

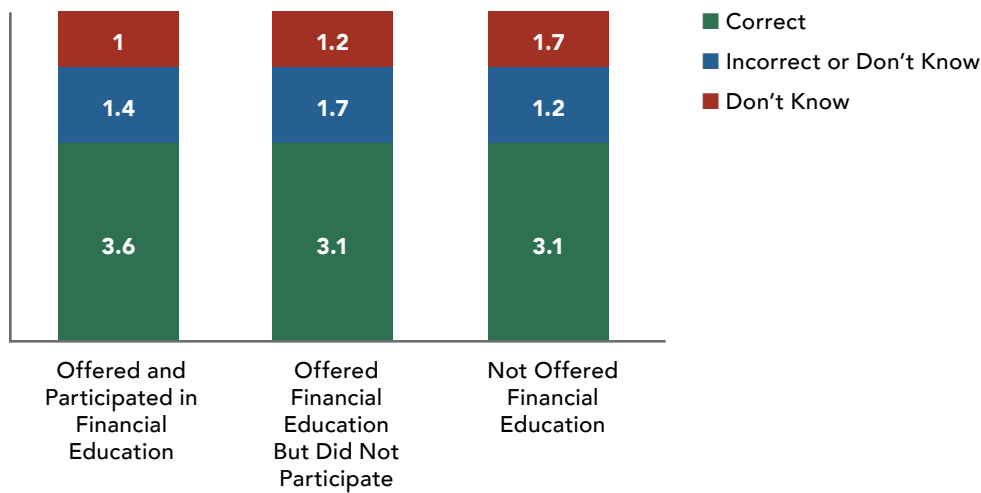
Financial Knowledge Grade

The Financial Knowledge grade measures the personal finance knowledge of adults in each state. Other category grades measure adult personal finance behaviors or skills. Unfortunately, there are limited data points with state-specific information that measures financial knowledge. We were able to identify the following three measurements:

- A financial literacy quiz/survey consisting of six questions on topics like investment diversification, bond pricing, basic interest, compound interest, mortgages and inflation (*50 percent of category grade*)
- A survey question asking adults if financial literacy education was offered to them by their school, college or employer and if they took advantage of that educational opportunity (*25 percent of category grade*)
- A study, created by our Center that graded each state on the quality and accessibility of financial education in the state’s public high schools (*25 percent of category grade*)

States with the best access to educational opportunities were given better grades than states with limited access, since we have observed that access to and participation in personal finance education leads to better performance on the financial literacy quiz, according to a [FINRA Investor Education Foundation survey](#).

National Performance on Financial Literacy Quiz—# Out of Six Questions



Source: FINRA Investor Education Financial Capability Study

Three other studies also indicate that financial literacy educational interventions in high school appear to have a positive impact on knowledge and measurable financial behaviors:

- *Mandated financial literacy education improves credit behavior.* Researchers focused on three states where material personal finance high school education mandates were recently enacted ([Brown, Collins, Schmeiser, and Urban, 2014](#)). Default rates and credit scores of recently graduated students who received this education were compared to similarly aged individuals in a bordering state that did not change their financial literacy education requirements in high school. It was found that mandated personal finance education in high school improved the credit scores and reduced the default rates of young adults. There was no measurable change in the bordering states over the same time period measured.
- *Robust educator training and well-designed curriculum works.* Another study shows that a well-designed personal finance course (one semester in length), taught by highly trained educators who attended a 30-hour week-long training program and used a specific curriculum, improved the average personal finance knowledge of the students in all standard and concept areas covered by the researchers’ assessment examination ([Asarta, Hill, and Meszaros, 2014](#)).
- *Educators who learn to teach personal finance in a graduate-level course are dramatically more confident and effective.* Students who learn personal finance from these trained teachers showed significant knowledge gains in all test topics, while a control group of students who did not receive personal finance education dropped slightly in knowledge in all but one area. Also, students who received formal education by trained teachers reported some improvement in most personal finance behaviors measured. Indeed, students who received personal finance education by trained teachers had “high financial literacy” on par with the literacy levels of Generation X (ages 35 to 49) and higher than that of older Millennials (ages 18 to 34) ([Champlain College’s Center for Financial Literacy, 2015](#)).

