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H.C.R. No. 15

HOUSE CONCURRENT RESOLUTION

1 WHEREAS, The Texas Education Code sets forth the required
2 public school curriculum by specifying the subject areas that
3 constitute the foundation curriculum and those that constitute an
4 enrichment curriculum, and it requires the State Board of Education
5 to identify the essential knowledge and skills of each of those
6 subjects that all students should be able to demonstrate; and

7 WHEREAS, Including economics among the subjects in the
8 enrichment curriculum, the Education Code places emphasis on the
9 free enterprise system and its benefits; the code also declares
10 that the primary purpose of the public school curriculum is to
11 prepare thoughtful, active citizens who "can function productively
12 in a free enterprise society"; and

13 WHEREAS, Unfortunately, at a time when worker efficiency is
14 essential to our nation's success in the global marketplace, family
15 financial difficulties are reducing productivity for too many
16 workers, adversely affecting their physical and mental health as
17 well as the social and economic well-being of their families; and

18 WHEREAS, Individuals and families who can handle the complex
19 financial decisions of daily life experience an enhanced quality of
20 life; they have the personal satisfaction of being in control of
21 their lives, are more likely to be satisfied with their social and
22 economic environment, and are less likely to need government
23 assistance; and

24 WHEREAS, A number of recent surveys suggest that consumer

1 education has not kept up with the rapid changes in the marketplace
2 and that many Americans have not yet reached a desirable level of
3 knowledge and skill in managing personal financial resources; and

4 WHEREAS, A 1990 comprehensive test of adult consumer
5 knowledge sponsored by the Consumer Federation of America and the
6 TRW Foundation revealed significant gaps and raised serious
7 concerns about the extremely low levels of basic consumer
8 knowledge; and

9 WHEREAS, A 1992 U.S. Department of Education study of
10 literacy skills revealed that only a small percentage of Americans
11 over the age of 15 could do moderately complex tasks needed to
12 function in the marketplace; between 40 and 44 million Americans
13 were unable to calculate the total cost of a purchase, determine the
14 price difference between two items, or complete a simple form; and

15 WHEREAS, Two other surveys, sponsored by the Consumer
16 Federation of America and the American Express Travel Related
17 Services Company, tested the consumer knowledge of high school and
18 college students across the United States; the results indicated
19 that American high school and college students have surprisingly
20 little consumer know-how, and many lack the basic knowledge and
21 skills needed to make important personal financial decisions they
22 will face as adults; and

23 WHEREAS, The Jump\$tart Coalition for Personal Financial
24 Literacy, a coalition of public, private, and nonprofit
25 organizations, determined that the average high school graduate
26 lacks basic skills in the management of personal financial affairs,
27 with many young adults unable to balance a checkbook and having no

1 insight into the basic survival principles involved in earning,
2 spending, saving, and investing; and

3 WHEREAS, Overall, the results of these and other tests and
4 surveys measuring the consumer competency of Americans reveal
5 glaring deficiencies; consequently, many young people fail in the
6 management of their first consumer credit experience, establish bad
7 financial management habits, and stumble through life learning by
8 trial and error; and

9 WHEREAS, Responding to this situation, the U.S. Department of
10 the Treasury recently established an Office of Financial Education
11 (OFE) with the goal of providing all Americans with the practical
12 financial knowledge and skills they need to make informed
13 decisions; in May 2002, the secretaries of the U.S. Treasury and
14 Education departments held a panel discussion with representatives
15 of several national organizations, and in October 2002, OFE issued
16 a white paper on the discussion entitled Integrating Financial
17 Education Into School Curricula; and

18 WHEREAS, The paper notes that the best and most obvious
19 starting place for providing financial education to young people is
20 in the schools; it cites the No Child Left Behind Act of 2001, which
21 also recognized the importance of financial education, and it
22 points out that states can impose requirements that publishers
23 demonstrate how their materials incorporate financial concepts
24 into other subjects; now, therefore, be it

25 RESOLVED, That the 78th Legislature of the State of Texas
26 hereby direct the State Board of Education to implement the
27 inclusion of elements relating to personal finance among the

1 essential knowledge and skills in the required public school
2 curriculum, and to adopt and promote a personal finance education
3 program that provides public school districts with textbook
4 selections to assist in the program's implementation; and, be it
5 further

6 RESOLVED, That the Texas Education Agency and the State Board
7 of Education, in cooperation with school administrators, teachers,
8 parents, business leaders, and concerned citizens, immediately
9 begin:

10 (1) exploring ways to teach in a meaningful way a
11 financial literacy program that includes such topics as budgeting,
12 consumer economics, insurance, investing principles, managing
13 credit, monetary policy, financial planning, retirement savings,
14 consumer loans, and mortgages; and

15 (2) reviewing existing financial literacy programs
16 and materials that are available, with the aim of formalizing a
17 personal money management course; and, be it further

18 RESOLVED, That the State Board of Education submit a full
19 report concerning the inclusion of elements relating to personal
20 finance among the essential knowledge and skills in the required
21 public school curriculum to the Texas Legislature no later than
22 September 30, 2004; and, be it further

23 RESOLVED, That the secretary of state forward an official
24 copy of this resolution to the chair of the State Board of Education
25 and the commissioner of education of the Texas Education Agency.