

**Assembly Concurrent Resolution**

**No. 39**

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**Introduced by Assembly Member Dababneh**

February 27, 2015

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Assembly Concurrent Resolution No. 39—Relative to Financial Aid and Literacy Month.

LEGISLATIVE COUNSEL’S DIGEST

ACR 39, as introduced, Dababneh. Financial Aid and Literacy Month.

This measure would declare the month of April 2015 as Financial Aid and Literacy Month, with the theme of “Financial Wellness: A Family Affair,” to raise public awareness about the continuing need for increased financial literacy.

Fiscal committee: no.

- 1 WHEREAS, The President’s Advisory Council on Financial  
2 Capability urges the integration of personal finance into the  
3 teaching of math and English language arts common core academic  
4 content standards for K–12 education as well as other subjects;  
5 and  
6 WHEREAS, California law requires that financial education,  
7 including budgeting, managing credit, student loans, consumer  
8 debt, and identity theft security, is included in the next revision of  
9 the social sciences, health, and mathematics curricula; and  
10 WHEREAS, In Junior Achievement’s 2014 Teens and Personal  
11 Finance Survey, 77 percent of male teens and 63 percent of female  
12 teens 16 to 18 years of age said they do not keep track of their  
13 money; and

1 WHEREAS, Eighty-five percent of American parents believe  
2 that financial education courses should be a requirement for high  
3 school graduation and 52 percent of teenagers want to learn more  
4 about budgeting, saving, and investing; and

5 WHEREAS, According to a poll by Northeastern University's  
6 Innovation Imperative Initiative, more than 80 percent of students  
7 16 to 19 years of age believe obtaining a college degree is  
8 important to having a career, but 67 percent are worried they will  
9 not be able to afford college; and

10 WHEREAS, In Sallie Mae's "How America Saves for College  
11 2014," the proportion of families saving for college declined during  
12 the recession from 62 percent in 2009 to 50 percent in 2013; and

13 WHEREAS, The total average savings for higher education is  
14 \$15,346, which is up from \$11,781 in 2014; and

15 WHEREAS, In 2014, student loan debt soared by more than 11  
16 percent; and

17 WHEREAS, When it comes to where families put money, more  
18 parents use a general savings account (45 percent in 2014,  
19 compared with 42 percent in 2013) than any other method of  
20 saving, ahead of a 529 plan (29 percent in 2014, compared with  
21 27 percent in 2013) and a checking account (24 percent in 2014,  
22 compared with 27 percent in 2013); and

23 WHEREAS, Only 40 percent of adults keep a budget and track  
24 their spending, 75 percent of American families say they live  
25 paycheck to paycheck, and more than 25 percent of American  
26 families have no savings at all; and

27 WHEREAS, Statistics compiled by LearnVest and Chase  
28 Blueprint show that for Americans 45 to 54 years of age, the  
29 median saved for retirement is only \$101,000, and 38 percent of  
30 adults are concerned about being able to retire on time; and

31 WHEREAS, Only 5 percent of adults say they were taught about  
32 money by a teacher, and 40 percent would give themselves Cs,  
33 Ds, or Fs on their grasp of personal finance concepts; and

34 WHEREAS, Twenty-five percent of adults do not think any  
35 amount of debt is manageable, and 45 percent said that they could  
36 only handle debt payments of \$100 a month; and

37 WHEREAS, Nearly 67 percent of adults are concerned about  
38 being able to get a job, 60 percent expressed concern about having  
39 enough money as adults, and nearly 33 percent said college costs

1 are “not worth it” and that the “costs will outweigh the benefits”;  
2 and

3 WHEREAS, According to the Federal Reserve, the total United  
4 States outstanding consumer debt, including car and student loans  
5 as well as revolving debt, was \$3.24 trillion as of July 2014; and

6 WHEREAS, Collectively, American consumers owe \$11.52  
7 trillion to lenders and creditors and the debt burden is continuing  
8 to increase; and

9 WHEREAS, According to CreditCards.com, the average credit  
10 card debt per American adult, excluding zero-balance cards and  
11 store cards, is \$4,878.43; and

12 WHEREAS, The average interest rate paid on credit card  
13 balances is over 13 percent annual percentage rate (APR); and

14 WHEREAS, Children as young as five years old have shown  
15 an increase in depression and anxiety stemming from their parents’  
16 unemployment and financial problems; and

17 WHEREAS, Children whose families endured financial  
18 hardships during the children’s adolescence became parents earlier  
19 than their peers and also treated their children more harshly; and

20 WHEREAS, According to T. Rowe Price’s 2014 Parents, Kids  
21 & Money Survey, 69 percent of parents are “very/extremely”  
22 concerned about setting a good financial example for their kids,  
23 but 74 percent admit they are reluctant to approach the topic  
24 because they do not want their kids to worry; and

25 WHEREAS, The State of California established the Bank on  
26 California Program to raise awareness among unbanked consumers  
27 about the benefits of account ownership and to spur Californians  
28 to open accounts; and

29 WHEREAS, The Bank on California Program makes quality  
30 money management education more easily available to low-income  
31 Californians and raises statewide awareness of the unbanked  
32 problem and potential solutions; and

33 WHEREAS, An estimated 7.8 percent of Californians are  
34 unbanked and an additional 18 percent are considered underbanked;  
35 and

36 WHEREAS, The average unbanked Californian pays \$1,000 a  
37 year to cash paychecks; and

38 WHEREAS, Californians with bank accounts are more likely  
39 to save, have higher credit scores, and get better-priced car and  
40 home loans; and

1 WHEREAS, Resolutions similar to this resolution have been  
2 introduced and passed with strong bipartisan support to increase  
3 awareness of the need for financial literacy for California citizens;  
4 now, therefore, be it

5 *Resolved by the Assembly of the State of California, the Senate*  
6 *thereof concurring*, That the Legislature hereby declares the month  
7 of April 2015 as Financial Aid and Literacy Month, with the theme  
8 of “Financial Wellness: A Family Affair,” to raise public awareness  
9 about the continuing need for increased financial literacy; and be  
10 it further

11 *Resolved*, That legislators, employers, schools, service groups,  
12 community organizations, libraries, financial institutions, and the  
13 media should be encouraged to provide opportunities for financial  
14 literacy education for all Californians through a variety of means  
15 to provide outreach and education; and be it further

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