



2001 SENATE JOINT RESOLUTION 31

April 11, 2001 - Introduced by Senators GROBSCHMIDT, ERPENBACH, ROSENZWEIG, BURKE, MOORE, BRESKE, HANSEN, ROESSLER, WIRCH, DARLING, HUELSMAN, S. FITZGERALD and SHIBILSKI, cosponsored by Representatives OLSEN, J. LEHMAN, RYBA, AINSWORTH, WASSERMAN, LOEFFELHOLZ, POCAN, JESKEWITZ, HUNDERTMARK, KESTELL, WADE, ZIEGELBAUER, LA FAVE, ALBERS, SYKORA, NASS, SKINDRUD, MILLER, UNDERHEIM, OTT, PETTIS, KRAWCZYK, JOHNSRUD, SERATTI, HOVEN, HUBER, BALOW, FREESE and LIPPERT. Referred to Committee on Education.

1 **Relating to:** urging schools to improve the personal money management skills of
2 high school students.

3 Whereas, today's goods and services are more readily available to young people
4 via the Internet and through more traditional venues; and

5 Whereas, many young people have access to money, but lack the skill to manage
6 their financial affairs; and

7 Whereas, the United States has one of the lowest savings rates of any
8 industrialized nation and the personal savings rate has actually gone negative as of
9 November 2000, dipping to 0.8% of disposable income, compared to just over 5 years
10 ago when the personal saving rate stood above 6%; and

11 Whereas, Federal Reserve Board data shows that 56% of U.S. households have
12 failed to save enough for retirement; and

13 Whereas, both parents and students failed the National Council on Economic
14 Education's 1999 test of knowledge on basic economic principles, with adults and
15 high school students scoring, on average, grades of 57% and 48%, respectively; and

1 Whereas, the grades of high school seniors, with a failing score of 52%,
2 participating in a recent national financial literacy survey conducted last year found
3 that students know even less today than their counterparts did 3 years ago about
4 such topics as paying taxes, using credit cards, or saving for retirement; and

5 Whereas, 49% of respondents of that national survey did not know that sales
6 taxes made it more expensive to buy goods and services and 76% thought having an
7 automated teller machine card entitled them to get cash anywhere in the world with
8 no fee; and

9 Whereas, the same survey found that over 51% of respondents learned the most
10 about money management at school; and

11 Whereas, since 1995, consumer expenditures have increased 4.4% annually,
12 much faster than the 3.3% increase in disposable personal income; and

13 Whereas, the members of the Wisconsin legislature agree, as the Federal
14 Reserve Board recently opined, that the free market works best if consumers make
15 informed financial decisions about savings, borrowing, investing, and banking; and

16 Whereas, teaching our children about money matters at an early age will help
17 them make more informed choices about the products and services available in
18 today's complex financial marketplace; and

19 Whereas, a commitment to teaching sound personal money management in our
20 classrooms today will diminish the need for remedial legislation, like bankruptcy
21 reform tomorrow; and

22 Whereas, there are many excellent money management educational materials
23 available both on the Internet and elsewhere from a variety of consumer education
24 groups, financial institutions, and credit card grantors at little or no cost; and

1 Whereas, a recent survey by the Federal Government shows that 81% of the
2 nation's parents want solid personal finance courses taught in their children's
3 schools and fewer than one out of every 5 believe their children's schools are
4 adequately teaching money management skills; and

5 Whereas, Federal Reserve Board Chairman Alan Greenspan stated in a recent
6 speech that the proliferation of information technologies throughout the economy in
7 recent years has likely accelerated the shift in the skill requirements of many
8 occupations away from routine work to analytical tasks and, because of it, an
9 understanding of economic principles is even more critical; and

10 Whereas, Chairman Greenspan stated that early success in economic problem
11 solving clearly enhances the self-esteem of young people and encourages them to
12 engage in ever more complex reasoning; and

13 Whereas, the U.S. Department of Education has found that fewer than
14 one-half of the high school seniors who were surveyed said that they like
15 mathematics, increasing the importance that money skills are taught in detail to
16 Wisconsin high school juniors and seniors; now, therefore, be it

17 ***Resolved by the senate, the assembly concurring, That*** school
18 administrators and teachers, parents, business leaders, and concerned citizens
19 should immediately:

20 (1) Explore ways to teach in a meaningful way a financial literacy program that
21 would include such topics as budgeting, economics, insurance, investing, managing
22 credit, monetary policy, financial planning, retirement savings, consumer loans, and
23 mortgages;

