



It's Time to Prioritize Financial Literacy in K–12

Why we must teach personal finance and how to make it happen.

There is an urgent need for financial education in the United States.

Financial literacy is one of the most important life skills for students to learn before graduating high school. The research shows that most school-aged children in the United States have felt the impact of financial stressors in their homes. Educators and families agree that financial education is essential to mitigating such stressors. Financial education is proven to help students make better financial decisions throughout their lifetimes and is tied to indicators of overall well-being. And yet, more than half of the states do not require a single personal finance course for graduation. In order to equip students for a healthy and prosperous future, it is imperative that we prioritize financial education and provide educators with the tools and resources they need to implement effectively.

Discovery Education and Discover identified that Personal Finance and Financial Literacy are critical life skills that empower students to make informed decisions about money management. By teaching financial literacy in schools, students develop the necessary knowledge and ability to navigate real-world financial challenges, such as budgeting, saving, and investing. This early exposure equips them with the tools needed to achieve financial

independence and make responsible choices throughout their lives so they may achieve brighter financial futures.

Today's youth are significantly impacted by financial stress.

The vast majority of K–12 students today are growing up in households that have experienced periods of financial instability. The Great Recession hit just as this generation of parents were entering the workforce; their formative adult years marked by formidable college debt and a tight job market. The typical millennial household in 2016 had only \$28,000 in net worth, 40% behind previous generations at the same age.¹ The pandemic brought more financial turbulence followed by a year of historically high inflation.² Most U.S. households today are experiencing unprecedented levels of debt. Household debt is at an all-time high of \$17 trillion, credit card debt \$1 trillion, mortgage balances \$12 trillion, auto loans \$20 billion; and student loans \$1.6 trillion.³

The long-term financial stress on families of school-aged children is significant. In 2021, 17% of public-school students—12M children—were in families living in poverty.⁴ Even as the economy shows resilience, nearly 70% of Americans believe the economy is getting worse.⁵ Three-

1. Lee, M. & Diller, N. (September 27, 2023). Zillennials, notorious for work-life balance demands, search for something widely desired. USA Today. [URL](#).

2. Rosalsky, G. (April 27, 2021). There is growing segregation in millennial wealth. Planet Money. NPR. [URL](#).

3. Federal Bank of New York (August 8, 2023). Total household debt reaches \$17.06 trillion in Q2 2023; Credit card debt exceeds \$1 trillion. [URL](#).

4. Characteristics of Children's Families (May 2023). National Center for Education Statistics. [URL](#).

5. Page, S. September 14, 2023. Split screen: Washington descends into chaos as economic anxiety rises on Main Street. USA Today. [URL](#).

quarters of millennials say they believe they are starting off further behind previous generations, as do 65% of Gen Z; those born between 1997 and 2012.⁶

And yet, levels of financial literacy are staggeringly low.

Financial literacy is defined as “a combination of financial awareness, knowledge, skills, attitudes, and behaviors necessary to make sound financial decisions and ultimately achieve individual financial well-being.”⁷ The George Washington University (GWU) and TIAA Institute have conducted a survey each year since 2017 to measure financial well-being and personal finance knowledge across 8 functional areas. Each year, respondents could answer approximately 50% of the questions correctly. In 2023, only 35% of the questions related to comprehending risk were answered correctly. Financial literacy was low among both millennials (30% correct answers) and Gen Z (37% correct answers).⁸ Another study revealed that millennials have lower levels of objective financial knowledge and similar levels of perceived financial knowledge in comparison to all households, impacting both short- and long-term financial behaviors.⁹

Financial literacy impacts lifelong financial prospects and overall well-being.

A FINRA Foundation study showed a steep difference in financial planning based on an individual's level of financial literacy. In 2021, 53% of those with higher financial literacy spent less than they made and 65% set aside a three-month emergency fund. Conversely, 35% of those with lower financial literacy spent less than their earnings and 42% set aside a three-month emergency fund.¹⁰ According to the GWU/TIAA study, those with a very low level of financial literacy are more than four times as likely to not make ends meet each month, three times as likely to be in debt, and more than four times as likely to lack emergency savings.¹¹

Financial literacy education makes a substantial lifelong difference.

