SENATE RESOLUTION NO. 85

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

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

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

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

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

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

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

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

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

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

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

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

Whereas, The understanding of credit management is key to the establishment of good credit in the future; and
Whereas, Access to credit in the future may assist Michiganders who face life events, both positive and negative, that drastically change financial plans. Our citizens can unexpectedly face a decline in health, medical expenses, or legal troubles, but being able to access affordable emergency lines of credit can help them avoid remaining fees, costs, fines, and other financial obligations that are difficult to manage; and
Whereas, Empowering Michiganders to be knowledgeable about their finances along with the best ways to maintain access to positive credit programs will enable them to be in a better position to boost our local economies and lower poverty rates long-term; and
Whereas, The lowering of poverty rates does not simply create more jobs, but strengthen our citizens’ ability to provide for their families and to raise their children. The promotion of smart credit management and overall financial literacy helps our citizens achieve their American Dream; now, therefore, be it
Resolved by the Senate, That the members of this legislative body recognize October 2019 as Get Smart About Credit Month; and be it further
Resolved, That we urge all of Michigan's financial institutions to observe this month with appropriate programs and activities for both students and all of its citizens within the communities they serve.