

Introduced by Senator Lieu

April 1, 2014

Senate Concurrent Resolution No. 105—Relative to Financial Aid and Literacy Month.

LEGISLATIVE COUNSEL'S DIGEST

SCR 105, as introduced, Lieu. Financial Aid and Literacy Month.

This measure would declare the month of April 2014 as Financial Aid and Literacy Month to raise public awareness about the continuing need for increased financial literacy.

Fiscal committee: no.

1 WHEREAS, The final report of the President's Advisory Council
2 on Financial Capability issued on February 19, 2013, urges the
3 integration of personal finance into the teaching of math and
4 English language arts Common Core State Standards for K-12
5 education as well as other subjects; and

6 WHEREAS, Assembly Bill 166 (Chapter 135 of the Statutes of
7 2013) requires that financial education, including budgeting,
8 managing credit, student loans, consumer debt, and identity theft
9 security, is included in the next revision of the social sciences,
10 health, and mathematics curricula; and

11 WHEREAS, A 2013 Junior Achievement/Allstate Foundation
12 study found that 52 percent of teenagers think students are
13 borrowing too much to pay for college, yet only 9 percent report
14 they are currently saving money for college; and

15 WHEREAS, A 2013 College Savings Foundation survey of
16 teenagers found that 51 percent wished that their current high

1 school offered financial literacy instruction for them and their
2 families to prepare for college costs; and

3 WHEREAS, Only 27 percent of parents who are saving for
4 college use a 529 college savings plan, according to a 2013 Sallie
5 Mae/Ipsos study; and

6 WHEREAS, According to a NerdWallet analysis, American
7 consumers owe collectively \$11.36 trillion, including \$856.9 billion
8 in credit card debt, and more than \$1 billion in student loan debt
9 as of January 2014; and

10 WHEREAS, The Javelin Strategy & Research's 2014 Identity
11 Fraud Report notes that 13.1 million Americans were victims of
12 identity theft in 2013; and

13 WHEREAS, According to a 2013 MetLife Mature Market
14 Institute study, only one-quarter of the oldest Baby Boomers own
15 private long-term care insurance; and

16 WHEREAS, A 2013 survey by the National Foundation for
17 Credit Counseling and the Network Branded Prepaid Card
18 Association found that only 40 percent of American adults say
19 they have a budget and are keeping close track of their spending,
20 yet 43 percent of Americans (100 million people) say they do not
21 have enough money saved for emergencies, and 38 percent are
22 worried that they will not have enough savings for retirement; and

23 WHEREAS, That study also found that 78 percent of United
24 States adults believe they could benefit from professional advice
25 regarding their financial questions; and

26 WHEREAS, The United States ranks fourth among 28 nations
27 in having the most financially literate people, according to the
28 2012 Global Financial Literacy Barometer; and

29 WHEREAS, Only 33 percent of parents say they talk to their
30 children about money more than once a week, and 49 percent of
31 teenagers have not developed a budget with their parents regarding
32 the saving or spending of their own money, according to a 2012
33 Capital One survey; and

34 WHEREAS, According to the 2012 Visa International Financial
35 Literacy Barometer, families in the United States talk to their
36 children about finances only 25.8 days per year; and

37 WHEREAS, Forty percent of American adults gave themselves
38 a grade of C or less regarding their knowledge of personal finance
39 according to a 2013 study conducted on behalf of the National
40 Foundation for Credit Counseling; and

1 WHEREAS, Approximately 61 million Americans are worried
2 about paying off their debt commitments, while 65 percent have
3 not reviewed their credit report, according to the study conducted
4 on behalf of the National Foundation for Credit Counseling; and

5 WHEREAS, A 2012 College Savings Foundation study noted
6 that recent graduates are at least 50 percent more likely to put off
7 life choices often associated with financial independence than
8 those who graduated seven or more years ago; and

9 WHEREAS, Similar resolutions have been introduced and
10 passed with strong bipartisan support to increase awareness of the
11 need for financial literacy for California citizens; now, therefore,
12 be it

13 *Resolved by the Senate of the State of California, the Assembly*
14 *thereof concurring*, That the Legislature hereby declares the month
15 of April 2014 as Financial Aid and Literacy Month to raise public
16 awareness about the continuing need for increased financial
17 literacy; and be it further

18 *Resolved*, That legislators, employers, schools, service groups,
19 community organizations, libraries, financial institutions, and the
20 media shall be encouraged to provide opportunities for financial
21 literacy education for all Californians through a variety of means
22 and to collaborate with members of the California Society of
23 Certified Public Accountants, the California Jump\$tart Coalition,
24 and others as they provide outreach and education; and be it further

25 *Resolved*, That the Secretary of the Senate transmit copies of
26 this resolution to the author for appropriate distribution.