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# A BILL FOR AN ACT

RELATING TO THE KIDS' SAVINGS PROJECT.

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

1           SECTION 1. The legislature finds that school children,  
2 families, and the State benefit when children learn the basics  
3 of saving money early in life. The federal government has also  
4 acknowledged the importance of teaching financial literacy in  
5 the K-12 setting. The United States Consumer Financial  
6 Protection Bureau has published a white paper on "Policy  
7 Recommendations for Advancing K-12 Financial Education"  
8 detailing some current learning models and recommending others.  
9 It notes that young people are not equipped to make financial  
10 decisions and that financial products are more complex than  
11 ever. These concerns are echoed by Hawaii parents who agree  
12 that their children need to learn about finances. Of 1,764  
13 parents surveyed, ninety-six per cent expressed interest in a  
14 school-based savings program for their children. There is a  
15 wide consensus that teaching children about finances throughout  
16 their school years will help them make better financial  
17 decisions, be prepared for educational expenses, and plan for  
18 the future.



1           The legislature further finds that the kids' savings  
2 project has led the way in Hawaii financial literacy programs  
3 for elementary school students. One of the five Consumer  
4 Financial Protection Bureau recommendations for financial  
5 education is to provide opportunities for students to practice  
6 money management with hands-on exercises. The kids' savings  
7 project does just that. It is a school-based program that  
8 partners with local financial institutions to establish savings  
9 accounts for participating students. Bank employees visit  
10 schools to give the students a chance to deposit their savings  
11 into their accounts themselves. Students set savings goals and  
12 are rewarded when those goals are met. Since the project began  
13 in the 2008-2009 school year, over two thousand students have  
14 participated, and students have saved over \$450,000.

15           Research shows that even modest savings for college are  
16 associated with higher college aspirations, enrollment, and  
17 graduation. At an average savings rate of \$112 per child per  
18 year, the kids' savings project could be the key that helps a  
19 child understand that college is possible. The kids' savings  
20 project introduces children to banking, saving, and the



1 importance of financial goals, empowering them to plan for the  
2 future.

3 The purpose of this Act is to fund the kids' savings  
4 project, enabling the program to continue delivering hands-on  
5 money management learning opportunities to Hawaii students.

6 SECTION 2. There is appropriated out of the general  
7 revenues of the State of Hawaii the sum of \$100,000 or so much  
8 thereof as may be necessary for fiscal year 2015-2016 and the  
9 same sum or so much thereof as may be necessary for fiscal year  
10 2016-2017 for continued operation of the kids' savings project.

11 The sums appropriated shall be expended by the University  
12 of Hawaii at Manoa for the purposes of this Act.

13 SECTION 3. This Act shall take effect on July 1, 2015.



**Report Title:**

Kids' Savings Project; Appropriation

**Description:**

Appropriates funds to continue the kids' savings project. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

