



**CFA Society
Los Angeles**

E-Newsletter

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In This Issue....

- **California's Groundbreaking Law on Financial Literacy**
- **When Should You Hire a Financial Advisor?**
- **Michael Kitces on the State of Financial Planning**
- **Swimming in Data**
- **Why the Olympics Cost So Much**
- **Are Olympic Winnings Taxed?**



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AB 2927: California's Groundbreaking Law on Financial Literacy

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According to a recent study conducted by the World Economic Forum, financial literacy in the United States remains alarmingly low, with less than half the population demonstrating a solid understanding of key financial concepts. The Personal Finance (P-Fin) Index, a comprehensive measure of financial knowledge, tracks this data by assessing participants' grasp on crucial topics such as earnings, savings, insurance, and risk management.

Given the central role that money plays in our lives and the detrimental consequences of poor financial decisions, the knowledge gap between the current state of financial literacy and the level of competence required to make informed choices is concerning. This deficiency not only undermines individual financial stability, but also poses broader risks to the economic well-being of communities. However, as awareness of this

critical issue grows, a grassroots movement has emerged with educators, policymakers, and community leaders uniting to advocate for the inclusion of personal finance education in school. California's recent legislation, Assembly Bill 2927, is the latest in a sweeping national movement to improve the state of financial literacy.

Spearheaded by State Superintendent Tony Thurmond, AB 2927 is the culmination of a 2-year initiative aimed at integrating personal finance education into the curriculum for all students in California, with strong support from a coalition of students, families, educators, and policymakers. Beginning in the 2027-2028 school year, all California local education agencies (LEAs) will be required to offer a dedicated, one-semester course in personal finance at every high school. The curriculum will be crafted with input from credentialed teachers specializing in social science, business, mathematics, or home economics, and shaped by the Instructional Quality Commission (IQC). Superintendent Thurmond and the California Department of Education will oversee the process to ensure it aligns with the state's educational standards. Authored and spon-



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sored by Assembly Member Kevin McCarty, the bill garnered support from a bipartisan group of assembly members and state senators, and was signed into law by Governor Gavin Newsom in June 2024.

Since the bill's passing, financial planners and educators have voiced their support for the initiative. In an interview with the Financial Planning Association, Jamie Rugg, CFP, President of the Financial Planning Association of California, expressed her endorsement, stating, "Access to financial education should be a right for everyone. After advocating for financial literacy programs for California students over the last twelve years, we are thrilled California is taking an important first step forward with AB 2927 to help prepare future generations for their financial future." In an interview with NBC Bay Area, Tim Ranzetta, co-founder of NextGen Personal Finance, an East Palo Alto-based financial literacy nonprofit, echoed this sentiment, saying, "Every student in the state — regardless of where they go to school or their economic status — will now have equal opportunity to learn such vital 21st-century skills including budgeting, credit management,

and understanding financial options for career or college."

Since the onset of the pandemic, young professionals have faced an unprecedented economic landscape, enduring the COVID-19 recession, which led to record-high unemployment, a hyperinflationary period with the fastest price surges in four decades, and the ripple effects of rising interest rates. The assembly bill comes at a crucial time, providing students with the opportunity to learn essential skills in risk management, capital preservation, and responsible money management in the face of uncertain economic conditions.

Members of the CFA community are encouraged by the Code of Ethics and Standards of Professional Conduct to uphold the integrity of the investment profession and elevate the competence of their peers. Likewise, promoting strong financial discipline and sound decision-making among the next generation will be complementary with these principles, by fostering a more informed and sophisticated client base while strengthening the foundations of financial services. By investing in measures to improve money



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money management skills, legislation like AB 2927 not only reinforces the standards of the industry, but also builds a more knowledgeable community.

Sources:

Can You Answer These 3 Questions About Your Finances? The Majority of US Adults Cannot (World Economic Forum)

State Superintendent Thurmond Celebrates the Addition of Personal Finance to California's High School Graduation Requirements (California Department of Education)

California to Add Financial Literacy as a High School Graduation Requirement (NBC Bay Area)

AB 2927: Pupil Instruction: High School Graduation Requirements: Personal Finance (CalMatters)

Financial Planning Association and FPA of California Applaud Historic Personal Finance Education Law (Financial Planning Association)

Please see our [previous e-newsletter](#) for more on financial literacy and financial education.

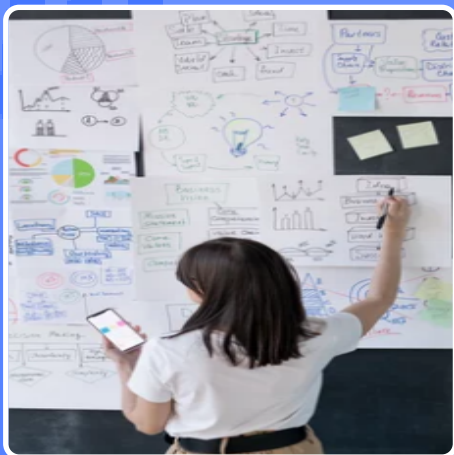
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When Should You Hire a Financial Advisor?

In this The Rational Reminder video podcast, Canada-based PWL Capital Portfolio Managers Benjamin Felix, CFA and Cameron Passmore are joined by PWL Capital Financial Planner Mark McGrath, CFP, CIM, CLU to review research on when it makes sense for individuals to delegate their financial decision-making to a full-service financial advisor.



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Michael Kitces on the State of Financial Planning

In this The White Coat Investor video podcast interview, Michael Kitces, MSFS, MTAX, CFP, CLU, ChFC, RHU, REBC, CASL shares his insight on key aspects of the financial planning industry. Topics covered in this wide-ranging interview include: professional advisors vs. salespeople, DIY vs. advised financial planning, the optimal service model, and women's representation in the industry. Kitces is head of planning strategy for Buckingham Wealth Partners, and publisher of the financial planning industry blog, Nerd's Eye View.

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Swimming in Data

Researchers at the University of Virginia and MIT examine how math and science, supported by granular data, can be used to enhance the training of elite swimmers. First author Kate Douglass, also a U.S. Olympian, recently won gold in the 200 meter individual medley and silver in the 50 meter freestyle at the 2024 Paris Olympics.



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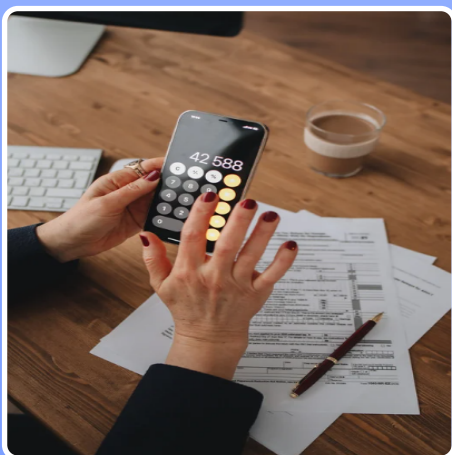
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Why the Olympics Cost So Much

NPR's The Indicator from Planet Money hosts Darian Woods and Wailin Wong interview University of Oxford Said Business School professor Bent Flyvbjerg to find out why the Olympics are so costly for host cities.

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Are Olympic Winnings Taxed?

Intuit's TurboTax blog team explains "how Olympic winnings work and when Olympic athletes might be taxed."

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The CFA Society Los Angeles (CFALA) e-newsletter is a periodic publication with stories about noteworthy events and programs sponsored or hosted by the society, guest articles by members, book reviews, and other items of interest to CFALA members. If you'd like to contribute a story suggestion or write an article, we'd love to hear from you - email Chief Executive Officer Laura Carney at laura@cfala.org.

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