

110TH CONGRESS  
1ST SESSION

# H. R. 531

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 HOUSE OF REPRESENTATIVES

JANUARY 17, 2007

Mr. LYNCH introduced the following bill; which was referred to the Committee on Education and Labor

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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 “Retirement Security

5       Education Act of 2007”.

6       **SEC. 2. FINDINGS.**

7       Congress finds the following:

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. Personal sav-  
6 ings rates have fallen to a dangerously low 2 per-  
7 cent.

12 (4) Because women have longer life  
13 expectancies, the number of poor older women is  
14 more than twice the number of poor older men.  
15 Studies have also found that there is a substantial  
16 gender gap in all sources of retirement income in-  
17 cluding Social Security, pensions, savings and earn-  
18 ings from post-retirement employment.

19 (5) The more limited time frame that mid-life  
20 and older individuals and families have to assess the  
21 realities of their individual circumstances, to recover  
22 from counter-productive choices and decision-making  
23 processes, and to benefit from more informed finan-  
24 cial practices, has immediate impact and near term

1       consequences for Americans nearing or of retirement  
2       age.

3               (6) Research indicates that there are now 4  
4       basic sources of retirement income security. Those  
5       sources are social security benefits, pensions and  
6       savings, healthcare insurance coverage, and, for an  
7       increasing number of older individuals, necessary  
8       earnings from working during “retirement” years.

9               (7) The Congressional Budget Office has found  
10      that about a quarter of baby-boomer households  
11      have so far failed to accumulate significant savings  
12      and that they appear likely to depend entirely on  
13      government benefits in retirement.

14               (8) Over the next 30 years, the number of older  
15      individuals in the United States is expected to dou-  
16      ble, from 35,000,000 to nearly 75,000,000, and  
17      long-term care costs are expected to skyrocket.

18               (9) Over the next 25 years, the number of indi-  
19      viduals over 65 years of age requiring long term care  
20      services is expected to double to approximately 12  
21      million.

22               (10) Fraud against older individuals, including  
23      telemarketing schemes, predatory lending, identity  
24      theft and Internet fraud has risen dramatically.

1 SEC. 3. GRANT PROGRAM TO ENHANCE FINANCIAL AND RE-  
2 TIREMENT LITERACY AND REDUCE FINAN-  
3 CIAL ABUSE AND FRAUD AMONG MID-LIFE  
4 AND OLDER AMERICANS.

5 (a) AUTHORITY.—The Secretary is authorized to  
6 award grants to eligible entities to provide financial edu-  
7 cation programs to mid-life and older individuals who re-  
8 side in local communities in order to—

12 (2) reduce financial abuse and fraud, including  
13 telemarketing, mortgage, and pension fraud, among  
14 such individuals.

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

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

18 (2) a non-profit organization organized under

19 section 501(c)(3) of the Internal Revenue Code with

20 a proven record of providing—

21 (A) services to mid-life and older individuals;  
22

23 (B) consumer awareness programs; or  
24 (C) supportive services to low-income fami-  
25 lies.

1       (c) APPLICATION.—An eligible entity desiring a grant  
2 under this section shall submit an application to the Sec-  
3 retary in such form and containing such information as  
4 the Secretary may require, including a plan for continuing  
5 the programs provided with grant funds under this section  
6 after the grant expires.

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

12       (e) EVALUATION AND REPORT.—

13           (1) ESTABLISHMENT OF PERFORMANCE MEAS-  
14           URES.—The Secretary shall develop measures to  
15           evaluate the programs provided with grant funds  
16           under this section.

17           (2) EVALUATION ACCORDING TO PERFORMANCE  
18           MEASURES.—Applying the performance measures  
19           developed under paragraph (1), the Secretary shall  
20           evaluate the programs provided with grant funds  
21           under this section in order to—

22                   (A) judge the performance and effective-  
23                   ness of such programs;

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

4 (C) identify which programs may be rep-  
5 licated.

14 SEC. 4. NATIONAL TRAINING AND TECHNICAL ASSISTANCE  
15 PROGRAM.

16 (a) AUTHORITY.—The Secretary is authorized to  
17 award a grant to 1 or more eligible entities to—

1       (b) ELIGIBLE ENTITIES.—An entity is eligible to re-  
2 ceive a grant under this section if such entity is a non-  
3 profit organization organized under Section 501(c)(3) of  
4 the Internal Revenue Code with substantial experience in  
5 the field of financial education.

6       (c) APPLICATION.—An eligible entity desiring a grant  
7 under this section shall submit an application to the Sec-  
8 retary in such form and containing such information as  
9 the Secretary may require.

10       (d) BASIS AND TERM.—The Secretary shall award a  
11 grant under this section on a competitive, merit basis.

12 **SEC. 5. SENSE OF CONGRESS.**

13       It is the sense of Congress that, in providing assist-  
14 ance under this Act, the Secretary should place a high pri-  
15 ority on the provision of such assistance to organizations  
16 that have demonstrated experience in providing financial  
17 education to older women.

18 **SEC. 6. DEFINITIONS.**

19       In this Act:

20           (1) AREA AGENCY ON AGING.—The term “area  
21 agency on aging” has the meaning given such term  
22 in section 102 of the Older Americans Act of 1965  
23 (42 U.S.C. 3002).

24           (2) FINANCIAL EDUCATION.—The term “finan-  
25 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, identity theft, and financial  
5 abuse schemes.

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

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

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

12 (6) STATE AGENCY.—The term “State agency”  
13 has the meaning given such term in section 102 of  
14 the Older Americans Act of 1965 (42 U.S.C. 3002).

15 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

16 (a) AUTHORIZATION.—There is authorized to be ap-  
17 propriated to carry out this Act, \$100,000,000 for each  
18 of the fiscal years 2008 through 2012.

19 (b) LIMITATION ON FUNDS FOR EVALUATION AND  
20 REPORT.—The Secretary may use to carry out section  
21 3(e) not more than \$200,000 of the amount appropriated  
22 under subsection (a) for each fiscal year.

23 (c) LIMITATION ON FUNDS FOR TRAINING AND  
24 TECHNICAL ASSISTANCE.—The Secretary shall use to  
25 carry out section 4 not less than 5 percent, and not more

1 than 10 percent, of the amount appropriated under sub-  
2 section (a) for each fiscal year.

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