

H. Res. 737

In the House of Representatives, U.S.,

April 6, 2006.

Whereas personal financial literacy 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;

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

Whereas 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 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 1 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 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 savings as a percentage of personal income decreased from 7.5 percent in the early 1980s to -0.2 percent in the last quarter of 2005;

Whereas, although more than 42 million 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 37 percent of workers say that they are not currently saving for retirement;

Whereas personal financial management skills and lifelong habits develop during childhood;

Whereas financial literacy 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;

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;

Whereas a credit report and credit score can impact an individual’s ability to, for example, obtain a job, insurance, or housing, and a March 2005 report by the Comptroller General entitled “Credit Reporting Literacy” found that “educational efforts could potentially increase consumers’

understanding of the credit reporting process” and those “efforts should target those areas in which consumers’ knowledge was weakest and those subpopulations that did not score as well on GAO’s survey,” including those with “less education, lower incomes, and less experience obtaining credit”;

Whereas public, consumer, community-based, and private sector organizations throughout the United States are working to increase financial literacy rates for Americans of all ages and walks of life through a range of outreach efforts, including media campaigns, websites, and one-on-one counseling for individuals;

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, annual report, 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 2006 and the annual Financial Literacy Day fair on April 25, 2006; 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, and Junior Achievement 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, including raising public awareness about the importance of financial education in the United States and the serious consequences that may result from a lack of understanding about personal finances; 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 with the goal of increasing financial literacy rates for individuals of all ages and walks of life.

Attest:

Clerk.