
A BILL FOR AN ACT

RELATING TO FINANCIAL LITERACY MONTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the percentage of
2 income used nationally for household debt payments, including
3 mortgages, credit cards, and student loans, rose to the highest
4 level in more than a decade in 2001 and remained at fourteen per
5 cent in 2002. In 2001, consumer bankruptcy filings in the
6 United States increased by nineteen per cent over the previous
7 year. Personal savings as a percentage of the gross domestic
8 product decreased from 7.5 per cent in the early 1980s to 2.4
9 per cent in 2002. Approximately forty million Americans, the
10 "unbanked", are not using mainstream, insured financial
11 institutions.

12 The legislature finds that fifty-five per cent of college
13 students acquire their first credit card during their first year
14 in college and that eighty-three per cent of college students
15 have at least one credit card. However, forty-five per cent of
16 college students are in credit card debt, with an average debt
17 of more than \$3,000. Only twenty-six per cent of young adults
18 from thirteen to twenty-one years of age report that their



1 parents actively taught them how to manage money. A 2002 study
2 found that high school seniors know even less about credit
3 cards, retirement funds, insurance, and other personal finance
4 basics than seniors knew five years earlier. A 2002 study by
5 the National Council on Economic Education found a decreasing
6 number of states include personal finance in their education
7 standards for students in grades K-12.

8 The legislature finds that a greater understanding and
9 familiarity with financial markets and institutions will lead to
10 increased economic activity and growth. Financial literacy
11 empowers all individuals to make wise financial decisions and
12 reduces the confusion of an increasingly complex economy.
13 Personal financial education is essential to ensure that our
14 citizens are prepared to manage money, credit, and debt and
15 become responsible workers, heads of households, investors,
16 entrepreneurs, business leaders, and citizens.

17 The purpose of this Act is to expand the focus of Financial
18 Literacy Month in Hawaii to include all citizens of the State.

19 SECTION 2. Section 8-14, Hawaii Revised Statutes, is
20 amended to read as follows:

21 "[+]§8-14[+] **Financial Literacy [~~for Youth~~] Month.** The
22 [~~entire~~] month of April shall be known and designated as



H.B. NO. 1920

1 "Financial Literacy [~~for Youth~~] Month". This month is not and
2 shall not be construed to be a state holiday."

3 SECTION 3. Statutory material to be repealed is bracketed
4 and stricken.

5 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

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Report Title:

Financial Literacy Month

Description:

Expands scope of Financial Literacy Month in Hawaii to include all citizens.

