

**CITY OF BALTIMORE
COUNCIL BILL 09-0129R
(Resolution)**

Introduced by: Councilmembers Holton, Henry, Kraft, Reisinger, D'Adamo, Cole, Welch,
Branch, Clarke, Young, Spector
Introduced and read first time: April 27, 2009
Assigned to: Education Committee

REFERRED TO THE FOLLOWING AGENCIES: Baltimore City Public School System, Baltimore City
Board of School Commissioners

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Financial Literacy - Requirement for Graduation**
3 **from Baltimore City Schools**

4 FOR the purpose of requesting the New Board of School Commissioners and the CEO of
5 Baltimore City Schools to examine the feasibility of requiring students to pass a course in
6 financial literacy to graduate from Baltimore City schools.

7 **Recitals**

8 On March 2, 2007, the Maryland Coalition for Financial Literacy, a division of the Maryland
9 Council on Economic Education, a non-profit with 50 years experience in teacher training in the
10 field of economics, was successful in securing the adoption of a Senate Resolution: "We urge
11 county boards of education to integrate the principles of basic personal finance into the
12 curriculum and instruction established for their local school system and urge county boards of
13 education to implement certain standards as part of a student's eligibility to graduate from a
14 public high school and receive a high school diploma."

15 The evidence to support a financial literacy graduation requirement included:

- 16 • The majority of college students say they learn the most about personal finance from
17 their parents, but less than 1/2 of students say their parents make a consistent,
18 conscientious effort to teach them.
- 19 • Nearly 2/3rd (63%) of the parents surveyed say they definitely see personal finance
20 education as their responsibility and consistently make the effort to teach their
21 children about it, compared to only 41% of students who said their parents did.
- 22 • More than 3/4 of students (76%) wish they had more help preparing their financial
23 future.
- 24 • Parents rank developing good personal financial skill and being able to handle their
25 money (74%) ahead of both following the wrong crowd (58%) and drugs/alcohol use
26 (56%) in terms of concerns parents have for their children's futures. Only personal
27 safety ranked higher (89%).

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

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- 1 • A recent Visa survey revealed that 91% of the respondents felt that financial
2 education should be taught in every high school.
- 3 • Nearly 1/3rd (32%) of college students, when thinking about their freshman year,
4 admit that they were “not at all” or “not very well prepared” for managing their
5 money on campus. Only 1 in 5 (20%) students claims to have been “very well
6 prepared” for managing their money on campus.
- 7 • Only 14% of American adults mentioned their company’s 401(k) plan when asked
8 about ways they save.
- 9 • Only 11% of workers under 35 indicate they are participating in their company’s
10 401(k).
- 11 • More people declare bankruptcy each year than graduate from college.
- 12 • Nearly 2/3rd (63%) of Americans acknowledge they don’t save enough, and more
13 than 1/3rd say they often (11%) or sometimes (25%) spend more than they can afford.
14 More than one-in-three (36%) Americans also say they have at some point in their
15 lives felt their financial situation was out of control.

16 The latest financial literacy test given by the not-for-profit Jump\$Start Coalition for Personal
17 Finance Literacy to 5,775 high school students in 305 schools across the country during
18 December and January 2006, resulted in an overall score – on average students answered 52.4%
19 of the questions correctly – of “F” in a typical grading score. The official who conducts
20 Jump\$Starts test found that most educators today recognize the need for students to learn the
21 basics of managing money, including credit and insurance, by the time they leave high school, if
22 not sooner.

23 In the Baltimore City Public School System, financial literacy is taught mostly in high school
24 as part of other courses such as business, math, and social studies. Given the overwhelming
25 evidence of the need for financial management education, it is the appropriate time to consider
26 financial literacy as a requirement for graduation.

27 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the New
28 Board of School Commissioners and the CEO of Baltimore Public Schools are requested to
29 examine the feasibility of requiring students to pass a course in financial literacy to graduate
30 from Baltimore City schools.

31 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the
32 CEO of Baltimore City Schools, the President and Members of the New Board of School
33 Commissioners, the Presidents of the Baltimore Council of PTAs and the Maryland PTA, and
34 the Mayor’s Legislative Liaison to the City Council.