

Importance of Financial Literacy: Why Westlake Should Mandate Financial Education

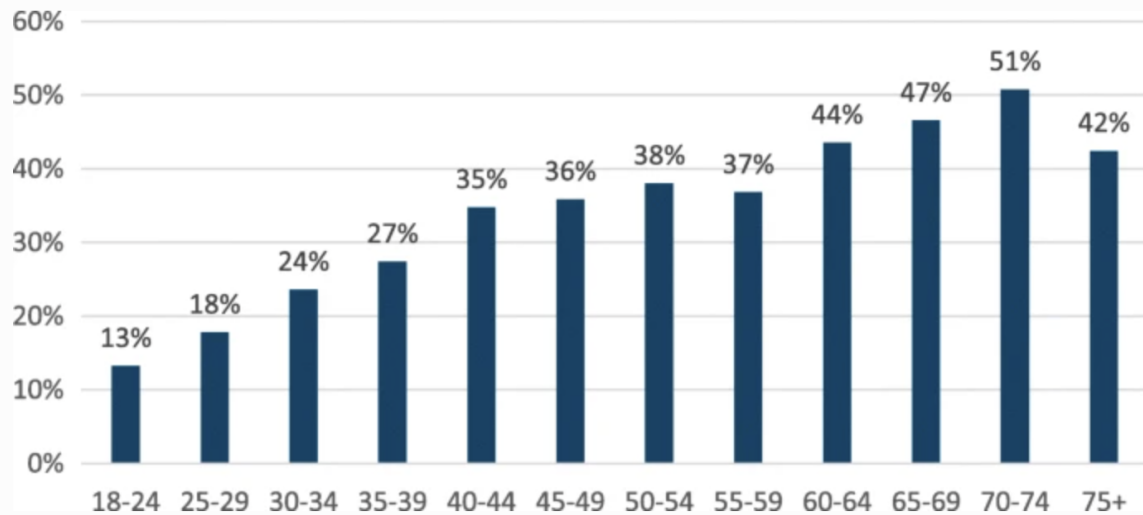
Title and Problem Statement:

Many students graduate Westlake High School lacking the necessary skills for financial independence. This problem can be solved simply by requiring students to take a course of personal financial literacy in order to graduate.

Background and Context

Just like most students in America, Westlake's students don't receive adequate personal financial education and are underprepared for financial independence in the real world. In a recent study, "one in five of students" do not reach financial literacy proficiency and lack "even the basic financial skills" (Lusardi 6). Young adults often lack basic money management skills and often end up burdened with "high amounts of student loans or credit card debt" which at such a young age, "hinder young people's ability to accumulate wealth" (Farinella 3). In the US, students hold "\$1.6 trillion in student-loan debt" (Foster). The lack of financial knowledge is becoming more apparent as "financial markets are rapidly changing" with advancements in "more complex financial products" (Lusardi 1). As the financial world becomes more and more complex, there's also an increase in the "fragility of financial markets" and "new risks for investors," making financial education even more important today (Foster).

Fig. 1



Financial literacy across age in the USA. This figure shows the percentage of respondents who answered correctly all Big Three questions by age group (year 2015). Source: 2015 US National Financial Capability Study

Proposed Policy Solution:

To solve this problem, Westlake should require to take a semester or summer course over the basics of personal financial literacy. By consistently emphasizing the importance of financial literacy, students would likely have a better chance of applying this knowledge earlier on in life. This course should “provide guidance to young people” emphasizing topics like “banking basics, budgeting, managing credit and debt” (Foster 2). When making personal financial literacy a required class, students would learn to treat financial literacy seriously and strive to succeed. This is a reasonable solution as many other states have already implemented requirements for students to complete a course of financial literacy in order to graduate high school. While other states are advancing in financial education, Texas only requires its high schools to offer a financial literacy course and does not require enrollment. In the US, 15 states require a “financial literacy course as a requirement;” however Texas is not among them (Foster 1).

Providing financial education to students is the easiest and most effective way to increase financial literacy of future generations. A study done by Bernheim, Garrett, and Maki found that basic personal finance education in high school leads to “higher levels of saving in the future” (Farinella 2). Researchers have shown that children aged 5 and 6 are “developmentally capable of using savings accounts, “so it is completely feasible for high school students to do the same” (Sherraden 4). By improving Westlake’s financial education, students grow up with a better understanding of the financial world, allowing them to make better decisions and create a more secure future. Recent research has shown that individuals who learned basic financial skills early on make less financial mistakes in adulthood. Financial education helps reduce financial stress and anxiety among younger generations. Many students struggle with financial stress; however, increasing financial education helps by “desensitizing students to these fearful topics” (Doehring 7).

To implement this policy, Westlake High School should begin by piloting a one-semester Personal Financial Literacy course during the school year or as a condensed option in the summer. The curriculum could be adapted from successful models used in other states, incorporating both online modules and in-person instruction. Topics would include budgeting, banking, saving, credit, taxes, loans, investing, and financial planning. The course could be required for graduation starting with the incoming freshman class, giving students time and flexibility to complete it before senior year. Westlake could also partner with local banks, credit unions, and financial educators to bring in guest speakers or real-life simulations. In addition, students in Career and Technical Education (CTE) tracks could align this course with existing economics or business courses to minimize schedule conflicts. To accommodate already-busy student schedules, Westlake could offer flexible formats, including summer courses, online

hybrid models, or integrating the course into advisory periods or existing government/economics credits.

Stakeholders and Impact:

The primary stakeholders in this policy are the students of Westlake High School. By making financial literacy a graduation requirement, students will gain essential, real-world skills that directly impact their future. They will learn how to budget, manage credit, avoid debt, and make informed financial decisions, skills that are increasingly necessary in today's economy. This policy ensures that all students, regardless of background, receive the tools to achieve financial independence and security. Parents and families will also benefit, as students become more financially responsible and less dependent on their caregivers for basic financial management. Equipped with financial knowledge, students will be more prepared to evaluate college loans, set personal savings goals, and avoid costly mistakes that often burden young adults. This will effectively ease family financial stress.

Teachers and school administrators play a key role in implementation. While there may be initial adjustments required to fit the course into existing schedules or assign qualified instructors, many educators in the business, economics, or CTE departments already possess relevant expertise. Over time, educators may find that students who are more financially confident also experience reduced anxiety about college and career planning. The local community and financial institutions, such as banks and credit unions, could be valuable partners. These organizations may offer guest speakers, simulations, or resources to enrich the curriculum, creating practical bridges between classroom learning and real-world application. Finally, this policy benefits Westlake High School itself. By equipping students with life-ready skills, the

school enhances its reputation as a forward-thinking, equity-driven institution committed to preparing students for adulthood and not just academia.

Potential Challenges/Counter argument:

Although it is true that many students do not have enough time and space in their schedules to fit in an extra course, financial literacy is considered to be just as important as most core subjects in high school. In today's world, students are often being overworked and have no free time because of packed schedules of advanced courses. Many people "complain that students are overwhelmed, overworked" with no room to take more classes (Vatterott). However, financial literacy education is just as important if not more than the stressfully advanced classes taught in high school.

Conclusion:

Obtaining these necessary financial skills is much more helpful in the real world than the skills learned in classes like history or science. Schools are meant to teach and prepare students for the real world, and financial education is "just like reading, writing and arithmetic" --- just not emphasized as much as the core subjects (Champlain College).