

## **H. Res. 578**

### ***In the House of Representatives, U.S.,***

*April 27, 2004.*

Whereas the financial services industry in the United States benefits millions of people in the United States, providing products and services that allow individuals and families to build homes, buy cars, finance educations, start businesses, and meet everyday needs;

Whereas personal financial education is essential to ensure that individuals are prepared to manage money, credit, and debt, and become responsible workers, heads of households, investors, entrepreneurs, business leaders, and citizens, yet a study completed in 2002 by the Jump\$tart Coalition for Personal Financial Literacy found that high school seniors knew less about principles of basic personal finance than did high school seniors 5 years earlier;

Whereas financial education has been linked to lower delinquency rates for mortgage borrowers, higher participation and contribution rates in retirement plans, improved spending and saving habits, higher net worth, and positive knowledge, attitude, and behavior changes, yet a survey completed in 2002 by the National Council on Economic Education found that a decreasing number of States include personal finance in education standards for students in kindergarten through high school;

Whereas expanding access to the mainstream financial system provides individuals with lower cost, safer options for managing finances and building wealth and is likely to lead to increased economic activity and growth, yet between 25,000,000 and 56,000,000 people over the age of 18 do not use mainstream, insured financial institutions and are considered “unbanked”;

Whereas personal financial management skills and lifelong habits develop during childhood, and 55 percent of college students acquire their first credit card during their first year in college, yet only 26 percent of people between the ages of 13 and 21 reported that their parents actively taught them how to manage money;

Whereas although more than 42,000,000 people in the United States participate in qualified cash or deferred arrangements described in section 401(k) of the Internal Revenue Code of 1986 (commonly referred to as “401(k) plans”), a Retirement Confidence Survey conducted in 2002 found that only 32 percent of workers surveyed have calculated how much money they will need to save for retirement, and 25 percent of workers have done no specific planning for retirement;

Whereas financial literacy empowers individuals to make wise financial decisions in an increasingly complex economy, and only 30 percent of those surveyed in an Employee Benefit Trend Study conducted in 2003 are confident in their ability to make the right financial decisions for themselves and their families;

Whereas personal savings as a percentage of personal income decreased from 7.5 percent in the early 1980s to 2.3 percent in the first 3 quarters of 2003;

Whereas Congress sought to implement a national strategy for coordination of Federal financial literacy efforts through the establishment of the Financial Literacy and Education Commission in 2003, the designation of the Office of Financial Education of the Department of the Treasury to provide support for the Commission, and requirements that the Commission’s materials, website, toll-free hotline, and national multimedia campaign be multilingual; and

Whereas the National Council on Economic Education, its State Councils and Centers for Economic Education, the Jump\$tart Coalition for Personal Financial Literacy, its State affiliates, and its partner organizations have designated April as “Financial Literacy Month” to educate the public about the need for increased financial literacy for youth in the United States: Now, therefore, be it

*Resolved*, That the House of Representatives—

(1) supports the goals and ideals of Financial Literacy Month; and

(2) requests that the President issue a proclamation calling on the Federal Government, States, localities, schools, nonprofit organizations, businesses, other entities, and the people of the United States to observe the month with appropriate programs and activities.

Attest:

*Clerk.*