

Written Testimony: Pennsylvania House Education Committee Hearing on The Need for Financial Education in Pennsylvania’s Public Schools

Submitted by David E. Christopher, Superintendent, Juniata Valley School District

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The Juniata Valley School District is a small, rural school district in central Pennsylvania. As a small district with a very limited budget, it has been critical for the district to identify and utilize low cost, high quality instructional options for students. JVSD currently boasts a graduation rate of nearly 100% over the past 5 years and has a college attendance rate of nearly 80% over that time span as well. The district has been able to maintain these high thresholds, even though the percentage of students who receive free and reduced lunch has climbed to more than 45% district wide. Juniata Valley’s high college attendance rate is especially impressive when viewed through the lens of the most recent county demographic data from 2012, which showed that only 13% of Huntingdon County residents (compared to 26% of Pennsylvania residents) over the age of 25 had attained a bachelor’s degree or higher.

It is especially important for our students to have a strong personal finance background because many of the district’s college bound students are the first person in their immediate family to attend college and are often primarily responsible for their college tuition and living expenses while enrolled.

Financial education and financial literacy must continue to be areas of concern for all citizens of the Commonwealth. Ensuring that our high school graduates understand how the financial and credit systems operate is a fundamental duty for our school districts as we prepare well informed, competent citizens for a lifetime of opportunities in Pennsylvania.

Our graduates are under greater financial pressure than ever before. Because of this it is imperative that we fully inform our students of the obligations and benefits associated with enrolling in post high school coursework. According to a 2012 report from *The Institute for College Access and Success*, the average Pennsylvania student’s debt was the 3rd highest in the nation. On average, Pennsylvania students who attended a 4 year college or university left with \$31,675 in debt. Additionally, the proportion of students who left college with debt was the 4th highest in the country (70%).

Public 4-Year Institutions and Private Non-Profit 4-Year Institutions				
	Average Debt **	Rank *	Proportion with Debt **	Rank *
State Average	\$ 31,675	3	70%	4

Electronically captured from: http://www.projectonstudentdebt.org/state_by_state-view2013.php?area=PA on September 29, 2014 by David E. Christopher.

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This average debt, if assigned to Federal Student Loans, would represent a monthly cost of \$364.52 at the current rate of 6.8% paid over a 10 year period.

Therefore, it is critical that students leave high school with solid career planning and an excellent understanding of the options and costs of those options.

At Juniata Valley, we have consistently tried to ensure that our students receive this critical information prior to graduation. Currently, we do this through a combination of two courses and some additional individualized career and college planning through a program run in partnership with the Pennsylvania College Advising Corps.

The two courses we require for all students are Economics and Personal Finance. Both courses are taught during the student’s senior year of high school and each runs for a semester. The Economics course is the basis for understanding of financial markets, credit, and the fundamental principles that drive everything from world markets, to small, community based systems. Many of the concepts taught in our Economics course are concepts that are currently required under the Academic Standards for Economics from June 1, 2009. The textbook based course gives all graduating seniors a broad understanding of basic economic principles and how their decisions as workers or consumers impact their local economy and the larger national and world economies.

Our Personal Finance course is based on materials provided to us by the National Endowment for Financial Education and focuses on six key areas of personal responsibility and understanding. These areas are: Money Management, Borrowing, Earning Power, Investing, Financial Services, and Insurance. The materials and training for teaching the materials are provided free of charge by NEFE to our school each year. Many of the concepts taught in this course fall under standards assigned to the Academic Standards for Family and Consumer Science, although the depth of the course is much greater than that expressed in the standards. The course explores how individual choices and decisions can greatly affect an individual’s ability to sustain a living wage and ensure financial stability at a personal level. Students are challenged to use several financial simulators as well as written materials in order to assist them in making good post-graduate decisions.

JVSD adopted these requirements after several consultations with the Director of Financial Education through the PA Department of Banking. Many of the resources that we use, especially the resources provided through the National Endowment for Financial Education, would likely not have been utilized by the school district without the guidance we received.

Additionally, the district has participated for the past six years in a program run by the Pennsylvania College Advising Corps. The Corps places highly trained recent college graduates into underserved high schools throughout the state. The PCAC is a consortium of Dickinson College, Franklin and Marshall College, Gettysburg College and Millersville University. Juniata Valley High School has a Corps member present to work with students two days per week. Students receive individualized college enrollment assistance, FAFSA guidance, as well as SAT preparation and pre-college interview counseling. Currently, JVSD pays \$9,000 per year to participate in this program, which has shown some excellent results for our

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graduating seniors. This has been especially helpful in assisting students in preparing for college financially and ensuring that they are making informed choices about college attendance, loans, and scholarship opportunities.

Through the use of the two required finance courses and the individualized student attention that graduating seniors receive as part of the Pennsylvania College Advising Corps, JVSD is providing students with the education and support they need to move beyond high school and into a productive life as citizens of the Commonwealth. We see these programs as critically necessary for our students and feel that similar programming should be offered throughout Pennsylvania to all graduates.