The states with the best and worst Financial Knowledge grades are listed below:

Top 10 States	Bottom 10 States
Utah	Massachusetts
Wyoming	Oklahoma
Montana	New York
Idaho	Florida
New Hampshire	Mississippi
North Dakota	Rhode Island
Vermont	Washington
Minnesota	Texas
Missouri	Pennsylvania
Maine	California

The Financial Knowledge category grade consists of the weightings, describe above, of the following three data point grades:

Mean Number of Correct Answers on Six Financial Literacy Questions: Questions centered on everyday economic topics, such as interest rates, inflations, bond prices, mortgages and risk, based on adults surveyed in each state.

Best State — Montana: 3.78 or 63% correct	U.S.: 3.16 or 53% correct	Worst State — Texas: 2.81 or 47% correct
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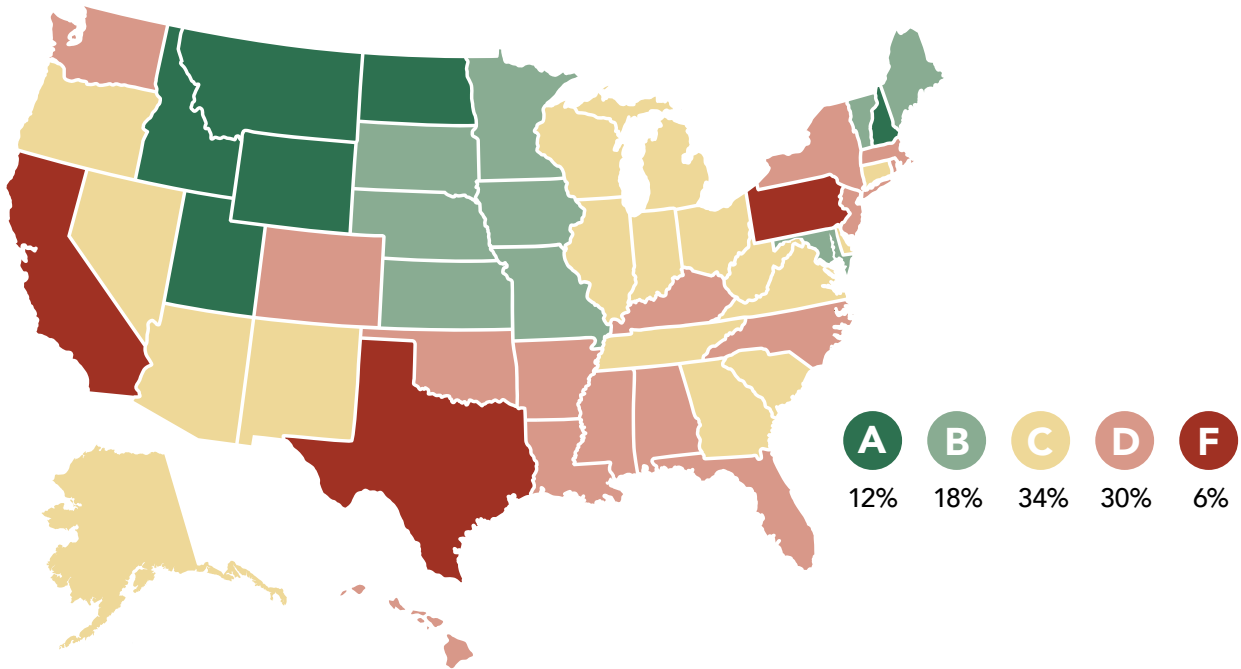
Percent of Adults Who Were Offered and Participated in Financial Education:

Best State — Utah: 29.21%	U.S.: 20.84	Worst State — Rhode Island: 17.38%
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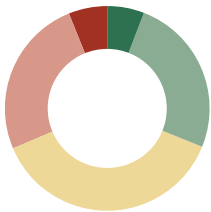
Quality and Availability of High School Financial Literacy Education:

Best State — Utah: Grade A+	U.S.: Grade C	Worst States: 11 states tied with Grade F (AK, CA, CT, DE, HI, MA, PA, RI, SD, WA & WI)
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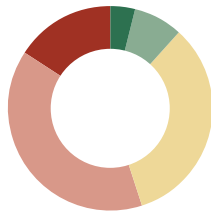
Financial Knowledge



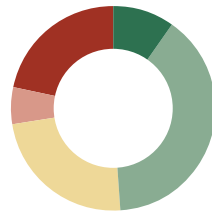
Mean Number of Correct Answers on Six Financial Knowledge Questions



