement.
- Buying cost-effective insurance.
- Creating a family budget.

A society of financially literate consumers, who can avoid scams, predatory lenders and the enticement of over-spending will never emerge without financial education in schools.

Although including financial education as an elective course is a step in the right direction, teenagers should not be expected to understand the significant impact smart spending, saving and investment decisions will have on their futures. To truly combat financial illiteracy, we believe financial education should be considered a higher priority. American's young adults lack the basic personal finance knowledge needed to make the most of their money. Clearly, with today's rising number of personal bankruptcies, increases in consumer credit delinquencies, and inadequate retirement savings, the need to teach financial literacy in our high schools is critical.

Oregon Credit Unions have spent countless hours teaching financial education in Oregon classrooms, at community and senior centers, as well as providing free seminars to their members. I have attached some examples for your review.

We recognize that it is a challenge for teachers as their responsibilities in the school's increase. And while we empathize with the sometimes overwhelming struggle teachers are facing, we strongly believe that financial education must become a priority for parents, teachers, and policymakers.

Article from 2016

Why isn't financial education taught in school?

September 15, 2016, by TYLER ATWELL, CUINSIGHT.COM

It is a national consensus that financial education is good not only for individuals, but also the economy as a whole. So why is it still not required for students to take a class on personal finance while receiving a formal education? Many of them are on their way to accruing tens of thousands of dollars in debt while seeking higher education, so they should know how it will impact them, right? With over 99% of adults surveyed by Harris Interactive agreeing that high schoolers should be taught personal finance in school, it seems like we are all in agreement. However, implementing these lessons into school systems has a few rather large road blocks. Firstly, you have to find a teacher who is confident enough to lead a class on personal finance. According to a University of Wisconsin study, only one in five teachers feels that they are qualified for this type of work. Perhaps if these lessons were taught back when the teachers were in school that number would be much different. But, without instructors the classes don't get taught. Another road block comes from how our schools are setup. Education in our nation is run at the state level, so there cannot be a federal mandate to add a personal finance course into the required curriculum. That doesn't mean that states haven't taken it upon themselves to make sure these lessons get taught. As of this year, 17 states require high school students to take a course in personal finance. But only 5 of those states require a standalone semester course in personal finance.

The next reason most states don't offer these courses is that there are no good ways to test for these principles. When these concepts are not part of standardized tests that means that the schools have to come up with a way to measure understanding. Creating testing materials on personal finance is a hurdle, so these tests don't get made. Unfortunately, there is a saying among educators that says, "If it's not tested, it's not taught." So while some schools do offer personal finance classes to students, they are not a required course to graduate. They exist as perhaps the most important and beneficial elective not taken. Until these lessons are nationally implemented into the school systems, the responsibility of teaching the next generation about personal finance falls on those of us who know the benefits of knowing how to manage money.

Financial Literacy Efforts Around Oregon

St. Helens Federal Credit Union - We've been delivering Financial Education to schools in Columbia County for some time. We've partnered with Financial Beginnings and use their materials to teach high school kids on topics such as Credit, Budgeting, Banking, Risk Management, Investing, Financing College, and Managing Debt in College. We also reach many grade school students with more general topics such as money, banking, wants vs needs, and more. In 2016, we taught 25 classes and reached 582 students. In addition, we held two Reality Fairs at local high schools touching 156 students. We have three student branches in our local high schools. The student employees learn about work ethic, professionalism, and walk away with in-depth financial knowledge. The program also requires the students to develop a presentation about something credit union related and deliver it to their peers.

Pacific Northwest Federal Credit Union - PNWCUF's immersive Reality Fairs are giving young people a taste of the real world and providing them with the skills needed to be smart financial consumers. Parkrose High School Future Business Leaders of America (FBLA) partnered with PNWFCU to make the Financial Reality Fair happen. PNWFCU's Financial Reality Fair benefited over 40 Parkrose High School seniors by satisfying an essential financial education requirement for graduation. The fair was also meant to help simulate the financial decisions students will likely face in their daily lives. Each student received a packet that included a randomly-assigned job, annual salary, student loan debt and other information. The students' objective was to complete their packet by visiting different booths (manned by PNWFCU employees, high school staff and community volunteers) while balancing their checkbook and maintaining their savings goal in the process.

OnPoint Community Credit Union – To assure a financially informed and knowledgeable membership in 2016, OnPoint conducted seminars, participated in community events, conducted education-based campaigns, provided online financial resources, and supported area non-profit organizations. We participated in community events and staffed an OnPoint booth at several events including small business fairs, school district benefit fairs, as well as college and university student fairs. In April, we successfully launched our third Youth Financial Literacy month, challenging and encouraging young members to save. The campaign included a Youth Savings Challenge, which encouraged youth to make a deposit into their OnPoint savings account, and a blog post providing resources for parents and kids on topics like saving/preparing for college. The campaign resulted in over 600 new youth accounts opened. We conducted the seventh annual OnPoint Prize for Excellence in Education contest in 2016. On the website for this contest, we provided parents and teachers with links to financial education resources. We continued our support of Financial Beginnings, an organization that provides finance education to youth and young adults in the Pacific Northwest. OnPoint employees volunteered to teach lessons to elementary, middle and high school students. OnPoint made charitable donations to this organization and supplied student checkbooks and materials for classroom presentations.

