

AMENDED IN ASSEMBLY MARCH 27, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

Assembly Concurrent Resolution

No. 38

Introduced by Assembly Members Duvall and Coto
(Coauthors: Assembly Members Gaines and Lieu)

February 26, 2009

Assembly Concurrent Resolution No. 38—Relative to Financial Aid and Literacy Month.

LEGISLATIVE COUNSEL'S DIGEST

ACR 38, as amended, Duvall. Financial Aid and Literacy Month.

This measure would ~~commemorate~~ *declare* April 2009 as Financial Aid and Literacy Month ~~and encourage schools to ensure that pupils have literacy pertaining to financial statements and credit reports to raise public awareness about the need for increased financial literacy.~~

Fiscal committee: no.

- 1 *WHEREAS, Californians' total personal income is 60 percent*
2 *higher than the next closest state and accounts for 13 percent of*
3 *all personal income in the United States; and*
4 *WHEREAS, Thirteen percent of Californians live below the*
5 *poverty level; and*
6 *WHEREAS, In 2007, credit card delinquencies nationwide*
7 *jumped 26 percent from the previous year; and*
8 *WHEREAS, Average credit debt among low- and*
9 *medium-income households is \$8,650; and*
10 *WHEREAS, Average credit card debt among indebted young*
11 *adults between 25 and 34 years of age increased by 55 percent*
12 *from 1992 to 2001, inclusive, to \$4,088, and average credit card*

1 *debt among persons between 18 and 24 years of age increased by*
2 *104 percent; and*

3 *WHEREAS, The share of families with any type of debt climbed*
4 *to 77 percent during 2004 through 2007 and the largest increase*
5 *was for families headed by persons 75 years of age or older; and*

6 *WHEREAS, Over a third of young adults own credit cards, and*
7 *young people receive little in the way of financial education; and*

8 *WHEREAS, Current mortgage disclosures frequently fail to*
9 *convey key information to consumers, often are misunderstood,*
10 *and may contribute to information problems in the mortgage*
11 *market; and*

12 *WHEREAS, A large majority of workers who have not put money*
13 *aside for retirement have little in savings at all, and seven in 10*
14 *of these workers say their assets total less than \$10,000; and*

15 *WHEREAS, The median amount in retirement accounts is*
16 *\$2,000; and*

17 *WHEREAS, The savings rate for American consumers has risen*
18 *to over 3 percent; and*

19 *WHEREAS, Only 41 percent of workers indicate they or their*
20 *spouses currently have a defined benefit pension plan, yet 59*
21 *percent say they are expecting to receive income from such a plan*
22 *during retirement; and*

23 *WHEREAS, Total United States consumer debt, which includes*
24 *installment debt, but not mortgage debt, reached \$2.6 trillion in*
25 *December 2008, up from \$2.551 trillion at the end of 2007; and*

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

30 *WHEREAS, The Governor has proclaimed April 2009 as*
31 *“Financial Aid and Literacy Month;” now, therefore, be it Month”;*
32 *and*

33 *WHEREAS, High school seniors taking part in a national survey*
34 *of financial knowledge scored an average of 48.3 percent, a failing*
35 *grade; and*

36 *WHEREAS, Only seven states require high school pupils to take*
37 *a personal finance course to graduate, and only nine states require*
38 *high school pupils to pass a test on personal finance to graduate;*
39 *and*

1 *WHEREAS, As pupils progress through school, credit card*
2 *usage swells. Ninety-one percent of final year college students*
3 *have a credit card compared to 42 percent of freshmen. Fifty-six*
4 *percent of final year students carry four or more cards, and 74*
5 *percent of undergraduates use credit cards for school supplies;*
6 *and*

7 *WHEREAS, Increasing the financial literacy of all economic*
8 *and ethnic groups is documented to improve attitudes, lead to*
9 *improved decisionmaking, and provide for a more secure future*
10 *for the individuals and their families who have been educated in*
11 *these issues; and*

12 *WHEREAS, The percentage of workers who are very confident*
13 *about having sufficient financial resources for a comfortable*
14 *retirement fell from 27 percent in 2007 to 18 percent in 2008; and*

15 *WHEREAS, Seventy-five percent of college students carried*
16 *credit cards in 2007, up from 67 percent in 1998; and*

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

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

26 *Resolved by the Assembly of the State of California, the Senate*
27 *thereof concurring, That the Legislature hereby commemorates*
28 *declares April 2009 as Financial Aid and Literacy Month—and*
29 *encourages schools to ensure that pupils have literacy pertaining*
30 *to financial statements and credit reports; and be it further to raise*
31 *public awareness about the need for increased financial literacy;*
32 *and be it further*

33 *RESOLVED, That legislators, employers, schools, service*
34 *groups, community organizations, libraries, financial institutions,*
35 *and the media be encouraged to provide opportunities for financial*
36 *literacy education for all Californians through a variety of means*
37 *and to collaborate with members of the California Society of*
38 *Certified Public Accountants, the California Jump\$tart Coalition,*
39 *and others as they provide outreach and education; and be it*
40 *further*

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

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