

OPENING REMARKS OF THE HONORABLE RUBEN HINOJOSA
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
COMMITTEE ON FINANCIAL SERVICES
EMPOWERING CONSUMERS: CAN FINANCIAL LITERACY EDUCATION PREVENT
ANOTHER FINANCIAL CRISIS?
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I want to commend Chairman Moore for holding this important hearing on financial literacy and ways to provide the tools consumers need to protect themselves from a future crisis. I also want to commend his staff, Glen Sears, for helping organize today's hearing. Such endeavors as this hearing help by increasing public awareness of financial literacy and economic education; recognizing the importance of managing personal finance; increasing personal savings; and helping ensure that the Federal Government, States, localities, schools, nonprofit organizations, businesses, other entities, and the people of the United States observe the month of April as National Financial Literacy Month with appropriate programs and activities with the goal of increasing financial literacy rates for individuals across the United States during all stages of life.

Personal financial literacy is essential to ensure that individuals are prepared to make informed financial choices so that they can become successful heads of households, investors, entrepreneurs, and business leaders. Financially informed individuals are better able to take control of their circumstances, improve their quality of life, and plan for their financial future.

Personal financial management skills and lifelong habits begin to develop during childhood, making it all the more important to support youth financial education.

Recognizing the need to improve financial literacy, I co-founded and currently co-chair the House Financial and Economic Literacy Caucus to provide a forum for interested Members of Congress to review, discuss and recommend financial and economic literacy policies, legislation, and programs. Chairman Dennis Moore (D-KS) has been a member of the Caucus from the beginning and has helped us make significant progress in the cause to improve financial literacy in Kansas, this region of the country and across the United States. I commend him for working with me behind the scenes on appropriations supporting funding for the Kansas Council on Economic Education and for the creation of an Office of Housing Counseling in the Department of Housing and Urban Development.

The Financial and Economic Literacy Caucus works in conjunction with federal agencies, the private sector, and nonprofit and community-based organizations to organize and promote financial literacy resolutions, legislation, seminars, and events, such as "Financial Literacy Month" held in April of each year, including the annual "Financial Literacy Day Fair," that normally is held during the latter part of April, and draws in over 800 people. In 2005, ten people attended the press conference announcing the creation of the Caucus. 800 people attended the 2009 Financial Literacy Day Fair. Chairman Moore played a key role in drawing in a considerable number of attendees. He also helped create a bridge between the non-profit and community-based organizations and the private sector.

I believe that all those present for today's hearing would agree that financial education is the first line of defense against financial fraud.

While many U.S. adults are improving how they manage their money, and more consumers now have a budget and non-retirement savings, many Americans continue to struggle with their finances, especially young adults and minorities. Approximately 60 million people in the United States are either unbanked or underbanked. 54 percent of black households, 44.5 percent of American Indian/Alaskan households, and 43.3 percent of Hispanic households are either unbanked or underbanked;

Personal saving as a percentage of disposable personal income was 3.1 percent in February 2010, compared with 3.4 percent in January 2010, and a reduction from a 12-month average of 4.1 percent in 2009.

Bankers large and small across the United States teach savings skills to young people each year during 'Teach Children to Save Day,' which was launched by the American Bankers Association Education Foundation in April 1997 and has now helped more than 80,000 bankers teach savings skills to more than 3.2 million young people.

Staff from America's credit unions focus on the financial needs of young people, provide financial literacy education, and teach youth under the age of 18 the benefits of saving and goal setting annually during "National Credit Union Youth Week."

More than 100 Federal agencies have collaborated on a Web site, www.consumer.gov, which helps consumers shop for a mortgage or auto loan, understand and reconcile credit card statements and utility bills, choose savings and retirement plans, compare health insurance policies, and understand their credit report and how it affects their ability to get credit and on what terms.

We in Congress, the public, community-based, and private sector organizations throughout the United States are working on a wide range of financial literacy outreach efforts, including multi-media campaigns; financial literacy websites; one-on-one financial counseling; and, of course, today's hearing.

I again commend my good friend from Kansas, Chairman Dennis Moore, and his staff Glen Sears for organizing today's hearing and helping further the financial literacy and economic education cause across the United States.

God bless.