

109TH CONGRESS  
1ST SESSION

# S. 924

To establish a grant program to enhance the financial and retirement literacy of mid-life and older Americans and to reduce financial abuse and fraud among such Americans, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

APRIL 27, 2005

Mr. CORZINE (for himself, Mr. AKAKA, Ms. STABENOW, Mr. LAUTENBERG, Mr. SARBANES, and Mr. BAUCUS) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To establish a grant program to enhance the financial and retirement literacy of mid-life and older Americans and to reduce financial abuse and fraud among such Americans, 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 “Education for Retirement Security Act of 2005”.

6       **SEC. 2. FINDINGS.**

7       Congress finds the following:

1           (1) Improving financial literacy is a critical and  
2 complex task for Americans of all ages.

3           (2) Low levels of savings and high levels of per-  
4 sonal and real estate debt are serious problems for  
5 many households nearing retirement.

6           (3) Only 53 percent of working Americans have  
7 any form of pension coverage. Three out of four  
8 women aged 65 or over receive no income from em-  
9 ployer-provided pensions.

10          (4) The more limited timeframe that mid-life  
11 and older individuals and families have to assess the  
12 realities of their individual circumstances, to recover  
13 from counter-productive choices and decisionmaking  
14 processes, and to benefit from more informed finan-  
15 cial practices, has immediate impact and near term  
16 consequences for Americans nearing or of retirement  
17 age.

18          (5) Research indicates that there are now 4  
19 basic sources of retirement income security. Those  
20 sources are social security benefits, pensions and  
21 savings, healthcare insurance coverage, and, for an  
22 increasing number of older individuals, necessary  
23 earnings from working during one's "retirement"  
24 years.

1           (6) Over the next 30 years, the number of older  
 2 individuals in the United States is expected to dou-  
 3 ble, from 35,000,000 to nearly 75,000,000, and  
 4 long-term care costs are expected to skyrocket.

5           (7) Financial exploitation is the largest single  
 6 category of abuse against older individuals and this  
 7 population comprises more than 1/2 of all tele-  
 8 marketing victims in the United States.

9           (8) The Federal Trade Commission (FTC)  
 10 Identity Theft Data Clearinghouse has reported that  
 11 incidents of identity theft targeting individuals over  
 12 the age of 60 increased from 1,821 victims in 2000  
 13 to 21,084 victims in 2004, an increase of more than  
 14 11 times in number.

15 **SEC. 3. GRANT PROGRAM TO ENHANCE FINANCIAL AND RE-**  
 16 **TIREMENT LITERACY AND REDUCE FINAN-**  
 17 **CIAL ABUSE AND FRAUD AMONG MID-LIFE**  
 18 **AND OLDER AMERICANS.**

19           (a) **AUTHORITY.**—The Secretary is authorized to  
 20 award grants to eligible entities to provide financial edu-  
 21 cation programs to mid-life and older individuals who re-  
 22 side in local communities in order to—

23           (1) enhance financial and retirement knowledge  
 24 among such individuals; and

1           (2) reduce financial abuse and fraud, including  
2           telemarketing, mortgage, and pension fraud, among  
3           such individuals.

4           (b) ELIGIBLE ENTITIES.—An entity is eligible to re-  
5           ceive a grant under this section if such entity is—

6           (1) a State agency or area agency on aging; or

7           (2) a nonprofit organization with a proven  
8           record of providing—

9           (A) services to mid-life and older individ-  
10          uals;

11          (B) consumer awareness programs; or

12          (C) supportive services to low-income fami-  
13          lies.

14          (c) APPLICATION.—An eligible entity desiring a grant  
15          under this section shall submit an application to the Sec-  
16          retary in such form and containing such information as  
17          the Secretary may require, including a plan for continuing  
18          the programs provided with grant funds under this section  
19          after the grant expires.

20          (d) LIMITATION ON ADMINISTRATIVE COSTS.—A re-  
21          cipient of a grant under this section may not use more  
22          than 4 percent of the total amount of the grant in each  
23          fiscal year for the administrative costs of carrying out the  
24          programs provided with grant funds under this section.

25          (e) EVALUATION AND REPORT.—

1           (1) ESTABLISHMENT OF PERFORMANCE MEAS-  
2           URES.—The Secretary shall develop measures to  
3           evaluate the programs provided with grant funds  
4           under this section.

5           (2) EVALUATION ACCORDING TO PERFORMANCE  
6           MEASURES.—Applying the performance measures  
7           developed under paragraph (1), the Secretary shall  
8           evaluate the programs provided with grant funds  
9           under this section in order to—

10           (A) judge the performance and effective-  
11           ness of such programs;

12           (B) identify which programs represent the  
13           best practices of entities developing such pro-  
14           grams for mid-life and older individuals; and

15           (C) identify which programs may be rep-  
16           licated.

17           (3) ANNUAL REPORTS.—For each fiscal year in  
18           which a grant is awarded under this section, the  
19           Secretary shall submit a report to Congress con-  
20           taining a description of the status of the grant pro-  
21           gram under this section, a description of the pro-  
22           grams provided with grant funds under this section,  
23           and the results of the evaluation of such programs  
24           under paragraph (2).

1 **SEC. 4. NATIONAL TRAINING AND TECHNICAL ASSISTANCE**  
2 **PROGRAM.**

3 (a) **AUTHORITY.**—The Secretary is authorized to  
4 award a grant to 1 or more eligible entities to—

5 (1) create and make available instructional ma-  
6 terials and information that promote financial edu-  
7 cation; and

8 (2) provide training and other related assist-  
9 ance regarding the establishment of financial edu-  
10 cation programs to eligible entities awarded a grant  
11 under section 3.

12 (b) **ELIGIBLE ENTITIES.**—An entity is eligible to re-  
13 ceive a grant under this section if such entity is a national  
14 nonprofit organization with substantial experience in the  
15 field of financial education.

16 (c) **APPLICATION.**—An eligible entity desiring a grant  
17 under this section shall submit an application to the Sec-  
18 retary in such form and containing such information as  
19 the Secretary may require.

20 (d) **BASIS AND TERM.**—The Secretary shall award a  
21 grant under this section on a competitive, merit basis for  
22 a term of 5 years.

23 **SEC. 5. DEFINITIONS.**

24 In this Act:

25 (1) **FINANCIAL EDUCATION.**—The term “finan-  
26 cial education” means education that promotes an

1 understanding of consumer, economic, and personal  
2 finance concepts, including saving for retirement,  
3 long-term care, and estate planning and education  
4 on predatory lending and financial abuse schemes.

5 (2) MID-LIFE INDIVIDUAL.—The term “mid-life  
6 individual” means an individual aged 45 to 64 years.

7 (3) OLDER INDIVIDUAL.—The term “older indi-  
8 vidual” means an individual aged 65 or older.

9 (4) SECRETARY.—The term “Secretary” means  
10 the Secretary of Health and Human Services.

11 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

12 (a) AUTHORIZATION.—There are authorized to be ap-  
13 propriated to carry out this Act, \$100,000,000 for each  
14 of the fiscal years 2006 through 2010.

15 (b) LIMITATION ON FUNDS FOR EVALUATION AND  
16 REPORT.—The Secretary may not use more than  
17 \$200,000 of the amounts appropriated under subsection  
18 (a) for each fiscal year to carry out section 3(e).

19 (c) LIMITATION ON FUNDS FOR TRAINING AND  
20 TECHNICAL ASSISTANCE.—The Secretary may not use  
21 less than 5 percent or more than 10 percent of amounts  
22 appropriated under subsection (a) for each fiscal year to  
23 carry out section 4.

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