When students learn financial literacy in school, they make better financial decisions throughout their lives. In regard to debt management, the FINRA Foundation found that students with higher financial literacy were less likely to have late fees, make only minimum payments on their credit cards, and take out payday loans.¹⁴ One study showed that three years after the implementation of financial education requirements in Georgia, Idaho, and Texas, young adults in those states had significant financial health improvements. Credit scores improved 2% in Georgia, 3% in Idaho, and 5% in Texas; and 90-day delinquency rates decreased in all three states.¹⁵ Students also benefit from understanding how college loans, grants, and scholarships work so that they can make informed decisions about how to fund their education. Further, they learn how to save money and the benefits of compound interest over time.¹⁶

K–12 financial education requirements are gaining traction.

The demand for financial education is widespread. Ninety percent of adults believe personal finance education should be required in high school, and 80% wish they had been exposed to financial education in school.¹⁷ Gen Z is highly motivated to become financially literate and increase their savings.¹⁸

Parents strongly support the idea of their students receiving more instruction in financial literacy, and they place similar levels of importance on this subject as on reading, math, technology, and science. In fact, among parents, personal finance and money management ranks second behind only reading and writing in importance among a list of 13 subjects. Three-quarters of surveyed parents felt personal finance and money management is important for ensuring their child receives the best education possible. Additionally,

6. Lee, M. & Diller, N. (September 27, 2023). Zillennials, notorious for work-life balance demands, search for something widely desired. USA Today. [URL](#).

7. OECD (2022). OECD/INFE Toolkit for Measuring Financial Literacy and Financial Inclusion 2022. [URL](#).

8. Yakoboski, P.; Lusardi, A.; & Hasler, A. (April 2023). Financial well-being and literacy in a high-inflation environment. TIAA Institute and The George Washington University and Global Financial Literacy Excellence Center. [URL](#).

9. Kim, K. T., Anderson, S. G., & Seay, M. C. (2019). Financial knowledge and short-term and long-term financial behaviors of millennials in the United States. *Journal of Family and Economic Issues*, 40, 194-208.

10. Lin, J. T., Bumcrot, C., Mottola, G., Valdes, O., Ganem, R., Kieffer, C., Lusardi, A., & Walsh, G. (2022). Financial Capability in the United States Highlights from the FINRA Foundation National Financial Capability Study (5th Edition). FINRA Investor Education Foundation. [URL](#).

11. Yakoboski, P.; Lusardi, A.; & Hasler, A. (April 2023). Financial well-being and literacy in a high-inflation environment. TIAA Institute and The George Washington University and Global Financial Literacy Excellence Center. [URL](#).

12. Lin, J. T., Bumcrot, C., Mottola, G., Valdes, O., Ganem, R., Kieffer, C., Lusardi, A., & Walsh, G. (2022). Financial Capability in the United States: Highlights from the FINRA Foundation National Financial Capability Study (5th Edition). FINRA Investor Education Foundation. [URL](#).

13. Urban, C., Schmeiser, M., Collins, J., & Brown, A. (January 2015). State financial education mandates: It's all in the implementation. Insights: Financial Capability. FINRA Investor Foundation. [URL](#).

14. Camerato, J. (October 11, 2022). Should schools teach financial literacy classes? Forbes. [URL](#).

15. National Endowment for Financial Education (April 25, 2022). Poll: Most adults support financial education mandates. [URL](#).

16. Davis, H. & Hasler, A. (November 2011). Millennials' and Gen Z's Money Management During COVID-19: Challenges and Opportunities. Global Financial Literacy Excellence Center. [URL](#).

17. The Taylor Research & Consulting Group (July 14, 2023). Discovery Education: Financial Education Final Report.

18. Nott, I. (May 23, 2023) Financial literacy programs can put young people on solid fiscal footing. National Council of State Legislatures. [URL](#).

personal finance/money management ranks third below only “providing children with lifelong skills” (which ranked first) and “preparing children to become good citizens (second)” on a list of factors that are important to the development of their child.¹⁹

Demand is being met with action. Each year, financial education mandates increase across the states. In 2022, 25 states had graduation requirements for economics courses and 23 for personal finance. In 2023, 41 states had financial literacy bills pending and six states added a graduation requirement.²⁰

The private sector, too, has been instrumental in supporting financial literacy education through resources and programs available at no cost to K–12 schools and educators. Discover, a recognized leader in the financial education space, and Discovery Education, the leading provider of digital content and professional development for K–12 classrooms, for example, are leading the way with [Pathway to Financial Success in Schools](#). This standards-aligned suite of materials provides students, educators, and their families with tools and expertise to make informed financial decisions and achieve their personal goals.

