

115TH CONGRESS
1ST SESSION

H. R. 2674

To establish a grant program in the Bureau of Consumer Financial Protection to fund the establishment of centers of excellence to support research, development and planning, implementation, and evaluation of effective programs in financial literacy education for young people and families ages 8 through 24 years old, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2017

Mr. CARSON of Indiana introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a grant program in the Bureau of Consumer Financial Protection to fund the establishment of centers of excellence to support research, development and planning, implementation, and evaluation of effective programs in financial literacy education for young people and families ages 8 through 24 years old, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Young Americans Fi-
3 nancial Literacy Act”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds as follows:

6 (1) That 87 percent of Americans believe fi-
7 nance education should be taught in schools and 92
8 percent of K–12 teachers believe that financial edu-
9 cation should be taught in school, but only 12 per-
10 cent of teachers actually teach the subject.

11 (2) According to a 2016 survey, 1 in 3 States
12 require high school students to take a personal fi-
13 nance course, and only 5 States require high school
14 students to take a semester long personal finance
15 course.

16 (3) The percentage of Americans grading them-
17 selves with an A or B in personal finance knowledge
18 has declined from 60 percent in 2013 to 56 percent
19 in 2016. In 2016, 75 percent of Americans admitted
20 they could benefit from additional advice and an-
21 swers to everyday financial questions from a profes-
22 sional. Most adults feel that their financial literacy
23 skills are inadequate, yet they do not rely on anyone
24 else to handle their finances; they feel it is impor-
25 tant to know more but have received no financial
26 education.

1 (4) It is necessary to respond immediately to
2 the pressing needs of individuals faced with the loss
3 of their financial stability; however increased atten-
4 tion must also be paid to financial literacy education
5 reform and long-term solutions to prevent future
6 personal financial disasters.

7 (5) Research-based financial literacy education
8 programs are needed to reach individuals at all ages
9 and socioeconomic levels, particularly those facing
10 unique and challenging financial situations, such as
11 high school graduates entering the workforce, soon-
12 to-be and recent college graduates, young families,
13 and to address the unique needs of military per-
14 sonnel and their families.

15 (6) High school and college students who are
16 exposed to cumulative financial education show an
17 increase in financial knowledge, which in turn drives
18 increasingly responsible behavior as they become
19 young adults.

20 (7) Sixty percent of parents identify their teens
21 as “quick spenders”, and most acknowledge they
22 could do a better job of teaching and preparing kids
23 for the financial challenges of adulthood, including
24 budgeting, saving, and investing.

1 (8) The majority (52 percent) of young adults
2 ages 23 through 28 consider “making better choices
3 about managing money”, the single most important
4 issue for individual Americans to act on today.

5 (9) According to the Government Accountability
6 Office, giving Americans the information they need
7 to make effective financial decisions can be key to
8 their well-being and to the country’s economic
9 health. The recent financial crisis, when many bor-
10 rowers failed to fully understand the risks associated
11 with certain financial products, underscored the need
12 to improve individuals’ financial literacy and em-
13 power all Americans to make informed financial de-
14 cisions. This is especially true for young people as
15 they are earning their first paychecks, securing stu-
16 dent aid, and establishing their financial independ-
17 ence. Therefore, focusing economic education and fi-
18 nancial literacy efforts and best practices for young
19 people ages 8 through 24 is of utmost importance.

20 **SEC. 3. AUTHORIZATION FOR FUNDING THE ESTABLISH-**
21 **MENT OF CENTERS OF EXCELLENCE IN FI-**
22 **NANCIAL LITERACY EDUCATION.**

23 (a) IN GENERAL.—The Director of the Bureau of
24 Consumer Financial Protection, in consultation with the
25 Financial Literacy and Education Commission established

1 under the Financial Literacy and Education Improvement
2 Act, shall make competitive grants to and enter into agree-
3 ments with eligible institutions to establish centers of ex-
4 cellence to support research, development and planning,
5 implementation, and evaluation of effective programs in
6 financial literacy education for young people and families
7 ages 8 through 24 years old.

