

JAN 23 2008

SENATE RESOLUTION

REQUESTING THE BOARD OF EDUCATION TO INCLUDE QUESTIONS IN THE
HAWAII STATE ASSESSMENT TESTS THAT REQUIRE THE
DEMONSTRATION OF A MASTERY OF FINANCIAL LITERACY CONCEPTS.

1 WHEREAS, forty per cent of Americans indicate that they
2 live beyond their financial means; and
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4 WHEREAS, the personal savings rate of Americans in 2005 was
5 negative 0.5 per cent, marking the first time that the rate has
6 been negative since the Great Depression in 1932 and 1933, which
7 means that Americans spent all of their disposable income and
8 dipped into past savings or increased their borrowing; and
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10 WHEREAS, Americans paid more than \$24,000,000,000 in credit
11 card fees in 2004, an eighteen per cent increase over the
12 previous year; and
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14 WHEREAS, young adults between the ages of twenty-five and
15 thirty-four have the highest rate of bankruptcy, just after
16 those between the ages of thirty-five and forty-four; and
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18 WHEREAS, a 2004 study by the Jump\$tart Coalition for
19 Personal Financial Literacy found that although high school
20 seniors scored higher than their previous class on an exam about
21 credit cards, retirement funds, insurance, and other personal
22 finance basics, sixty-five per cent of all participating
23 students still failed the examination; and
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25 WHEREAS, only twenty-six per cent of individuals between
26 the ages of thirteen and twenty-one reported that their parents
27 actively taught them how to manage money; and
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29 WHEREAS, a 2004 survey of states by the National Council on
30 Economic Education found that forty-nine states include the
31 subject of economics in their elementary and secondary education
32 standards, and thirty-eight states include standards on personal
33 finance; and
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1 WHEREAS, although Hawaii requires that personal finance be
2 included as part of its public school educational standards, it
3 does not require that personal finance courses be offered or
4 that students be tested on the subject; and

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6 WHEREAS, personal financial education is essential to
7 ensure that our youth are prepared to manage money, credit, and
8 debt or to become responsible workers, heads of households,
9 investors, entrepreneurs, business leaders, and citizens; and

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11 WHEREAS, research indicates that as few as ten hours of
12 personal financial education positively impacts students'
13 spending and saving habits; and

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15 WHEREAS, it is of the utmost importance to educate Hawaii's
16 youth in economic and financial matters to prepare them for
17 financial independence through the development of fiscal
18 responsibility and financial management skills in an
19 increasingly complex national and global economy; and

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21 WHEREAS, under the No Child Left Behind Act of 2001, states
22 are required to set accountability standards for elementary and
23 secondary schools to demonstrate proficiency and progress; and

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25 WHEREAS, accordingly, Hawaii has implemented the Hawaii
26 State Assessment tests, which are administered to students in
27 grades three, four, five, six, seven, eight, and ten each year,
28 the results of which are used to determine Adequate Yearly
29 Progress as mandated by the No Child Left Behind Act of 2001;
30 and

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32 WHEREAS, the inclusion of questions in the Hawaii State
33 Assessment tests to assess and ensure that students possess a
34 mastery of financial literacy concepts would be an appropriate
35 method for ensuring financial literacy is taught at the
36 elementary and secondary educational levels; now, therefore,

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38 BE IT RESOLVED by the Senate of the Twenty-fourth
39 Legislature of the State of Hawaii, Regular Session of 2008,
40 that the Board of Education is requested to include in the
41 Hawaii State Assessment tests questions requiring a student's
42 demonstration of knowledge and the mastery of financial literacy
43 concepts appropriate for each grade level tested; and



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1 BE IT FURTHER RESOLVED that each public school should be
2 allowed to incorporate financial literacy education into its
3 curriculum as each school deems appropriate, whether that be
4 through increased grade advancement or graduation requirements
5 or through the incorporation of financial literacy concepts into
6 the study of other established subject areas already part of the
7 current curriculum; and

8
9 BE IT FURTHER RESOLVED that the Board of Education submit a
10 report of its plans for or integration of financial literacy
11 questions into the Hawaii State Assessment tests to the
12 Legislature at least twenty days prior to the convening of the
13 Regular Session of 2009; and

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15 BE IT FURTHER RESOLVED that certified copies of this
16 Resolution be transmitted to the Chair of the Board of Education
17 and the Superintendent of Education.

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OFFERED BY: *Shannon Chun Oakland*

