

Testimony on HB1271 and SB714 - 2008

Calvin Ball

[HB1271](#) and [SB714](#)

The soaring rates of foreclosures are just one indication that we must do a better job in educating our citizens in the practical aspects of money management. Many families today are living paycheck to paycheck with no financial cushion in case of emergencies. The organizations that provide a social safety net are stretched to the breaking point. In the 21st century, it is imperative that average consumers be financially literate. The consequences of a lack of financial literacy include mountains of debt, bankruptcies, broken homes, and shattered dreams. Elements of financial literacy are best presented to today's young people so that they can act prudently and avoid financial distress. In this case, as in many others, an ounce of prevention is worth more than a pound of cure.

As part of our Constitutionally-mandated "thorough and efficient" educational system, students must be taught how to set financial goals, how to establish budgets, how to make decisions about financial services, how to use credit, and how to shop wisely. This kind of education would best be implemented through a course in financial literacy. A course in financial literacy would also help young people to choose a career, to make wise investments, to purchase insurance, to understand consumer contracts, and to use basic economic concepts.

For these reasons, I urge you to pass HB 1271, and SB 714. These Bills, which would lead to a course in financial literacy, are an important first step in addressing the myriad of problems we face when people use money and credit with insufficient training and knowledge.