

Legislation Text

File #: 180320, **Version:** 0

Recognizing the month of April as Financial Literacy Month in the City of Philadelphia.

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, Only 16 percent of students nationwide are required to take a personal finance class to graduate high school; and

WHEREAS, Pennsylvania is one of 12 states receiving an F grade on the Center for Financial Literacy's 2017 National Report Card for their lack of financial literacy education standards; and

WHEREAS, Research by the National Financial Literacy and Education Commission has found that "[e]xternal factors, such as socioeconomic circumstances, limited access to a wide range of economic opportunities or financial products, and early experiences with adversity, can limit opportunities for youth to acquire personal financial capabilities"; and

WHEREAS, Many of Philadelphia's youth are doubly disadvantaged regarding gaining financial literacy, given the lack of formal education opportunities and the personal economic adversity many of the City's children face; 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 \$34,798 which makes Pennsylvania one of the highest states for student debt; and

WHEREAS, It 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 including The Urban Affairs Coalition's Financial Wellness Committee, the Federal Reserve Bank of Philadelphia, and the Office of Community Empowerment & Opportunity to provide free financial education materials and workshops to schools that are eager to accept the resource; 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, BY THE COUNCIL OF THE CITY PHILADELPHIA, That we hereby recognize the month of April as Financial Literacy Awareness Month in the City of Philadelphia.