

SENATE JOINT RESOLUTION 7

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By: **Senator Astle**
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Assigned to: Rules

SENATE JOINT RESOLUTION

1 A Senate Joint Resolution concerning

2 **Financial Literacy Education for Students in Maryland Public Schools**

3 FOR the purpose of urging county boards of education to integrate the principles of
4 basic personal finance into the curriculum and instruction established for their
5 local school system; urging county boards of education to implement certain
6 standards as part of a student's eligibility to graduate from a public high school
7 and receive a high school diploma; and generally relating to financial literacy
8 education for students in Maryland public schools.

9 WHEREAS, Basic personal financial management, including the principles of
10 saving, spending, credit, investment, taxes, and insurance is an essential life skill
11 necessary to the well-being of all Marylanders; and

12 WHEREAS, An October 2002 white paper by the United States Department of
13 the Treasury's Office of Financial Education states that the average American was
14 able to answer correctly only 42% of the questions on a personal finance quiz, that 4
15 out of 10 Americans admitted that they are living beyond their means because of their
16 misuse and misunderstanding of credit, and that personal bankruptcy filings more
17 than doubled between 1990 and 2000; and

18 WHEREAS, The 2002 third biennial survey of financial literacy by the
19 JumpStart Coalition for Personal Financial Literacy found 68.1% of high school
20 seniors with failing scores, representing a significant increase from the 59.1% with
21 failing scores in 2000, and the 44.2% with failing scores in 1998; and

22 WHEREAS, According to the Department of the Treasury's white paper, it is
23 estimated that America's youth spend approximately \$150 billion annually, and the
24 survey of financial literacy found that almost one-third of high school seniors already



1 use a credit card and an even higher percentage carry automatic teller machine (ATM)
2 cards; and

3 WHEREAS, Like other complex social phenomena confronting today's youth,
4 personal finance presents more difficult choices and pitfalls than experienced by
5 previous generations, yet, by and large, public school education in this critical life skill
6 has not been enhanced to meet this challenge; and

7 WHEREAS, The Maryland Voluntary State Curricula in social studies for
8 grades pre-K through 8 includes key principles of economics, including: (1)
9 understanding costs, benefits, and consequences of personal spending; (2) explaining
10 how spending and saving choices affect the standard of living; and (3) analyzing how
11 personal choices, education, and technology affect individuals' standard of living and
12 the economy; and

13 WHEREAS, At the high school level, the curricula also includes: (1) assessing
14 how scarcity influences budgeting, saving, investing, and credit; (2) analyzing the
15 interdependence of saving, borrowing, and investment decisions of consumers and
16 producers; (3) comparing short- and long-term saving and investment strategies; (4)
17 investigating how payment performance determines credit history and why credit
18 records are maintained; (5) identifying and evaluating the risk, return, and liquidity of
19 various saving and investment decisions; and (6) analyzing examples of personal
20 financial decisions in terms of opportunity costs and economic risks; and

21 WHEREAS, Financial education courses and curricula have been developed by
22 various educational foundations and organizations that have been vetted by the
23 Maryland Coalition for Financial Literacy (a division of the Maryland Council on
24 Economic Education) which include instructor's manuals, student workbooks,
25 Internet-based modules, and supplemental materials, as well as support for teacher
26 training, much of which is available to local school systems at no charge; and

27 WHEREAS, Experience has shown that students will respond to well-executed
28 life skills programs that have direct practical application to their daily lives; and

29 WHEREAS, The personal financial responsibility and well-being of the
30 emerging generation will be essential to the overall health and well-being of
31 Maryland's economic and social condition; now, therefore, be it

32 RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That county
33 boards of education be strongly urged to integrate the principles of basic personal
34 finance into the curriculum and instruction standards established for their local school
35 system; and be it further

1 RESOLVED, That a copy of this Resolution be forwarded by the Department of
2 Legislative Services to the Honorable Martin O'Malley, Governor of Maryland; the
3 Honorable Thomas V. Mike Miller, Jr., President of the Senate of Maryland; the
4 Honorable Michael E. Busch, Speaker of the House of Delegates; and the county board
5 of education in each of the 23 counties and Baltimore City in the State.