

Legislation Text

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Recognizing the month of April as Financial Literacy Month in the City of Philadelphia and authorizing the Joint Committees on Children and Youth and Education to hold hearings in order to discuss the issue of financial literacy amongst Philadelphia's youth and the possibility of implementing financial literacy classes in Philadelphia's public schools.

WHEREAS, Consumers must confront complicated financial decisions at a young age in today's demanding financial environment and financial mistakes made early in life can be costly; and

WHEREAS, Young people often find themselves carrying high amounts of student loans or credit card debt and such early entanglements can hinder young people's ability to accumulate wealth; and

WHEREAS, Research conducted by the Wharton School at the University of Pennsylvania found that most young adults are not well equipped to make financial decisions and do not possess knowledge of basic financial concepts including inflation, risk diversification or simple interest rate calculations; and

WHEREAS, Financial illiteracy is not only widespread but it is particularly acute among certain groups, such as women, African Americans and Hispanics; and as such, those groups tend to be more likely to be impacted by predatory financial institutions or practices; and

WHEREAS, Financial literacy is also linked to cognitive ability, time preferences, teachers' interest in students, parental background and peer characteristics; and

WHEREAS, A 2015 national survey showed that 84 percent of teens look to their parents to learn money management, yet one in three parents said they do not discuss money with their children; and

WHEREAS, Increasing financial literacy amongst Philadelphia's youth is especially important given the current average debt a student in Pennsylvania faces when they leave school is roughly \$31,000 which makes Pennsylvania one of the highest states for student debt; and

WHEREAS, It is therefore crucial that students leaving high school know how much debt they may incur when deciding which school to go to and understanding the ability to repay those student loans when choosing a major; and

WHEREAS, Although financial literacy is something that many educators would love to stress in their classrooms, many do not have the resources to implement it; and

WHEREAS, The School District of Philadelphia is part of the Commonwealth of Pennsylvania's education system, which is not one of the 22 states across the nation that requires a financial education course to be offered in high school; and

WHEREAS, The City of Philadelphia's Office of the City Controller coordinates with non-profit organizations

and government agencies through the Federal Reserve Bank of Philadelphia's initiative to provide free financial education materials and workshops to schools that are eager to accept the resources; and

WHEREAS, The financial literacy of our youth in this City is integral to their success as they are confronted with complicated financial decisions that will affect the rest of their lives; now, therefore, be it

RESOLVED, THAT THE COUNCIL OF THE CITY OF PHILADELPHIA, Authorizes the Joint Committees on Children and Youth and Education to hold hearings in order to discuss the issue of financial literacy amongst Philadelphia's youth and the possibility of implementing financial literacy classes in Philadelphia's public schools.