

## SENATE RESOLUTION NO. 85

Senator Theis 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;  
12 and

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

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

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

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

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

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

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

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

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

29       Whereas, Access to credit in the future may assist

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

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

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

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

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