

119TH CONGRESS
1ST SESSION

H. R. 486

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

JANUARY 16, 2025

Mr. CARSON (for himself, Mr. AMO, Ms. BARRAGÁN, Ms. BROWN, Mr. CARTER of Louisiana, Mr. CASE, Mr. CASTEN, Mr. COHEN, Ms. DEAN of Pennsylvania, Mr. ESPAILLAT, Mr. EVANS of Pennsylvania, Mrs. HAYES, Ms. NORTON, Mr. JOHNSON of Georgia, Mr. MAGAZINER, Mr. MCGOVERN, Mrs. MCIVER, Mrs. RAMIREZ, Ms. SÁNCHEZ, Ms. SCHOLTEN, Mr. SOTO, Mr. THANEDAR, Ms. TITUS, and Mr. TORRES of New York) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Education and 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,*

3 **SECTION 1. SHORT TITLE.**

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

6 **SEC. 2. FINDINGS.**

7 The Congress finds as follows:

8 (1) That 88 percent of Americans believe finan-
9 cial education should be taught in schools and 92
10 percent of K–12 teachers believe that financial edu-
11 cation should be taught in school, but only 12 per-
12 cent of teachers actually teach the subject.

13 (2) According to a 2020 survey, less than half
14 of states require high school students to take a
15 course on personal finance, and less than 17 percent
16 of high schoolers were required to take a one semes-
17 ter personal finance course.

18 (3) For the fourth year in a row, more than one
19 third of surveyed consumers gave themselves a “B”
20 when grading their own level of basic financial lit-
21 eracy. Less than one-fifth of Americans gave them-
22 selves an “A”. Most adults feel that their financial
23 literacy skills are inadequate, yet they do not rely on
24 anyone else to handle their finances; they feel it is

1 important to know more but have received no finan-
2 cial education.

3 (4) The sudden disruptions caused by the
4 spread of COVID–19 are presenting economic chal-
5 lenges with growing consequences. While some fac-
6 tors affecting financial well-being are beyond indi-
7 vidual control, financial literacy can help people bet-
8 ter manage their finances through times of hardship.

9 (5) It is necessary to respond immediately to
10 the pressing needs of individuals faced with the loss
11 of their financial stability; however increased atten-
12 tion must also be paid to financial literacy education
13 reform and long-term solutions to prevent future
14 personal financial disasters.

15 (6) There is an urgent need to respond to the
16 COVID–19 economic recovery with research-based
17 financial literacy education programs to reach indi-
18 viduals at all ages and socioeconomic levels, particu-
19 larly those facing unique and challenging financial
20 situations, such as high school graduates entering
21 the workforce, soon-to-be and recent college grad-
22 uates, young families, and the unique needs of mili-
23 tary personnel and their families.

24 (7) High school and college students who are
25 exposed to cumulative financial education show an

1 increase in financial knowledge, which in turn drives
2 increasingly responsible behavior as they become
3 young adults.

4 (8) The majority (52 percent) of young adults
5 between the ages of 23–28 consider “making better
6 choices about managing money”, the single most im-
7 portant issue for individual Americans to act on
8 today.

9 (9) According to the Government Accountability
10 Office, giving Americans the information they need
11 to make effective financial decisions can be key to
12 their well-being and to the country’s economic
13 health. The current pandemic, in which 88 percent
14 of Americans say is causing stress on their personal
15 finances, underscores the need to improve individ-
16 uals’ financial literacy and empower all Americans to
17 make informed financial decisions. This is especially
18 true for young people as they are earning their first
19 paychecks, securing student aid, and establishing
20 their financial independence. Therefore, focusing
21 economic education and financial literacy efforts and
22 best practices for young people between the ages of
23 8–24 is of the utmost importance.

1 **SEC. 3. AUTHORIZATION FOR FUNDING THE ESTABLISH-**
2 **MENT OF CENTERS OF EXCELLENCE IN FI-**
3 **NANCIAL LITERACY EDUCATION.**

4 (a) IN GENERAL.—The Consumer Financial Protec-
5 tion Act of 2010 (12 U.S.C. 5481 et seq.) is amended—

6 (1) by redesignating section 1037 as section
7 1038; and

8 (2) by inserting after section 1036 the fol-
9 lowing:

10 **“SEC. 1037. AUTHORIZATION FOR FUNDING THE ESTAB-**
11 **LISHMENT OF CENTERS OF EXCELLENCE IN**
12 **FINANCIAL LITERACY EDUCATION.**

13 “(a) IN GENERAL.—The Director of the Bureau, in
14 consultation with the Financial Literacy and Education
15 Commission established under the Financial Literacy and
16 Education Improvement Act, shall make competitive
17 grants to and enter into agreements with eligible institu-
18 tions to establish centers of excellence to support research,
19 development and planning, implementation, and evalua-
20 tion of effective programs in financial literacy education
21 for young people and families ages 8 through 24 years
22 old.

23 “(b) AUTHORIZED ACTIVITIES.—Activities author-
24 ized to be funded by grants made under subsection (a)
25 shall include the following:

1 “(1) Developing and implementing comprehen-
2 sive research based financial literacy education pro-
3 grams for young people—

4 “(A) based on a set of core competencies
5 and concepts established by the Director, in-
6 cluding goal setting, planning, budgeting, man-
7 aging money or transactions, tools and struc-
8 tures, behaviors, consequences, both long- and
9 short-term savings, managing debt and earn-
10 ings; and

11 “(B) which can be incorporated into edu-
12 cational settings through existing academic con-
13 tent areas, including materials that appro-
14 priately serve various segments of at-risk popu-
15 lations, particularly minority and disadvantaged
16 individuals.

