

Assembly Concurrent Resolution

No. 120

Introduced by Assembly Member Niello

February 21, 2006

Assembly Concurrent Resolution No. 120—Relative to Financial Literacy Month.

LEGISLATIVE COUNSEL'S DIGEST

ACR 120, as introduced, Niello. Financial Literacy Month.

This measure would declare the month of April 2006 as Financial Literacy Month, in order to raise public awareness about the need for increased financial literacy.

Fiscal committee: no.

- 1 WHEREAS, Californians' total personal income is 59 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, 4.7 million Californians live below the poverty
5 level; and
6 WHEREAS, In 2005, consumer bankruptcy filings numbered
7 over 2 million, up 31.6 percent from 2004, representing the
8 highest number of filings on record; and
9 WHEREAS, In 2005, Chapter 7 consumer bankruptcy filings,
10 which provide consumers with the greatest relief of their debt,
11 increased 47.2 percent; and
12 WHEREAS, The average household consumer credit debt is
13 about \$8,000; and
14 WHEREAS, 27 percent of baby-boomers say "they are worse
15 financial managers than their parents"; and

1 WHEREAS, 51 percent of those surveyed in the 2005
2 Retirement Conference Survey said that high expenses are
3 preventing them from achieving their retirement savings goals;
4 and

5 WHEREAS, The average amount in retirement accounts is
6 \$49,944; and

7 WHEREAS, The U.S. Savings rate for consumers in late 2005
8 was a negative 0.2 percent; and

9 WHEREAS, 43 percent of American households do not have
10 retirement accounts; and

11 WHEREAS, Almost 70 percent of retired workers reported
12 that they now spend the same as or more than they did when they
13 worked; and

14 WHEREAS, 70 percent of retirees said they wish they had
15 saved more during their working years and 59 percent said they
16 should have started saving earlier; and

17 WHEREAS, High school seniors taking part in a national
18 survey of financial knowledge scored an average of 52.3 percent,
19 which is a failing grade; and

20 WHEREAS, Over the past five years, total annual borrowing
21 through student loans has soared 85 percent, easily outpacing the
22 41 percent rise in public-college costs and the 28 percent increase
23 at private schools; and

24 WHEREAS, Undergraduates reported freshman year as the
25 most prevalent time for obtaining credit cards, with 56 percent
26 reporting having obtained their first card at 18 years of age; and

27 WHEREAS, Almost 24 percent of undergraduate students
28 reported using credit cards for tuition; and

29 WHEREAS, Increasing the financial literacy of all economic
30 and ethnic groups is documented to improve attitudes, lead to
31 improved decisionmaking, and provides for a more secure future
32 for the individuals and their families who have been educated
33 with regard to these issues; and

34 WHEREAS, Financial literacy training may be easily
35 integrated as a valuable component for elementary and secondary
36 schools, colleges and universities, community groups, and citizen
37 town hall meetings; and

38 WHEREAS, Many groups are dedicated to increasing the
39 financial literacy of Americans and a broad range of quality
40 personal finance instructional materials and curricula have been

1 created for this purpose, but the audience to which this
2 information is vital, is not being reached; now, therefore, be it

3 *Resolved by the Assembly of the State of California, the Senate*
4 *thereof concurring,* That the Legislature hereby declares the
5 month of April 2006 as Financial Literacy Month, in order to
6 raise public awareness about the need for increased financial
7 literacy; and be it further

8 *Resolved,* That legislators, employers, schools, service groups,
9 community organizations, libraries, financial institutions, and the
10 media, be encouraged to provide opportunities for financial
11 literacy education for all Californians through a variety of means,
12 including attending the California Summit on Financial Literacy
13 on April 26, 2006, and collaborating with members of the
14 California Society of Certified Public Accountants, California
15 Jump Start Coalition, and others, as they provide outreach and
16 education; and be it further

17 *Resolved,* That the Chief Clerk of the Assembly transmit
18 copies of this resolution to the author for appropriate distribution.