

JAN 23 2015

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 Protection Bureau
6 has published a white paper on "Policy Recommendations for
7 Advancing K-12 Financial Education" detailing some current
8 learning models and recommending others. It notes that two
9 problems face young people – that they are not equipped to make
10 financial decisions and that financial products are more complex
11 than ever. These concerns are echoed by Hawaii parents who
12 agree that their children need to learn about finances. Of
13 1,764 parents surveyed, 96 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



1 decisions, be prepared for educational expenses, and plan for
2 the future.

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

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



1 project introduces children to banking, saving, and the
2 importance of financial goals, empowering them to plan for the
3 future.

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

7 SECTION 2. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$100,000 or so much
9 thereof as may be necessary for fiscal year 2015-2016 and the
10 same sum or so much thereof as may be necessary for fiscal year
11 2016-2017 for continued operation of the kids' savings project.

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

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

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S.B. NO. 819

Report Title:

Kids' Savings Project; Appropriation

Description:

Appropriates funds to continue the kids' savings project.

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