

Which grade works best for high school financial education?

Madelaine L'Esperance and Carly Urban*

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States are increasingly requiring a semester-long course in personal finance for high school graduation—guaranteeing students have access to financial education in schools. These “guarantee states” often ask how best to implement these classes. While prior work shows that personal finance has to be its own course to affect financial behaviors (Collins and Urban, 2025), this project asks a new question: what grade has the highest knowledge gains?

Data and Methods

We rely upon administrative data from the Working in Support of Education (W!SE) financial literacy certification test, paired with pretest data to calculate knowledge gains by grade. In non-guarantee states, students can choose whether and when to take personal finance. This selection makes it difficult to parse out gains by grade. For example, are students who want to learn personal finance content to help their families the most likely to take it earlier? Or are students who already learned a lot at home most interested in taking personal finance earlier? To circumvent this issue, we use data from “guarantee states,” where all students take personal finance for high school graduation to minimize selection.

We use three strategies to estimate knowledge gains by grade. First, we use cross-state variation in when personal finance is to be incorporated. For example, the class is most commonly taught in 9th grade for Alabama, 12th grade for North Carolina, and 11th grade for Virginia in our sample. Second, we use within-state, cross-school variation in grades to see if schools with earlier versus later classes have different knowledge gains. In our sample, Tennessee and Nebraska have more variation across schools in the grade the test is taken, though there is variation across all states. We validate these methods with models that estimate the differences in gains by grades within the same school or district over time recognizing that some schools or districts change the common grade for the class. These within-school or within-district models have less power relative to the first strategy. Third, we show that if we instead examine a sample of “guarantee schools,” based

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on data from the authors’ prior high school course catalog data collection from 2019–2025 (Luedtke and Urban, 2023; L'Esperance, 2025), our results remain consistent.

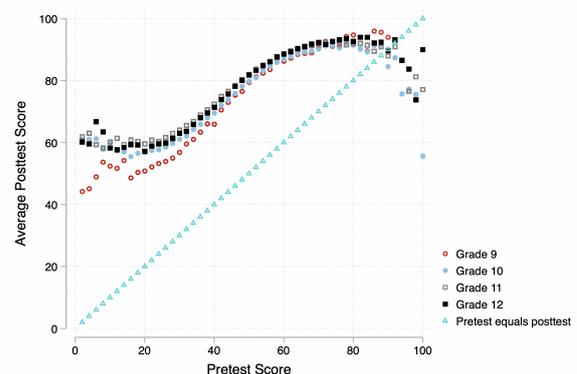
While this study is not a randomized controlled trial, we are able to provide the first clean descriptive evidence to understand where knowledge gains are the largest. Further, because the W!SE test is an external examination, teachers are not directly teaching to the test. While W!SE has a curriculum guide listing the topics to be covered, they do not have an associated curriculum.

Findings

There are three main takeaways from this research.

1. Knowledge gains exist across all grades and are sizable. Figure 1 shows the average posttest score associated with each pretest score. The knowledge gains are largest for students who perform the worst on the pretest, where the cyan triangle represents the hypothetical situation where pretests and posttests performance is equal. The only knowledge “declines” occur among students who scored over a 90 percent on the pretest.

Figure 1: Average Posttest Scores by Pretest Scores by Grade

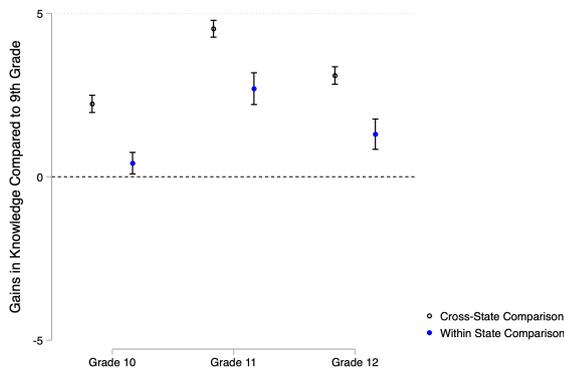


Notes: Data come from W!SE tests from 2016–2025. Data are binned into pretest scores and average posttest scores are taken as the average within the pretest score bin. The cyan triangles represent the 45 degree line, where pretests and posttests would be hypothetically equal.

2. Using variation across state policies and across schools within states, students in 11th grade have the highest knowledge gains, followed by 12th

graders. Knowledge gains in the 10th grade exceed those in 9th grade, though the gap is smaller.

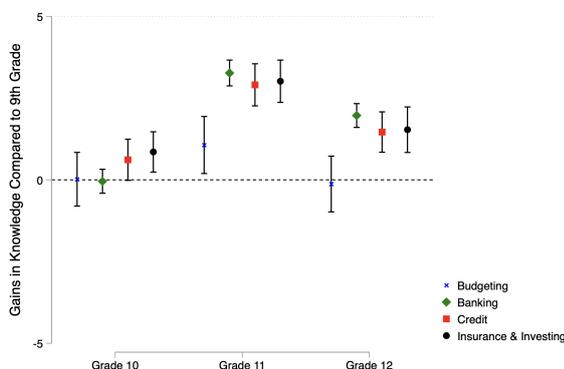
Figure 2: Gains by grade, compared to grade 9



Notes: Estimates and 95 percent confidence intervals reported. The figure shows the difference in overall pre-test percent scores (0 to 100) across students in different grades. The first regression coefficients (black open circle) have no controls beyond the grade dummies, where the excluded group is grade 9. The second regression coefficients (blue closed circle) have state and year fixed effects.

- The gaps are most pronounced among harder topics. Insurance and investing, credit, and banking have the greatest gaps between upper and lower grades, while basic money management topics, like budgeting, have no meaningful difference in knowledge gains across grades. This difference suggests that earlier grades, namely 9th and 10th, are best suited for simpler topics, whereas more advanced students are better prepared to digest more difficult financial concepts.

Figure 3: Gains by grade, compared to grade 9 by topic



Notes: Estimates and 95 percent confidence intervals reported. The figure shows coefficient estimates of pretest scores across four different topical categories: budgeting, banking, credit, and insurance and investing. The regression models include state and year fixed effects.

Conclusions

While this research is descriptive in nature, our findings suggest that while students across all grades see knowledge gains, students in later grades are best-equipped for a full semester personal finance course in terms of knowledge gains. We estimate that the average knowledge gains are largest for 11th graders. This could be for a few reasons. First, 11th grade students have developed skills to be a better student. Second, they also have not made all of their post-graduation decisions. This means they are still grade-motivated in a way that 12th graders may not be. Third, 11th graders may be employed at higher rates than 9th and 10th graders, suggesting the financial decisions are becoming more individually-relevant.

For a full copy of the report, see https://papers.carlyurban.com/WhichGrade_Feb2026.pdf.

Please contact carly.urban@montana.edu for questions regarding this brief.

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