

## **H. Res. 148**

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

*April 6, 2005.*

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 2004 by the Jump\$tart Coalition for Personal Financial Literacy found that high school seniors know less about principles of basic personal finance than did high school seniors 7 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 2004 survey completed by the National Council on Economic Education found that the number of States that include personal finance in education standards for stu-

dents in kindergarten through high school has improved since 2002 but still falls below 2000 levels;

Whereas expanding access to the mainstream financial system provides individuals with lower-cost and safer options for managing finances and building wealth and is likely to lead to increased economic activity and growth, yet studies show that as many as 10 million households in the United States are “unbanked” or are without access to mainstream bank products and services;

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, and 92 percent of college students acquire at least one credit card by their second 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 2004 found that only 42 percent of workers surveyed have calculated how much money they will need to save for retirement and 4 in 10 workers say that they are not currently saving for retirement;

Whereas personal savings as a percentage of personal income decreased from 7.5 percent in the early 1980s to 1.1 percent in the last two quarters of 2004;

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 (FLEC) 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;

Whereas Members of the United States House of Representatives established the Financial and Economic Literacy Caucus (FELC) in February 2005 to (1) provide a forum for interested Members of Congress to work in collaboration with the Financial Literacy and Education Commission, (2) highlight public and private sector best-practices, and (3) organize and promote financial literacy legislation, seminars and events, such as "Financial Literacy Month" in April 2005 and the annual "Financial Literacy Day" fair on April 27, 2005; 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 and adults 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 enti-

ties, and the people of the United States to observe the month with appropriate programs and activities.

Attest:

*Clerk.*