

SENATE RESOLUTION NO.85

Senator Theis, Geiss, Horn, MacDonald, Polehanki, Runestad, Santana, VanderWall and Wojno offered the following resolution:

1 A resolution to recognize October 2019 as Get Smart About
2 Credit Month.

3 Whereas, Financial literacy is defined as the basic knowledge
4 and skills that allow individuals to make educated decisions about
5 their financial resources and plan for a stable economic future;
6 and

7 Whereas, Those who are proficient in financial literacy
8 possess the capability to create and execute short-term and long-
9 term budgets, invest in the market, save and plan for retirement,
10 buy a house, pay off student loans, raise their credit score, and
11 manage communications with banks and other financial institutions;

1 and

2 Whereas, An important component of mastering financial
3 literacy is the ability to maintain good credit; and

4 Whereas, Young Michiganders need financial education. More
5 specifically, the generation born between 1997 and 2012 will face
6 the highest rate of student loan debt with over 44 million students
7 collectively owning more than \$1.4 trillion in loans before they
8 enter the workforce; and

9 Whereas, During their early adult years, young Michiganders
10 will face important decisions that will impact their financial
11 future; and

12 Whereas, Many Michiganders do not know what a credit score is
13 or how it impacts the ability to qualify for mortgages, car loans,
14 recreational loans, or other lines of credit; and

15 Whereas, When surveyed, an overwhelming number of student loan
16 borrowers often say they would borrow differently if they knew more
17 about student loan interest and if they better understood how their
18 credit scores impact interest rates; and

19 Whereas, Not every state requires high school students to
20 learn about personal financial education; and

21 Whereas, Many young Michiganders have asked for the
22 opportunity to learn about personal finance before they graduate
23 high school so they are better prepared for financial decisions in
24 college; and

25 Whereas, There is no fast and easy way to "fix" damaged
26 credit. Repairing credit history takes time and requires the
27 establishment of good money management over a length of time; and

28 Whereas, The understanding of credit management is key to the
29 establishment of good credit in the future; and

1 Whereas, Access to credit in the future may assist
2 Michiganders who face life events, both positive and negative, that
3 drastically change financial plans. Our citizens can unexpectedly
4 face a decline in health, medical expenses, or legal troubles, but
5 being able to access affordable emergency lines of credit can help
6 them avoid remaining fees, costs, fines, and other financial
7 obligations that are difficult to manage; and

8 Whereas, Empowering Michiganders to be knowledgeable about
9 their finances along with the best ways to maintain access to
10 positive credit programs will enable them to be in a better
11 position to boost our local economies and lower poverty rates long-
12 term; and

13 Whereas, The lowering of poverty rates does not simply create
14 more jobs, but strengthen our citizens' ability to provide for
15 their families and to raise their children. The promotion of smart
16 credit management and overall financial literacy helps our citizens
17 achieve their American Dream; now, therefore, be it

18 Resolved by the Senate, That the members of this legislative
19 body recognize October 2019 as Get Smart About Credit Month; and be
20 it further

21 Resolved, That we urge all of Michigan's financial
22 institutions to observe this month with appropriate programs and
23 activities for both students and all of its citizens within the
24 communities they serve.