Maps Credit Union – Maps Credit Union was founded to serve teachers in Oregon's mid-Willamette Valley. While a lot about us has changed over the years, one thing hasn't: Our focus on education. We hone in on financial literacy at our three high school branches, and our branches that serve local college students. We use peer-to-peer conversations, technology, videography, YouTube and social media platforms to reach young people. In addition, we have been involved in partnerships and sponsorships that assist local youth with financial literacy. Some of those partnerships and activities include:

- Awarding grants to teachers
- Running three high school credit union branches

- Giving college scholarships to students
- Matching contributions to college Individual Development Accounts
- We have awarded more than \$110,000 in college scholarships to deserving students in the mid-Willamette Valley since starting the program
- We partnered with a program serving underrepresented students at Willamette University to provide financial education
- We partnered with Western Oregon University to develop financial literacy lesson plans for any teacher who wants them.

Unitus Community Credit Union - Unitus formally joined Financial Beginnings (FB) as a partner in 2015 and donates \$2,500 annually to fund literacy for 175 students. Unitus employees generously donate their time teaching the FB curriculums in local elementary, middle schools, and high schools to help students be fiscally responsible as they grow into adulthood. Unitus has proudly sponsored the Portland Rose Festival Court since 2015. One of the highlights of this program is a Financial Workshop taught by our staff with topics on money management, credit, and financial responsibility to prepare the girls for their college years ahead. Since 2004, we've supported higher education through our scholarship program. In 2016, we were proud to award \$11,000 in college scholarships to Unitus members.

Oregon State Credit Union - In 2016 our programming benefited 8,800 youth in grades K-12 by providing 309 financial education presentations. Compared with 2015 this represents a 5% increase in presentations facilitated (294) and an 18% increase in youth served (7,437). Financial literacy basics represent the topics most frequently requested. These topics are often taught as a series and include:

- Saving
- Budgeting
- Account management
- Paychecks
- Checking and checkbook management
- Wise use of credit
- Debt management
- Identity theft prevention

In addition, we sponsor and coordinate Junior Achievement through a longstanding partnership with Oregon State University's College of Business. This programming further expands youth exposure to work readiness, entrepreneurship, and financial literacy. We also bring financial education to other settings outside of the traditional classroom. An example of this is the partnership with the Albany Chamber of Commerce. We taught financial education to local high school students at their Job Fair/Career Day event held at Linn-Benton Community College. Six sessions were conducted averaging 275 students per session.

Central Willamette Community Credit Union - In 2016, we began a significant push into local schools to deliver Financial Education. Through our partnership with Financial Beginnings for course material, we have impacted students across the Linn County high schools with classes such as Budgeting, Financing College, Managing Debt in Collage, and Banking. Over the past year we have reached 501 students in these high schools with classroom teachings as well as a Financial Reality Fair put on for the entire senior class at West Albany High school. We hope to double our students reach in the coming year with events already committed to by the schools and their teachers.

Point West Credit Union – Point West partners with Financial Beginnings to teach high school students and young adults, both in English and Spanish, in the areas of Budgeting and Credit. From July 1 – December 31 2016, Point West taught **644 students** (approximately **75% low income**) spanning **33.5 hours** of volunteer time. Of those 33.5 hours, **31 hours are attributed to low income** students. (I am trying to get ALL of 2016 for you). A Financial Beginnings course highlight, was when we volunteered at Harkins House, a transition facility for incarcerated youth in Hillsboro, Oregon. Our volunteers go every 90 days to deliver lessons on Credit, Budgeting and Entrepreneurship....the last class being especially important, as these youth are challenged in finding work. Point West hosted a Sun School field trip for 25 students and their parents. See PPT attachment for pictures. These low-income students ‘banked’ at Point West and learned about credit unions; while parents went through a Q&A with Spanish Speaking Community Advocate Mary Vasquez regarding credit and credit products for ITIN borrowers – a common form of identification for many of the attendees. Point West has also held two Reality Fairs for high school students, taught budgeting classes at SEWorks (back to work / skill building facility for challenged adults) and most recently signed an MOU with the Mexican Consulate to provide Financial Literacy training to immigrants.

Rogue Credit Union - We participate with Jr. Achievement in the schools and have youth “money mammal” accounts that include quite a bit of education and savings incentives. Perhaps our largest program is our student branch program. We have 6 fully functioning student branches inside local high schools. These branches are entirely run by high school students; including everything from strategic planning, marketing, and daily operations. These young people come away with significant financial education and job experience ... plus they earn some money and get eligible for scholarships. For those that stay in the Rogue Valley for college, we have a campus branch on the SOU campus that provides continued employment while they go to college.

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