

A CEREMONIAL RESOLUTION

24-164

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

April 5, 2022

To recognize April as Financial Literacy Month in the District of Columbia and highlight the importance of fostering a financially and economically literate and stable District community.

WHEREAS, the United States has recognized April as National Financial Literacy Month since 2003;

WHEREAS, financial literacy is the understanding of financial principles and concepts, such as financial planning, investing, budgeting, retirement, tax planning, compound interest, managing debt, profitable savings techniques, and the time value of money;

WHEREAS, a 2017 National Financial Educators Council surveyed young adults aged 18 to 24 about what high school level course would benefit their life the most, and 51.4% responded “money management”;

WHEREAS, a National Foundation for Credit Counseling 2019 survey revealed that less than 20% of adults felt confident about their saving habits;

WHEREAS, a George Washington University Global Financial Literacy Excellence Center report showed that only 24% of millennials demonstrated basic financial literacy;

WHEREAS, Bankrate’s March 2019 Financial Security Index survey showed that 21% of American adults had not saved anything for retirement;

WHEREAS, a January 2022 Bankrate survey showed that only 53% of U.S. adults had more emergency savings than they do credit card debt;

WHEREAS, United States student debt had reached \$1.58 trillion in November 2021, as reported by the New York Federal Reserve;

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WHEREAS, according to a National Endowment for Financial Education poll in December 2021, 65% of U.S. adults underwent an unexpected major expense or financial setback in 2021, most commonly related to transportation, housing, bill payments, medical care, and job loss;

WHEREAS, United States household debt increased to \$15.58 trillion the last quarter of 2021, according to the Federal Reserve Bank of New York;

WHEREAS, half of non-retired adults say the economic impact of the COVID-19 outbreak will make it harder for them to achieve their long-term financial goals, according to a January 2021 Pew Research Center survey;

WHEREAS, the District has one of the highest costs of living in the U.S. according to the Massachusetts Institute of Technology Living Wage Calculator;

WHEREAS, a 2018 Federal Reserve study found DC residents held one of the highest average monthly credit card balances in the nation, over \$7,400;

WHEREAS, financial literacy is not just about improving credit but also about understanding how to most effectively manage and pay off debts;

WHEREAS, adequate financial literacy has the potential to enhance the financial well-being and stability of a community;

WHEREAS, a 2018 Federal Reserve research report revealed stark data about racial wealth gaps and that the median Black household has less than 11 percent the wealth of the median White household;

WHEREAS, according to a 2021 Racial Equity Racial Wealth Gap Study conducted by the Council Office on Racial Equity and MITRE, “since many Black families in the District have fewer assets and less collateral, they are subject to high interest rates and predatory loan practices when borrowing money”;

WHEREAS, financial literacy decreases susceptibility to predatory practices and increases awareness of the long-term effects of saving;

WHEREAS, financial literacy brings to light the potential consequences of sometimes unavoidable financial decisions, including high interest payday borrowing or accruing high levels of credit card and consumer debt;

WHEREAS, the District of Columbia was graded an F for financial literacy education by a 2017 national report card produced by the Champlain College’s Center for Financial Literacy

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that analyzed all 50 states and the District of Columbia on how effectively each jurisdiction integrates financial literacy education into its high school curriculum;

WHEREAS, tackling the many financial concerns District residents face will require a multi-faceted approach, including affordable housing and homeownership opportunities, living wages, affordable and accessible transportation options, and affordable childcare, and enhancing financial literacy among our residents will provide an additional tool for success;

WHEREAS, through celebrating Financial Literacy Month, the Council encourages District residents to build their financial management skills through conversations with non-profit organizations, banks and credit unions, schools, universities, and community programs and events;

WHEREAS, educational institutions, non-profits, and private sector organizations provide a wide array of financial literacy education and resources, including professional financial guidance, credit counseling, community-wide educational programs, debt management assistance, bankruptcy counseling, and housing counseling assistance;

WHEREAS, the District offers financial education tools and resources to help connect residents to resources regarding their financial well-being at www.financiallyfitdc.com; and

WHEREAS, the Council is currently considering B24-81, the “Financial Literacy Education in Schools Amendment Act of 2021” to integrate financial literacy education into the District of Columbia Public Schools education standards so that young residents have foundational financial literacy knowledge to build upon as adults.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Financial Literacy Month Recognition Resolution of 2022”.

Sec. 2. The Council of the District of Columbia recognizes and highlights the significance of financial literacy education throughout the District and declares April as “Financial Literacy Month” in the District of Columbia.

Sec. 3. This resolution shall take effect immediately.