8 (b) AUTHORIZED ACTIVITIES.—Activities authorized
9 to be funded by grants made under subsection (a) shall
10 include the following:

11 (1) Developing and implementing comprehen-
12 sive research based financial literacy education pro-
13 grams for young people—

14 (A) based on a set of core competencies
15 and concepts established by the Director, in-
16 cluding goal setting, planning, budgeting, man-
17 aging money or transactions, tools and struc-
18 tures, behaviors, consequences, both long- and
19 short-term savings, managing debt and earn-
20 ings; and

21 (B) which can be incorporated into edu-
22 cational settings through existing academic con-
23 tent areas, including materials that appro-
24 priately serve various segments of at-risk popu-

1 lations, particularly minority and disadvantaged
2 individuals.

3 (2) Designing instructional materials using evi-
4 dence-based content for young families and con-
5 ducting related outreach activities to address unique
6 life situations and financial pitfalls, including bank-
7 ruptcy, foreclosure, credit card misuse, and preda-
8 tory lending.

9 (3) Developing and supporting the delivery of
10 professional development programs in financial lit-
11 eracy education to assure competence and account-
12 ability in the delivery system.

13 (4) Improving access to, and dissemination of,
14 financial literacy information for young people and
15 families.

16 (5) Reducing student loan default rates by de-
17 veloping programs to help individuals better under-
18 stand how to manage educational debt through sus-
19 tained educational programs for college students.

20 (6) Conducting ongoing research and evaluation
21 of financial literacy education programs to assure
22 learning of defined skills and knowledge, and reten-
23 tion of learning.

24 (7) Developing research-based assessment and
25 accountability of the appropriate applications of

1 learning over short and long terms to measure effective-
2 tiveness of authorized activities.

3 (c) PRIORITY FOR CERTAIN APPLICATIONS.—The
4 Director shall give a priority to applications that—

5 (1) provide clear definitions of “financial literacy” and “financially literate” to clarify educational outcomes;

6 (2) establish parameters for identifying the
7 types of programs that most effectively reach young
8 people and families in unique life situations and financial
9 pitfalls, including bankruptcy, foreclosure,
10 credit card misuse, and predatory lending;

11 (3) include content that is appropriate to age
12 and socioeconomic levels;

13 (4) develop programs based on educational
14 standards, definitions, and research;

15 (5) include individual goals of financial independence and stability; and

16 (6) establish professional development and delivery systems using evidence-based practices.

17 (d) APPLICATION AND EVALUATION STANDARDS AND
18 PROCEDURES; DISTRIBUTION CRITERIA.—The Director
19 shall establish application and evaluation standards and
20 procedures, distribution criteria, and such other forms,
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1 standards, definitions, and procedures as the Director de-
2 termines to be appropriate.

3 (e) LIMITATION ON GRANT AMOUNTS.—

4 (1) IN GENERAL.—The aggregate amount of
5 grants made under this section during any fiscal
6 year may not exceed \$55,000,000.

7 (2) TERMINATION.—No grants may be made
8 under this section after the end of fiscal year 2019.

9 (f) DEFINITIONS.—For purposes of this Act the fol-
10 lowing definitions shall apply:

11 (1) DIRECTOR.—The term “Director” means
12 the Director of the Bureau of Consumer Financial
13 Protection.

14 (2) ELIGIBLE INSTITUTION.—The term “eligi-
15 ble institution” means a partnership of two or more
16 of the following:

17 (A) Institution of higher education.

18 (B) Local educational agency.

19 (C) A nonprofit agency, organization, or
20 association.

21 (D) A financial institution.

22 (3) INSTITUTION OF HIGHER EDUCATION.—The
23 term “institution of higher education” has the

1 meaning given such term in section 101 of the High-
2 er Education Act of 1965 (20 U.S.C. 1001(a)).

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