

112TH CONGRESS  
1ST SESSION

# H. R. 300

To establish a grant program in the Department of the Treasury 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 adults and families ages 15–24 years old, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 18, 2011

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

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## A BILL

To establish a grant program in the Department of the Treasury 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 adults and families ages 15–24 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 Adults Finan-  
3 cial Literacy Act”.

4 **SEC. 2. FINDINGS.**

5 The Congress find as follows:

6 (1) Eighty percent of parents believe schools  
7 are teaching money management and budgeting,  
8 while over 70 percent of teachers are not teaching  
9 financial literacy.

10 (2) Most adults feel that their financial literacy  
11 skills are inadequate, yet they do not rely on anyone  
12 else to handle their finances; they feel it is impor-  
13 tant to know more but have received no financial  
14 education.

15 (3) It is necessary to respond immediately to  
16 the pressing needs of individuals faced with the loss  
17 of their financial stability, however increased atten-  
18 tion must also be paid to financial literacy education  
19 reform and long-term solutions to prevent future  
20 personal financial disasters.

21 (4) There is an urgent need to respond to the  
22 economic crisis with research-based financial literacy  
23 education programs to reach individuals at all ages  
24 and socioeconomic levels, particularly those facing  
25 unique and challenging financial situations, such as  
26 high school graduates entering the workforce, soon-

1 to-be and recent college graduates, young families,  
2 and the unique needs of military personnel and their  
3 families.

4 (5) More than 70 percent of parents say they  
5 have spoken with their teens about credit and using  
6 credit cards wisely, while less than 44 percent of the  
7 teenaged children of those respondents say their par-  
8 ents have talked to them about credit cards.

9 (6) Seventy-six percent of parents surveyed said  
10 their high school student does not have a budget.

11 (7) The average credit card debt among grad-  
12 uate students who carry cards is \$7,831 per student,  
13 an increase of 59 percent over 1998's average debt  
14 of \$4,925.

15 (8) Young adults between 20 and 24 represent  
16 the fastest growing segment of bankruptcy filings; in  
17 fact, more people filed for bankruptcy in 2004 than  
18 graduated from college.

19 (9) Credit card debt among young adults be-  
20 tween the ages of 25 and 34 has increased 55 per-  
21 cent, while credit card debt among the youngest  
22 adults, between 18 and 24, has skyrocketed 104 per-  
23 cent since 1982.

24 (10) In April of 2009, the Comptroller General  
25 testified to the Subcommittee on Oversight of Gov-



1 and enter into contracts with eligible institutions to estab-  
2 lish centers of excellence to support research, development  
3 and planning, implementation, and evaluation of effective  
4 programs in financial literacy education for young adults  
5 and families ages 15–24 years old.

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

9 (1) Developing and implementing comprehen-  
10 sive research based financial literacy education pro-  
11 grams for young adults ages 15–24 which can be in-  
12 corporated into educational settings through existing  
13 academic content areas.

14 (2) Targeting programs based on a set of edu-  
15 cational expectations, pre- and post-education as-  
16 sessment tools, effective training programs for edu-  
17 cators, and materials that appropriately serve var-  
18 ious segments of young adult and family popu-  
19 lations, particularly minority and disadvantaged in-  
20 dividuals.

21 (3) Aligning financial literacy education pro-  
22 grams to a set of core competencies and concepts,  
23 including goal setting; planning; budgeting; man-  
24 aging money or transactions; tools and structures;

1 behaviors; consequences; saving, both long- and  
2 short-term; managing debt and earning.

3 (4) Designing instructional materials using evi-  
4 dence-based content for young families and related  
5 outreach activities to address unique life situations  
6 and financial pitfalls such as bankruptcy, fore-  
7 closure, credit card misuse, and predatory lending.

8 (5) Developing and supporting the delivery of  
9 professional development programs in financial lit-  
10 eracy education that are research-based, on-going  
11 and collaborative to assure competence and account-  
12 ability in the delivery system, including recognition  
13 of achievement and competence within existing sys-  
14 tems for educators and instructors.

15 (6) Improving access to financial literacy edu-  
16 cation programs for young adults and families by  
17 collaborating with financial institutions to dissemi-  
18 nate information and awareness of the importance of  
19 financial literacy education.

20 (7) Reducing student loan default rates by de-  
21 veloping programs to help individuals better under-  
22 stand how to manage educational debt through sus-  
23 tained educational programs for college students in  
24 partnership with non-profit associations.

1           (8) Conducting on-going research and evalua-  
2           tion to assure learning of defined skills and knowl-  
3           edge, and retention of learning.

4           (9) Developing research-based assessment and  
5           accountability of the appropriate applications of  
6           learning over short and long terms.

7           (c) PRIORITY FOR CERTAIN APPLICATIONS.—The  
8 Secretary shall give a priority to applications that—

9           (1) provide clear definitions of financial literacy  
10          and financially literate to clarify educational out-  
11          comes;

12          (2) establish parameters for identifying the  
13          types of programs that most effectively reach young  
14          adults and families in unique life situations, specifi-  
15          cally individuals in ages 15–24 years old;

16          (3) include content that is appropriate to age  
17          and socioeconomic levels;

18          (4) develop programs based on educational  
19          standards, definitions, and research;

20          (5) include individual goals of financial inde-  
21          pendence and stability; and

22          (6) establish professional development and de-  
23          livery systems using evidence-based practices.

24          (d) APPLICATION AND EVALUATION STANDARDS AND  
25 PROCEDURES, DISTRIBUTION CRITERIA.—The Secretary

1 shall, by regulation and order, establish application and  
2 evaluation standards and procedures, distribution criteria,  
3 and such other forms, standards, definitions, and proce-  
4 dures as the Secretary determines to be appropriate.

5 (e) MINIMUM AND MAXIMUM AMOUNT OF ANY  
6 GRANT.—No grant under this section may be for an  
7 amount less than \$2,000,000 or more than \$5,000,000.

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

10 (1) ELIGIBLE INSTITUTION.—The term “eligi-  
11 ble institution” means any partnership consisting of  
12 an institution of higher education and any of the fol-  
13 lowing which meets such requirements for eligibility  
14 as the Secretary of the Treasury and the Secretary  
15 of Education may jointly prescribe by regulation:

16 (A) One or more local educational agen-  
17 cies.

18 (B) A nonprofit agency, organization, or  
19 association.

20 (C) A community-based organization.

21 (D) A financial institution.

22 (2) INSTITUTION OF HIGHER EDUCATION.—The  
23 term “institution of higher education” has the  
24 meaning given such term in section 101 of the High-  
25 er Education Act of 1965 (20 U.S.C. 1001(a)).



1           (3) SECRETARY.—The term “Secretary” means  
2           the Secretary of the Treasury, unless the context  
3           specifically refers to the Secretary of Education.

4 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

5           There is authorized to be appropriated to the Sec-  
6           retary \$55,000,000 for each of fiscal years 2012 through  
7           2016 for carrying out this Act.

8 **SEC. 5. REGULATIONS.**

9           In addition to regulations prescribed under section  
10          3(d), the Secretary may prescribe such regulations as may  
11          be necessary to carry out this Act.

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