Offered and Participated in Financial Education



Quality and Availability of High School Financial Literacy Education





Financial Knowledge

STATES ALPHABETICALLY						
	Mean Number of Correct Answers	Offered Financial Education and Participated	Levels of High School Financial Education	Weighted General Credit Grade	Adjusted Linear Curve Grade	Summary Grades
<i>weighting</i>	0.5	0.25	0.25			
Alabama	D-	F	A	69.49	67.57	D+
Alaska	B-	B	F	75.18	75.98	C
Arizona	C	D+	B	76.38	77.76	C+
Arkansas	D	D-	B	70.28	68.74	D+
California	D-	D	F	60.99	55.00	F
Colorado	D+	D-	C	68.71	66.42	D
Connecticut	C+	C	F	71.78	70.96	C-
Delaware	B-	C	F	72.16	71.52	C-
Florida	F	D	B	67.32	64.36	D
Georgia	D	C+	B	73.43	73.40	C
Hawaii	B	F	F	70.50	69.06	D+
Idaho	B+	B-	B	84.88	90.33	A-
Illinois	C-	C-	B	75.01	75.73	C
Indiana	C-	C-	C	72.57	72.12	C-
Iowa	B+	D-	C	78.76	81.28	B-
Kansas	C+	B-	C	78.83	81.38	B-
Kentucky	D	C-	C	69.30	67.29	D+
Louisiana	D-	D+	B	69.29	67.27	D+
Maine	B	D-	B	80.12	83.29	B
Maryland	C	C	B	78.43	80.79	B-
Massachusetts	C	C-	F	68.31	65.82	D
Michigan	C-	D	B	73.56	73.59	C
Minnesota	B-	C	B	81.19	84.87	B
Mississippi	D	D	C	66.59	63.28	D
Missouri	C	C+	A	80.89	84.43	B
Montana	A+	C	D	85.01	90.52	A-
Nebraska	B	D+	C	78.46	80.83	B-
Nevada	C	D+	C	72.40	71.87	C-
New Hampshire	B+	C	B	84.71	90.08	A-
New Jersey	D	F	B	68.86	66.64	D
New Mexico	C+	D	C	73.63	73.69	C
New York	F	D	B	67.45	64.55	D
North Carolina	D	D+	B	70.77	69.46	D+
North Dakota	B+	C	B	84.70	90.06	A-
Ohio	C-	D	B	72.53	72.07	C-
Oklahoma	D+	F	C	67.88	65.19	D
Oregon	C+	C	C	76.35	77.71	C+
Pennsylvania	D+	F	F	61.84	56.26	F
Rhode Island	C+	F	F	66.37	62.96	D-
South Carolina	C-	C-	B	74.41	74.85	C
South Dakota	B+	B	F	78.81	81.35	B-
Tennessee	D+	D+	A	75.83	76.95	C
Texas	F	F	B	63.14	58.18	F
Utah	B-	A+	A+	91.42	100.00	A+
Vermont	A	C	D	81.74	85.69	B
Virginia	C-	C	A	77.54	79.47	C+
Washington	C	F	F	65.74	62.02	D-
West Virginia	C-	D-	B	71.65	70.76	C-
Wisconsin	B	D	F	71.74	70.90	C-
Wyoming	A-	A-	D	85.18	90.77	A-
United States	C-	D+	C	71.66	70.78	C-

Financial Knowledge (continued)

STATES BY GRADE			
	Weighted Financial Knowledge Grade	Adjusted Linear Curve Grade	Summary Grades
Utah	91.42	100.00	A+
Wyoming	85.18	90.77	A-
Montana	85.01	90.52	A-
Idaho	84.88	90.33	A-
New Hampshire	84.71	90.08	A-
North Dakota	84.70	90.06	A-
Vermont	81.74	85.69	B
Minnesota	81.19	84.87	B
Missouri	80.89	84.43	B
Maine	80.12	83.29	B
Kansas	78.83	81.38	B-
South Dakota	78.81	81.35	B-
Iowa	78.76	81.28	B-
Nebraska	78.46	80.83	B-
Maryland	78.43	80.79	B-
Virginia	77.54	79.47	C+
Arizona	76.38	77.76	C+
Oregon	76.35	77.71	C+
Tennessee	75.83	76.95	C
Alaska	75.18	75.98	C
Illinois	75.01	75.73	C
South Carolina	74.41	74.85	C
New Mexico	73.63	73.69	C
Michigan	73.56	73.59	C
Georgia	73.43	73.40	C
Indiana	72.57	72.12	C-
Ohio	72.53	72.07	C-
Nevada	72.40	71.87	C-
Delaware	72.16	71.52	C-
Connecticut	71.78	70.96	C-
Wisconsin	71.74	70.90	C-
United States	71.66	70.78	C-
West Virginia	71.65	70.76	C-
North Carolina	70.77	69.46	D+
Hawaii	70.50	69.06	D+
Arkansas	70.28	68.74	D+
Alabama	69.49	67.57	D+
Kentucky	69.30	67.29	D+
Louisiana	69.29	67.27	D+
New Jersey	68.86	66.64	D
Colorado	68.71	66.42	D
Massachusetts	68.31	65.82	D
Oklahoma	67.88	65.19	D
New York	67.45	64.55	D
Florida	67.32	64.36	D
Mississippi	66.59	63.28	D
Rhode Island	66.37	62.96	D-
Washington	65.74	62.02	D-
Texas	63.14	58.18	F
Pennsylvania	61.84	56.26	F
California	60.99	55.00	F

