

113TH CONGRESS
2D SESSION

H. RES. 721

Encouraging greater public-private sector collaboration to promote financial literacy for students and young adults.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 11, 2014

Mr. FOSTER (for himself, Mr. CARSON of Indiana, Mr. CARTWRIGHT, Mr. COHEN, Mr. HASTINGS of Florida, Mr. HINOJOSA, Mr. HOLT, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. KELLY of Illinois, Mr. LANCE, Mr. LANGEVIN, Ms. LEE of California, Mrs. MCCARTHY of New York, Mr. MEEKS, Ms. NORTON, Mr. POCAN, Mr. QUIGLEY, Mr. RANGEL, Mr. SCHNEIDER, and Mr. TIBERI) submitted the following resolution; which was referred to the Committee on Financial Services

RESOLUTION

Encouraging greater public-private sector collaboration to promote financial literacy for students and young adults.

Whereas personal financial literacy is essential to ensuring that individuals are prepared to make informed decisions about financial planning, wealth accumulation, higher education loans, 529 savings plans, managing credit cards, and other debt along with budgeting;

Whereas many young people are ill-equipped to handle major financial decisions in an increasingly complex financial marketplace;

Whereas personal financial management skills begin to develop during childhood;

Whereas the move away from traditional pensions to defined contribution plans requires more financial education, so workers need to be equipped with the financial aptitude to not only save and accumulate assets, but they need to be prepared to turn those savings into lifetime income;

Whereas the Council for Economic Education found that only 16 States require that some sort of personal finance education be offered in high schools and only 15 States require that course for graduation;

Whereas a bi-annual study by the Jump\$tart Coalition for Personal Financial Literacy found that only 5 percent of high school seniors and only 25 percent of graduating college students can be considered financially literate;

Whereas, according to a study conducted by Sallie Mae, an increasing number of high school seniors are obtaining credit cards and the average graduating college student has a credit card debt of \$4,100;

Whereas a longitudinal research study by the University of Arizona found that high school and college students who have been exposed to ongoing financial education show an increase in financial knowledge;

Whereas the Consumer Financial Protection Bureau was created to educate consumers and help them make better-informed financial decisions by helping make the financial markets safer for consumers, increasing transparency to enable individuals to compare products and make informed decisions and promote policies that help consumers improve their financial knowledge and capability;

Whereas the Bureau issued a report in 2013 that included a number of recommendations to improve financial literacy for students;

Whereas section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act directs the Federal financial regulatory agencies to partner with industry organizations and high schools in targeted areas to help promote financial literacy and create “industry internships, summer employment and full-time positions” for talented minorities and women;

Whereas the 2012 National Financial Capability Study, developed in consultation with the Department of the Treasury and President Obama’s Advisory Council on Financial Capability, updates key measures from the 2009 National Financial Capability Study of American adults and deepens the exploration of topics that are highly relevant today, including student loans and medical debt;

Whereas the Money as You Learn Initiative, a coalition of non-profit and for profit organizations, teachers, and academics, provides concrete tools for educators to show how personal finance can provide appropriate context and content for mathematics and English language arts teaching;

Whereas the Federal Reserve offers publications in English and Spanish that provide consumers tips on a broad range of topics, from avoiding mortgage foreclosure scams to managing a checking account; and

Whereas a study entitled Financial Literacy, Financial Education and Downstream Financial Behaviors, conducted by Daniel Fernandes, John G. Lynch, Jr., and Richard Netemeyer, found that it “is best to provide assistance

just before a decision is made in what is known as ‘just-in-time education’”: Now, therefore, be it

1 *Resolved*, That the House of Representatives—

2 (1) emphasizes the importance of raising aware-
3 ness of individual financial capability by providing
4 relevant information, financial workshops, and other
5 decisionmaking tools to consumers of all ages;

6 (2) supports the efforts of the President’s Advi-
7 sory Council on Financial Literacy in working with
8 the public and private sectors to increase financial
9 education for youth in school and for adults in the
10 workplace, to increase access to financial services, to
11 establish measures of national financial literacy, to
12 conduct research on financial knowledge, and to
13 strengthen financial education programs;

14 (3) reaffirms the purposes of section 342 of the
15 Dodd-Frank Act, which directs Federal financial
16 agencies and the entities which they regulate to
17 partner with organizations that are focused on devel-
18 oping opportunities for minorities and women to
19 place talented young minorities and women in indus-
20 try internships, summer employment, and full-time
21 positions;

22 (4) supports the efforts of the Consumer Finan-
23 cial Protection Bureau to provide consumers with

1 relevant information and decisionmaking tools re-
2 garding important financial decisions; and
3 (5) urges the Secretary of the Treasury to con-
4 sult with the Financial Industry Regulatory Author-
5 ity and implement future national financial capa-
6 bility studies.

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