

108TH CONGRESS
1ST SESSION

S. 1470

To establish the Financial Literacy and Education Coordinating Committee within the Department of the Treasury to improve the state of financial literacy and education among American consumers.

IN THE SENATE OF THE UNITED STATES

JULY 28 (legislative day, JULY 21), 2003

Mr. SARBANES (for himself and Mr. CORZINE) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To establish the Financial Literacy and Education Coordinating Committee within the Department of the Treasury to improve the state of financial literacy and education among American consumers.

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 “Financial Literacy and
5 Education Coordinating Act of 2003”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

1 (1) there is substantial evidence that many
2 Americans do not have an adequate basis for making
3 sound decisions about personal and household fi-
4 nances;

5 (2) financial education could play a critical role
6 in equipping consumers with the knowledge to make
7 wise decisions, especially for lower income consumers
8 and those underserved by the mainstream financial
9 system;

10 (3) an increased awareness of the availability of
11 credit scores and credit reports, the process of ac-
12 cessing them, their significance in obtaining credit,
13 and their effects on credit terms, are of paramount
14 importance to consumers;

15 (4) easily accessible and affordable resources
16 which inform and educate investors as to their rights
17 and avenues of recourse should be provided when an
18 investor believes his or her rights have been violated
19 by unprofessional conduct of market intermediaries;

20 (5) a basic understanding of the operation of
21 the financial services industry would help consumers
22 and their families to make more informed choices
23 about how best to progress economically, avoid
24 harmful personal debt, avoid discriminatory and
25 predatory practices, invest wisely, develop financial

1 planning skills necessary for maximizing short- and
2 long-term financial well being, and better prepare
3 for retirement;

4 (6) comprehensive financial education would
5 help to provide individuals with the necessary tools
6 to create household budgets, initiate savings plans,
7 manage debt, and make strategic investment deci-
8 sions for education, retirement, home ownership, or
9 other savings goals; and

10 (7) improved financial decision making, not
11 simply more knowledge, should be the primary finan-
12 cial education goal.

13 **SEC. 3. FINANCIAL LITERACY AND EDUCATION COORDI-**
14 **NATING COMMITTEE.**

15 (a) ESTABLISHMENT.—The Secretary of the Treas-
16 ury shall establish within the Office of Financial Edu-
17 cation of the Department of the Treasury, the Financial
18 Literacy and Education Coordinating Committee (in this
19 Act referred to as the “Committee”).

20 (b) PURPOSES.—The purposes of the Committee
21 shall be—

22 (1) to coordinate financial literacy and edu-
23 cation efforts among Federal departments and agen-
24 cies;

1 (2) to develop and implement a national strat-
2 egy to promote basic financial literacy and education
3 among all Americans;

4 (3) to reduce overlap and duplication in Federal
5 financial literacy and education activities;

6 (4) to identify the most effective types of public
7 sector financial literacy programs and techniques, as
8 measured by improved consumer decision making;

9 (5) to coordinate and promote financial literacy
10 efforts at the State and local level, including part-
11 nerships among Federal, State, and local govern-
12 ments, nonprofit organizations, and private enter-
13 prises; and

14 (6) to carry out such other duties as are
15 deemed to be appropriate, consistent with this Act.

16 **SEC. 4. COMMITTEE DUTIES.**

17 (a) IN GENERAL.—The Committee shall—

18 (1) not later than 1 year after the date of en-
19 actment of this Act, develop a national strategy to
20 promote basic financial literacy among all American
21 consumers;

22 (2) coordinate Federal efforts to implement the
23 strategy developed under paragraph (1);

24 (3) not later than 1 year after the date of en-
25 actment of this Act, and annually thereafter, submit

1 a report to the Committee on Banking, Housing,
2 and Urban Affairs of the Senate and the Committee
3 on Financial Services of the House of Representa-
4 tives regarding actions taken and progress made by
5 the Committee in carrying out this Act during the
6 reporting period, and any challenges remaining to
7 implementation of such purposes; and

8 (4) provide testimony by the chairperson of the
9 Committee to either Committee referred to in para-
10 graph (3), upon request.

11 (b) STRATEGY.—The strategy to promote basic finan-
12 cial literacy required to be developed under subsection

13 (a)(1) shall provide for—

14 (1) participation by State and local govern-
15 ments and private, nonprofit, and public institutions
16 in the creation and implementation of such strategy;

17 (2) the development of methods—

18 (A) to increase the general financial edu-
19 cation level of current and future consumers of
20 financial services and products; and

21 (B) to enhance the general understanding
22 of financial services and products;

23 (3) review of Federal activities designed to pro-
24 mote financial literacy and education and develop-

1 ment of a plan to improve coordination of such ac-
2 tivities;

3 (4) the identification of areas of overlap and
4 duplication among Federal financial literacy and
5 education activities and proposed means of elimi-
6 nating any such overlap and duplication; and

7 (5) a proposal to the President of a Federal fi-
8 nancial literacy and education budget that supports
9 such strategy and eliminates funding for such areas
10 of overlap and duplication.

11 **SEC. 5. COMMITTEE MEMBERSHIP.**

12 (a) COMPOSITION.—The Committee shall be com-
13 prised of—

14 (1) the Secretary of the Treasury, who shall
15 serve as the chairperson of the Committee; and

16 (2) a representative from—

17 (A) each Federal banking agency (as de-
18 fined in section 3 of the Federal Deposit Insur-
19 ance Act), the National Credit Union Adminis-
20 tration, the Securities and Exchange Commis-
21 sion, each of the Departments of Education,
22 Agriculture, Defense, Health and Human Serv-
23 ices, Labor, and Veterans Affairs, the Social
24 Security Administration, the Federal Trade
25 Commission, the Commodity Futures Trading

1 Commission, and the Office of Personnel Man-
2 agement; and

3 (B) a representative from any other de-
4 partment or agency that the Secretary deter-
5 mines to be engaged in a serious effort to im-
6 prove financial literacy and education.

7 (b) ASSISTANCE.—The Director of the Office of Fi-
8 nancial Education of the Department of the Treasury
9 shall provide to the Committee, upon request, such assist-
10 ance as may be necessary.

11 (c) MEMBER QUALIFICATIONS.—Members of the
12 Committee shall be appointed by the heads of their respec-
13 tive departments or agencies. Each member and each al-
14 ternate designated by any member unable to attend a
15 meeting of the Committee, shall be an individual who exer-
16 cises significant decisionmaking authority.

17 (d) MEETINGS.—Meetings of the Committee shall
18 occur not less frequently than quarterly, and at the call
19 of the chairperson.

20 (e) CONSULTATION.—The Committee shall consult
21 with private and nonprofit organizations and State and
22 local agencies, as determined appropriate by the chair-
23 person and the Committee.

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