Mean Number of Correct Answers on Six Financial Knowledge Questions

MEAN NUMBER of correct answers to financial knowledge survey questions by adults.

Of those adults surveyed, what was the mean number of correct answers to six questions about everyday economic and financial topics such as interest rates, inflation, bond prices, mortgages and risk.

DATA SOURCE

FINRA Investor Education Foundation,
 National Financial Capability Study, 2016
 (2015 survey data)

<http://www.usfinancialcapability.org>

HOW WE CALCULATED STATE GRADES

The grading system in this report gives the best state a score of 100 (A+) and the worst state a grade of 55 (F). All other states, using a linear curve grading method (which is a mathematical computation), are given grades scaled between these two extremes.

STATES ALPHABETICALLY		
	Data Point	Letter Grade
United States	3.16	C-
Alabama	2.98	D-
Alaska	3.37	B-
Arizona	3.25	C
Arkansas	3.06	D
California	2.97	D-
Colorado	3.13	D+
Connecticut	3.32	C+
Delaware	3.35	B-
Florida	2.89	F
Georgia	3.02	D
Hawaii	3.45	B
Idaho	3.50	B+
Illinois	3.17	C-
Indiana	3.19	C-
Iowa	3.56	B+
Kansas	3.33	C+
Kentucky	3.04	D
Louisiana	2.97	D-
Maine	3.49	B
Maryland	3.28	C
Massachusetts	3.20	C
Michigan	3.16	C-
Minnesota	3.39	B-
Mississippi	2.99	D
Missouri	3.25	C
Montana	3.78	A+
Nebraska	3.47	B
Nevada	3.20	C
New Hampshire	3.54	B+
New Jersey	3.04	D
New Mexico	3.30	C+
New York	2.91	F
North Carolina	3.02	D
North Dakota	3.54	B+
Ohio	3.14	C-
Oklahoma	3.10	D+
Oregon	3.31	C+
Pennsylvania	3.07	D+
Rhode Island	3.30	C+
South Carolina	3.14	C-
South Dakota	3.50	B+
Tennessee	3.13	D+
Texas	2.81	F
Utah	3.41	B-
Vermont	3.66	A
Virginia	3.14	C-
Washington	3.26	C
West Virginia	3.15	C-
Wisconsin	3.44	B
Wyoming	3.60	A-

STATES BY GRADE			
	Data Point	Curved Grade	Letter Grade
Montana	3.78	100.00	A+
Vermont	3.66	94.43	A
Wyoming	3.60	91.65	A-
Iowa	3.56	89.79	B+
New Hampshire	3.54	88.87	B+
North Dakota	3.54	88.87	B+
Idaho	3.50	87.01	B+
South Dakota	3.50	87.01	B+
Maine	3.49	86.55	B
Nebraska	3.47	85.62	B
Hawaii	3.45	84.69	B
Wisconsin	3.44	84.23	B
Utah	3.41	82.84	B-
Minnesota	3.39	81.91	B-
Alaska	3.37	80.98	B-
Delaware	3.35	80.05	B-
Kansas	3.33	79.12	C+
Connecticut	3.32	78.66	C+
Oregon	3.31	78.20	C+
New Mexico	3.30	77.73	C+
Rhode Island	3.30	77.73	C+
Maryland	3.28	76.80	C
Washington	3.26	75.88	C
Arizona	3.25	75.41	C
Missouri	3.25	75.41	C
Massachusetts	3.20	73.09	C
Nevada	3.20	73.09	C
Indiana	3.19	72.63	C-
Illinois	3.17	71.70	C-
Michigan	3.16	71.24	C-
United States	3.16	71.24	C-
West Virginia	3.15	70.77	C-
Ohio	3.14	70.31	C-
South Carolina	3.14	70.31	C-
Virginia	3.14	70.31	C-
Colorado	3.13	69.85	D+
Tennessee	3.13	69.85	D+
Oklahoma	3.10	68.45	D+
Pennsylvania	3.07	67.06	D+
Arkansas	3.06	66.60	D
Kentucky	3.04	65.67	D
New Jersey	3.04	65.67	D
Georgia	3.02	64.74	D
North Carolina	3.02	64.74	D
Mississippi	2.99	63.35	D
Alabama	2.98	62.89	D-
California	2.97	62.42	D-
Louisiana	2.97	62.42	D-
New York	2.91	59.64	F
Florida	2.89	58.71	F
Texas	2.81	55.00	F

