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**TO:** Members of the State Board of Education  
**FROM:** Nancy S. Grasmick *Nancy*  
**DATE:** January 27-28, 2009  
**SUBJECT:** Report of the Task Force to Study How to Improve Financial Literacy in the State

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**PURPOSE:**

The purpose of this correspondence is to share background information with you pertaining to the recommendations of the Task Force to Study How to Improve Financial Literacy in the State.

**BACKGROUND:**

In the 2008 session of the General Assembly, Delegate Dana M. Stein and Senator C. Anthony Muse sponsored Senate Bill 533 (Chapter 186) and House Bill 1242 (Chapter 187) which established the Task Force to Study How to Improve Financial Literacy in the State. The legislation required the appointment of the task force co-chaired by Delegate Stein and Senator Muse. Dr. Nancy Grasmick, State Superintendent of Schools, is represented by Dr. Lynne Gilli, Program Manager for the Career and Technology Education Instructional Branch. Dr. Charlene Dukes represents the State Board of Education. The full task force met three times to discuss K-12 financial literacy education. Attachment I includes a list of the members of the Task Force. Their charge includes both child and adult populations; however the task force has not completed the portion of their study related to adults.

The 20 Task Force members were charged with the following responsibilities:

- Study the current ability of high school students to understand basic financial concepts;
- Evaluate the current provision of financial literacy education in Maryland's public schools;
- Assess the utility of financial literacy education as part of primary and secondary education;
- Study the current ability of consumers over the age of 21 who have achieved a high school diploma to understand basic financial concepts; and



- Study the problems created for the average consumer by a lack of financial literacy or knowledge, including an ability to determine how to set financial goals; establish basic household budgets; locate the best-priced financial services products relative to current economic conditions; understand how credit can improve or impede progress toward financial goals; and evaluate offers for products.
- Further, the Task Force was asked to make recommendations regarding how to address the problems identified in the bulleted statement above and the benefits and drawbacks of requiring financial literacy education as part of primary and secondary education.

### **EXECUTIVE SUMMARY:**

There are three attachments provided for your review: Attachment I includes the letter sent to Mr. DeGraffenreidt by the co-chairmen of the Task Force dated December 16 2008. The recommendations relating to financial literacy education in primary and secondary schools were transmitted with the letter. Attachment II provides a copy of the report titled Financial Literacy Programs and Resources in Maryland that was presented to the Task Force by Dr. Gilli on November 20, 2008. Attachment III is a copy of the report from the National Association of State Boards of Education (NASBE) titled, Who Will Own Our Children? The recommendations from NASBE's report can be found on pages 20 to 22.

A representative from the Maryland Coalition for Financial Literacy reported to the Task Force that eight local school systems currently require students to take a course in financial literacy. These systems include: Allegany, Baltimore County, Carroll, Cecil, Garrett, Harford, Queen Anne's, and Talbot.

### **ACTION**

No action required.

NSG/lmg

Attachments