17 “(2) Designing instructional materials using
18 evidence-based content for young families and con-
19 ducting related outreach activities to address unique
20 life situations and financial pitfalls, including bank-
21 ruptcy, foreclosure, credit card misuse, and preda-
22 tory lending.

23 “(3) Developing and supporting the delivery of
24 professional development programs in financial lit-

1 eracy education to assure competence and account-
2 ability in the delivery system.

3 “(4) Improving access to, and dissemination of,
4 financial literacy information for young people and
5 families.

6 “(5) Reducing student loan default rates by de-
7 veloping programs to help individuals better under-
8 stand how to manage educational debt through sus-
9 tained educational programs for college students.

10 “(6) Conducting ongoing research and evalua-
11 tion of financial literacy education programs to as-
12 sure learning of defined skills and knowledge, and
13 retention of learning.

14 “(7) Developing research-based assessment and
15 accountability of the appropriate applications of
16 learning over short- and long-terms to measure ef-
17 fectiveness of authorized activities.

18 “(c) PRIORITY FOR CERTAIN APPLICATIONS.—The
19 Director shall give a priority to applications that—

20 “(1) provide clear definitions of ‘financial lit-
21 eracy’ and ‘financially literate’ to clarify educational
22 outcomes;

23 “(2) establish parameters for identifying the
24 types of programs that most effectively reach young
25 people and families in unique life situations and fi-

1 nancial pitfalls, including bankruptcy, foreclosure,
2 credit card misuse, and predatory lending;

3 “(3) include content that is appropriate to age
4 and socioeconomic levels;

5 “(4) develop programs based on educational
6 standards, definitions, and research;

7 “(5) include individual goals of financial inde-
8 pendence and stability;

9 “(6) establish professional development and de-
10 livery systems using evidence-based practices;

11 “(7) address the needs of one or more at-risk
12 populations;

13 “(8) incorporate sensitivities to specific cul-
14 tural, linguistic, or demographic characteristics;

15 “(9) enhance opportunities for asset building,
16 such as increasing savings for lower income house-
17 holds and investments into the stock, bond, and real
18 estate markets;

19 “(10) include an evaluation component to en-
20 sure the work’s effectiveness in increasing financial
21 literacy or consumer access to appropriate financial
22 products or services, or that the provider has evi-
23 dence of such effectiveness;

24 “(11) promise future replication or can be sus-
25 tained beyond the program period; and

1 “(12) will make effectiveness data (if any) that
2 is generated from the work available to others in the
3 financial education community.

4 “(d) APPLICATION AND EVALUATION STANDARDS
5 AND PROCEDURES; DISTRIBUTION CRITERIA.—The Di-
6 rector shall establish application and evaluation standards
7 and procedures, distribution criteria, and such other
8 forms, standards, definitions, and procedures as the Direc-
9 tor determines to be appropriate.

10 “(e) CONTENT DELIVERY.—An eligible institution re-
11 ceiving a grant under this section shall—

12 “(1) ensure that content is delivered in an ac-
13 cessible way to young people, through traditional
14 educational methods and digital methods, including
15 over appropriate social media platforms; and

16 “(2) to the extent content is delivered through
17 a website, ensure that the website is user friendly,
18 visually appealing, and doesn’t bombard users with
19 dense content that is difficult to comprehend.

20 “(f) GRANT AMOUNTS.—

21 “(1) IN GENERAL.—The aggregate amount of
22 grants made under this section during any fiscal
23 year—

24 “(A) shall be at least \$27,500,000; and

25 “(B) may not exceed \$55,000,000.

1 “(2) TERMINATION.—No grants may be made
2 under this section after the end of fiscal year 2029.

3 “(g) REPORT TO CONGRESS.—The Director shall
4 issue an annual report to Congress containing—

5 “(1) a list of grant recipients under this sec-
6 tion, including the amount of such grant; and

7 “(2) for each grant recipient, a description of
8 the specific populations being served by such grant.

9 “(h) DEFINITIONS.—For purposes of this section the
10 following definitions shall apply:

11 “(1) ELIGIBLE INSTITUTION.—The term ‘eligi-
12 ble institution’ means a partnership of two or more
13 of the following:

14 “(A) An institution of higher education.

15 “(B) A State or local government agency
16 which specializes in financial education pro-
17 grams.

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

20 “(D) A financial institution.

21 “(E) A small organization that is
22 partnering with, but is not itself, a person de-
23 scribed under subparagraph (A) through (D).

24 “(2) INSTITUTION OF HIGHER EDUCATION.—
25 The 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)).”.

3 (b) CLERICAL AMENDMENT.—The table of contents
4 under section 1(b) of the Dodd-Frank Wall Street Reform
5 and Consumer Protection Act is amended by striking the
6 item relating to section 1037 and inserting the following:

“Sec. 1037. Authorization for funding the establishment of centers of excellence
in financial literacy education.

“Sec. 1038. Effective date.”.

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