Offered and Participated in Financial Education

PERCENT OF ADULTS who were offered and participated in financial education.

The percent of adults who responded “Yes and I did participate in the financial education,” to the following survey question, “was financial education offered by a school or college you attended, or a workplace where you were employed?”

DATA SOURCE

FINRA Investor Education Foundation,
 National Financial Capability Study, 2016
 (2015 survey data)

<http://www.usfinancialcapability.org>

HOW WE CALCULATED STATE GRADES

The grading system in this report gives the best state a score of 100 (A+) and the worst state a grade of 55 (F). All other states, using a linear curve grading method (which is a mathematical computation), are given grades scaled between these two extremes.

STATES ALPHABETICALLY		
	Data Point	Letter Grade
United States	20.84%	D+
Alabama	17.95%	F
Alaska	24.94%	B
Arizona	21.24%	D+
Arkansas	19.46%	D-
California	19.78%	D
Colorado	18.73%	D-
Connecticut	22.58%	C
Delaware	22.25%	C
Florida	20.50%	D
Georgia	23.75%	C+
Hawaii	18.07%	F
Idaho	24.08%	B-
Illinois	21.75%	C-
Indiana	21.33%	C-
Iowa	18.81%	D-
Kansas	24.50%	B-
Kentucky	21.55%	C-
Louisiana	20.62%	D+
Maine	19.32%	D-
Maryland	22.67%	C
Massachusetts	21.86%	C-
Michigan	20.47%	D
Minnesota	22.88%	C
Mississippi	19.92%	D
Missouri	23.36%	C+
Montana	22.65%	C
Nebraska	20.69%	D+
Nevada	20.91%	D+
New Hampshire	22.93%	C
New Jersey	18.46%	F
New Mexico	19.76%	D
New York	20.14%	D
North Carolina	20.95%	D+
North Dakota	22.91%	C
Ohio	19.88%	D
Oklahoma	18.59%	F
Oregon	22.37%	C
Pennsylvania	18.23%	F
Rhode Island	17.38%	F
South Carolina	21.85%	C-
South Dakota	25.59%	B
Tennessee	20.96%	D+
Texas	18.05%	F
Utah	29.21%	A+
Vermont	22.14%	C
Virginia	22.52%	C
Washington	17.69%	F
West Virginia	18.71%	D-
Wisconsin	19.61%	D
Wyoming	27.22%	A-

STATES BY GRADE			
	Data Point	Curved Grade	Letter Grade
Utah	29.21%	100.00	A+
Wyoming	27.22%	92.43	A-
South Dakota	25.59%	86.23	B
Alaska	24.94%	83.76	B
Kansas	24.50%	82.08	B-
Idaho	24.08%	80.49	B-
Georgia	23.75%	79.23	C+
Missouri	23.36%	77.75	C+
New Hampshire	22.93%	76.11	C
North Dakota	22.91%	76.04	C
Minnesota	22.88%	75.92	C
Maryland	22.67%	75.12	C
Montana	22.65%	75.05	C
Connecticut	22.58%	74.78	C
Virginia	22.52%	74.55	C
Oregon	22.37%	73.98	C
Delaware	22.25%	73.52	C
Vermont	22.14%	73.11	C
Massachusetts	21.86%	72.04	C-
South Carolina	21.85%	72.00	C-
Illinois	21.75%	71.62	C-
Kentucky	21.55%	70.86	C-
Indiana	21.33%	70.03	C-
Arizona	21.24%	69.68	D+
Tennessee	20.96%	68.62	D+
North Carolina	20.95%	68.58	D+
Nevada	20.91%	68.43	D+
United States	20.84%	68.16	D+
Nebraska	20.69%	67.59	D+
Louisiana	20.62%	67.32	D+
Florida	20.50%	66.87	D
Michigan	20.47%	66.75	D
New York	20.14%	65.50	D
Mississippi	19.92%	64.66	D
Ohio	19.88%	64.51	D
California	19.78%	64.13	D
New Mexico	19.76%	64.05	D
Wisconsin	19.61%	63.48	D
Arkansas	19.46%	62.91	D-
Maine	19.32%	62.38	D-
Iowa	18.81%	60.44	D-
Colorado	18.73%	60.14	D-
West Virginia	18.71%	60.06	D-
Oklahoma	18.59%	59.60	F
New Jersey	18.46%	59.11	F
Pennsylvania	18.23%	58.23	F
Hawaii	18.07%	57.62	F
Texas	18.05%	57.55	F
Alabama	17.95%	57.17	F
Washington	17.69%	56.18	F
Rhode Island	17.38%	55.00	F

