

Assembly Concurrent Resolution No. 113

Adopted in Assembly April 24, 2008

Chief Clerk of the Assembly

Adopted in Senate May 1, 2008

Secretary of the Senate

This resolution was received by the Secretary of State this
____ day of _____, 2008, at _____
o'clock ____M.

Deputy Secretary of State

RESOLUTION CHAPTER _____

Assembly Concurrent Resolution No. 113—Relative to Financial Literacy Month.

LEGISLATIVE COUNSEL'S DIGEST

ACR 113, Niello. Financial literacy education.

This measure would declare the month of April 2008 as Financial Literacy Month, in order to raise public awareness about the need for increased financial literacy.

WHEREAS, Californians' total personal income is 60 percent higher than any other state and accounts for 13 percent of all personal income in the United States; and

WHEREAS, In 2007, credit card delinquencies nationwide rose 26 percent from 2006; and

WHEREAS, Average credit card debt among low- and moderate-income households is \$8,650; and

WHEREAS, Average credit card debt among indebted young adults, ages 25 to 34, inclusive, increased by 55 percent from 1992 to 2001, inclusive, to \$4,088, and average credit card debt among adults ages 18 to 24 years, inclusive, increased by 104 percent; and

WHEREAS, The number of families with any type of debt climbed to 76.4 percent during 2001–04, and the largest increase was for families headed by persons 75 years of age or older; and

WHEREAS, Over one-third of young adults own credit cards, and young people receive little in the way of financial education; and

WHEREAS, A large majority of workers who have allocated money for retirement have little savings at all, and seven out of 10 of these workers say that their assets total less than \$10,000; and

WHEREAS, The median amount in retirement accounts is \$2,000; and

WHEREAS, The savings rate for American consumers continues to fall into negative numbers; and

WHEREAS, Total United States consumer debt, which includes installment debt, but not mortgage debt, reached \$2.5 trillion in November 2007, up from \$2.398 trillion at the end of 2006; and

WHEREAS, Ninety-eight percent of retirees regret how they spent their money before retiring, and 97 percent of baby boomers share this regret and are uncomfortable with how much debt they have accumulated during their preretirement years; and

WHEREAS, High school seniors taking part in a national survey of financial knowledge scored an average of 52.4 percent, which is a failing grade; and

WHEREAS, Only seven states require high school pupils to take a personal finance course in order to graduate, and only nine states require high school pupils to pass a test on personal finance in order to graduate; and

WHEREAS, As pupils progress through school, credit card usage swells, as 91 percent of final year college students have a credit card compared to 42 percent of freshman students, and 56 percent of final year students carry four or more credit cards, and 74 percent of undergraduates use credit cards for school supplies; and

WHEREAS, Increasing the financial literacy of all individuals is documented to improve attitudes, lead to improved decisionmaking, and provide for a more secure future for the individuals and their families who have been educated in these issues; and

WHEREAS, Financial literacy training may easily be integrated as a valuable component for elementary and secondary schools, colleges and universities, libraries, community groups, and citizen town hall meetings; and

WHEREAS, Many groups are dedicated to increasing the financial literacy of Americans and a broad range of quality personal finance instructional materials and curricula have been created for this purpose, but the audience to which this information is vital is not being reached; now, therefore, be it

Resolved by the Assembly of the State of California, the Senate thereof concurring, That the Legislature hereby declares the month of April 2008 as Financial Literacy Month, in order to raise public awareness about the need for increased financial literacy; and be it further

Resolved, That legislators, employers, schools, service groups, community organizations, libraries, financial institutions, and the media, be encouraged to provide opportunities for financial literacy education for all Californians through a variety of means, including collaboration with members of the California Society of Certified Public Accountants, California Jump\$tart Coalition, and others, in order to provide outreach and education; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the author for appropriate distribution.

Attest:

Secretary of State