Financial literacy education works.

The research has shown unequivocally that financial literacy programs make a real difference for student understanding of financial knowledge, attitudes, and behaviors when taught through a number of different methodologies.²¹ ^{22, 23} The extent of the impact varies based on population, instructional time, topics covered, age, relevance of material covered, teacher preparedness, and implementation.²⁴

Why isn't it taught universally?

Despite the clear need, high demand, and proven benefits of financial literacy education, only 23% of high school students were guaranteed to take a personal finance course in 2022.²⁵ Fortunately, this percentage is growing—with 41% of students guaranteed to take such a course due to newly signed state laws. However, we still have a long way to go to ensure all students are adequately prepared before graduating from high school.²⁶ A survey of middle and high school teachers in six cities in different areas of the country revealed that only

43% of their schools offer coursework in personal finance. Interestingly, 73% of surveyed parents in those same districts believe their children are receiving instruction in personal finance, revealing a disconnect between parent expectations about financial literacy education and the reality of what is being offered to their children.²⁷

One major barrier to widespread financial literacy education is a lack of teacher preparation. A 2019 study from the Global Financial Literacy Excellence Center (GFLEC) revealed that 90% of surveyed teachers believe personal finance should be taught in schools, but only half of those teaching it believe they have a good understanding of financial concepts themselves.²⁸

As of 2018, twenty-four states provided teacher training or tailored resources designed to help teach to the state's financial literacy standards. Thirteen shared links or financial literacy educator resources provided by outside organizations. The remaining states offered no resources or training via their main websites. Nevada stood out as one of the only states that both required districts to offer teachers of financial literacy training and also provided grant funding for them to do so.²⁹

Additionally, 57% of educators surveyed in six cities across the country indicated that lack of time to dedicate to personal finance instruction is a major barrier. Financial literacy is oftentimes treated as an add-on rather than being fully integrated into a standard course. Furthermore, since the pandemic, the need to focus on mitigating learning loss and bolstering proficiency in literacy and mathematics has in some cases de-prioritized time and resource investments in personal finance education.³⁰

Pathway to Financial Success in Schools.

[Pathway to Financial Success in Schools](#) was developed in response to the high demand for personal finance education with embedded supports for teachers that can be implemented with consistency across different scheduling models. Discover and Discovery Education have collaborated to create Pathway to Financial Success in Schools, a digital program that features standards aligned resources available at any time and at no cost to educators, students and families. The resources help to fill the need and gaps of financial

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20. Kaiser, T., & Menkhoff, L. (2020). Financial education in schools: A meta-analysis of experimental studies. *Economics of Education Review*, 78, 101930.

21. Cordero, J. M., Gil-Izquierdo, M., & Pedraja-Chaparro, F. (2022). Financial education and student financial literacy: A cross-country analysis using PISA 2012 data. *The Social Science Journal*, 59(1), 15-33.

22. Consumer Financial Protection Bureau (2019). A review of youth financial education: Effects and evidence. [URL](#)

23. McNair, Kamaron. (April 13, 2023). 18 states require personal finance education in schools—here's what they're teaching kids about money CNBC. [URL](#)

24. Ibid.

25. The Taylor Research & Consulting Group (July 14, 2023). Discovery Education: Financial Education Final Report.

26. Lusardi, A. & Morrison, N. (July 25, 2019). Financial literacy transforms students' lives. Here's where to start. EdWeek. [URL](#)

27. Kasman, M., Heuberger, B., & Hammond, R. A. (2018). A review of large-scale youth financial literacy education policies and programs. *The Brookings Institution*.

28. The Taylor Research & Consulting Group (July 14, 2023). Discovery Education: Financial Education Final Report.

29. Kasman, M., Heuberger, B., & Hammond, R. A. (2018). A review of large-scale youth financial literacy education policies and programs. *The Brookings Institution*.

30. The Taylor Research & Consulting Group (July 14, 2023). Discovery Education: Financial Education Final Report.

education and enhance personal finance education across the U.S. This program aims to increase financial literacy for middle and high school students through engaging interactive instruction and practice exercises. The free program offers a comprehensive curriculum of resources to families and classrooms nationwide. Providing unique e-learning experiences, the program is designed for flexible use as single-class learning experiences, thematic units, or a full course.

