By: Farney   H.C.R. No. 111

CONCURRENT RESOLUTION

1   WHEREAS, Personal financial literacy is essential in making
2 the decisions required of all individuals in everyday life and is a
3 crucial part of becoming a responsible worker, business leader,
4 head of household, and citizen; and

5   WHEREAS, The ability to manage money effectively is a
6 lifelong skill that develops at a young age; however, this vital
7 subject often goes unaddressed in the classroom, as fewer than
8 one-third of all states mandate a course on personal finance to be
9 offered in high schools; and

10   WHEREAS, In 2008, the National Jump$tart Coalition tested
11 nearly 7,000 12th-grade students on their level of financial
12 literacy, resulting in a mean score of 48.3 percent, the lowest
13 recorded in the history of the survey; this represented a drop of 10
14 percent from the baseline survey of 1997-1998; and

15   WHEREAS, A lack of adequate financial education can have
16 far-reaching effects on a young person's future, particularly as he
17 or she enters college; according to a 2009 survey of multiple
18 university campuses, students ranked poorly in financial knowledge
19 along such metrics as budgeting, retirement planning, and credit
20 use, despite the fact that the majority used credit cards; this
21 problem is especially acute when considering the alarming rate of
22 credit card debt among college students, with the average student
23 claiming $4,100 in debt in 2009, compared to just under $950 in
24 2004; and

1   WHEREAS, Personal financial literacy continues to be a
2 component of success and well-being in adulthood, yet studies show
3 that American adults are often ill-prepared for long-term monetary
4 concerns; the national personal savings rate fell sharply in the
5 years spanning 1980 to 2007 and remains low to this day, at 4.6
6 percent of disposable income; in addition, the 2013 Retirement
7 Confidence Survey found that only 66 percent of Americans reported
8 saving funds for retirement, down from 75 percent in 2009; and

9   WHEREAS, Research has shown a link between financial literacy
10 and higher net worth, improved spending and saving habits, lower
11 delinquency rates for mortgage borrowers, and higher participation
12 rates in retirement plans; moreover, students from states with a
13 required financial education course were found to more often
14 display behaviors conducive to healthy money management; compared
15 to other young adults, they are more likely to save, pay off their
16 credit cards in full each month, and take modest financial risks,
17 and they are less likely to reach the maximum limit on their credit
18 cards, make late payments, and engage in compulsive buying; and

19   WHEREAS, Public, community, and private sector organizations
20 around the country are working to increase financial literacy rates
21 for Americans of all ages through media campaigns, websites, and
22 one-on-one counseling; as part of this outreach effort, a number of
23 agencies and groups have designated the month of April as Financial
24 Literacy Month to highlight the importance of personal finance
25 education and to encourage Americans to establish and maintain good
26 saving and spending habits; and

27   WHEREAS, Far from being issues of individual responsibility,

1 personal financial knowledge and awareness have broad implications

2 for the economic welfare of our state and nation; the observance of

3 Financial Literacy Month is a timely reminder of the right and

4 obligation of all Texans to build on their understanding of fiscal

5 matters in order to safeguard the future of their families and of

6 society at large; now, therefore, be it

7   RESOLVED, That the 83rd Legislature of the State of Texas

8 hereby designate April as Texas Personal Financial Literacy Month;

9 and, be it further

10   RESOLVED, That in accordance with the provisions of Section

11 391.004(d), Government Code, this designation remain in effect

12 until the 10th anniversary of the date this resolution is passed.