Quality and Availability of High School Financial Literacy Education

EVALUATION OF QUALITY, quantity, ease of access to and level of requirements for financial education in state's public high schools.

DATA SOURCE

Center for Financial Literacy, Champlain College, 2015 National Report Card on State Efforts to Improve Financial Literacy in High Schools

<http://www.champlain.edu/centers-of-excellence/center-for-financial-literacy/report-making-the-grade>

HOW WE CALCULATED STATE GRADES

The grading system in this report gives the best state a score of 100 (A+) and the worst state a grade of 55 (F). All other states, using a linear curve grading method (which is a mathematical computation), are given grades scaled between these two extremes.

STATES ALPHABETICALLY		
	Data Point	Letter Grade
United States	76%*	C
Alabama	95%	A
Alaska	55%	F
Arizona	85%	B
Arkansas	85%	B
California	55%	F
Colorado	75%	C
Connecticut	55%	F
Delaware	55%	F
Florida	85%	B
Georgia	85%	B
Hawaii	55%	F
Idaho	85%	B
Illinois	85%	B
Indiana	75%	C
Iowa	75%	C
Kansas	75%	C
Kentucky	75%	C
Louisiana	85%	B
Maine	85%	B
Maryland	85%	B
Massachusetts	55%	F
Michigan	85%	B
Minnesota	85%	B
Mississippi	75%	C
Missouri	95%	A
Montana	65%	D
Nebraska	75%	C
Nevada	75%	C
New Hampshire	85%	B
New Jersey	85%	B
New Mexico	75%	C
New York	85%	B
North Carolina	85%	B
North Dakota	85%	B
Ohio	85%	B
Oklahoma	75%	C
Oregon	75%	C
Pennsylvania	55%	F
Rhode Island	55%	F
South Carolina	85%	B
South Dakota	55%	F
Tennessee	95%	A
Texas	85%	B
Utah	100%	A+
Vermont	65%	D
Virginia	95%	A
Washington	55%	F
West Virginia	85%	B
Wisconsin	55%	F
Wyoming	65%	D

STATES BY GRADE		
	Data Point	Letter Grade
Utah	100%	A+
Alabama	95%	A
Missouri	95%	A
Tennessee	95%	A
Virginia	95%	A
Arizona	85%	B
Arkansas	85%	B
Florida	85%	B
Georgia	85%	B
Idaho	85%	B
Illinois	85%	B
Louisiana	85%	B
Maine	85%	B
Maryland	85%	B
Michigan	85%	B
Minnesota	85%	B
New Hampshire	85%	B
New Jersey	85%	B
New York	85%	B
North Carolina	85%	B
North Dakota	85%	B
Ohio	85%	B
South Carolina	85%	B
Texas	85%	B
West Virginia	85%	B
United States	76%	C
Colorado	75%	C
Indiana	75%	C
Iowa	75%	C
Kansas	75%	C
Kentucky	75%	C
Mississippi	75%	C
Nebraska	75%	C
Nevada	75%	C
New Mexico	75%	C
Oklahoma	75%	C
Oregon	75%	C
Montana	65%	D
Vermont	65%	D
Wyoming	65%	D
Alaska	55%	F
California	55%	F
Connecticut	55%	F
Delaware	55%	F
Hawaii	55%	F
Massachusetts	55%	F
Pennsylvania	55%	F
Rhode Island	55%	F
South Dakota	55%	F
Washington	55%	F
Wisconsin	55%	F