The middle school program is designed around six fundamental themes, addressing financial responsibility, getting paid, paying yourself first, using credit wisely, making major financial decisions, and growing and protecting your finances. Each unit includes a video for students and four subject-specific lessons that build off the content of the video. Math, language arts, and social studies lessons make connections between core content standards and the financial literacy topics addressed in each video. Additional lessons for family and consumer sciences and business classes focus solely on personal finance concepts. In addition, each unit includes an educator-focused video that provides an overview of the topic and tips for making the content relevant for middle school students.

The high school program is organized in eight thematic units, addressing financial responsibility, using financial services, financing your future, getting paid, paying yourself first, using credit wisely, making major financial decisions, and growing and protecting your finances. Each unit includes engaging classroom activities, self-paced e-learning modules, interactive student capture sheets, family activities, and curated links to quality educational materials. A series of masterclass videos provides further insight for educators who teach personal finance.

The Pathway to Financial Success Effect

Since 2017, the [Pathway to Financial Success in Schools](#) program has been implemented in more than 13,300 schools, empowering middle and high school students to take control of their financial futures and set themselves on paths to financial success. The program has been a widely adopted educational tool utilized in 1 out of 4 school districts across the United States. With a significant 64% usage in Title 1 schools, it addresses the unique needs of diverse student populations, providing equitable access to high-quality digital resources. With an endorsement from the National Business Education Association this unbiased and inclusive program empowers educators and administrators to create an enriching learning environment, ensuring that all students have the opportunity to thrive academically and succeed in the digital age.

In a survey conducted by Taylor Research with Discover and Discovery Education they found that financial literacy programs, such as Pathway to Financial Success, students are seen to have a:

- 44% increase in understanding of savings methods
- 42% increase in understanding credit
- 38% increase in understanding common scams
- 47% increase in understanding financial fraud

Source: The Taylor Research & Consulting Group (July 14, 2023), Discovery Education: Financial Education Final Report

The Time is Now for Financial Literacy Education.

The research is clear. Financial literacy education is essential for students to make educated decisions that impact their livelihood and long-term overall well-being. Students, parents, educators, and the community at large all agree that financial literacy is important and must be prioritized. [Pathway to Financial Success in Schools](#) meets this need with relevant, informative modules and educator supports designed for flexible scheduling and offered free-of-charge. The program, which is unbiased and endorsed by the National Business Education Association, is an all-around win for everyone involved. Teachers love it because it requires no additional planning time and gives them all of the information and tools they need to confidently teach financial literacy. Families love it because it equips their children with critical information to navigate their financial future. And students love it because the lessons are engaging and empowering, providing them with the tools, resources, and a roadmap to a stable and prosperous future.



About the Collaboration

Discover Financial Services (NYSE: DFS) is a direct banking and payment services company with one of the most recognized brands in U.S. financial services. Since its inception in 1986, the company has become one of the largest card issuers in the United States. The company issues the Discover card, America's cash rewards pioneer, and offers private student loans, personal loans, home equity loans, checking and savings accounts and certificates of deposit through its direct banking business. It operates the Discover Network, with millions of merchant and cash access locations; PULSE, one of the nation's leading ATM/debit networks; and Diners Club International, a global payments network with acceptance in more than 185 countries and territories.

Discover is committed to bringing financial education into classrooms across the country in a fun and interactive way to help students gain an understanding of personal finance. We believe that teaching children the skills they need to succeed long after they leave the classroom will help prepare them for a brighter and more responsible financial future. For more information, visit [Discover—Financial Inclusion & Literacy | Discover Card](#).



Discovery Education is the worldwide edtech leader whose state-of-the-art digital platform supports learning wherever it takes place. Through its award-winning multimedia content, instructional supports, innovative classroom tools, and social impact programs, Discovery Education helps educators deliver equitable learning experiences engaging all students and supporting higher academic achievement on a global scale. Discovery Education serves approximately 4.5 million educators and 45 million students worldwide, and its resources are accessed in over 100 countries and territories. Inspired by the global media company Warner Bros. Discovery, Inc. Discovery Education partners with districts, states, and trusted organizations to empower teachers with leading edtech solutions that support the success of all learners. Explore the future of education at www.discoveryeducation.com.



The National Business Educators Association: The National Business Education Association (NBEA) is the nation's leading professional organization devoted to serving individuals and groups engaged in instruction, administration, research, and dissemination of information for and about business.