

108TH CONGRESS  
1ST SESSION

# S. 813

To amend part A of title IV of the Social Security Act to require a State to promote financial education under the temporary assistance to needy families program and to allow financial education to count as a work activity under that program.

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IN THE SENATE OF THE UNITED STATES

APRIL 8, 2003

Mr. CORZINE introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend part A of title IV of the Social Security Act to require a State to promote financial education under the temporary assistance to needy families program and to allow financial education to count as a work activity under that program.

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 “TANF Financial Edu-  
5 cation Promotion Act of 2003”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1           (1) Most recipients of assistance under the tem-  
2           porary assistance to needy families program estab-  
3           lished under part A of title IV of the Social Security  
4           Act (42 U.S.C. 601 et seq.) and individuals moving  
5           toward self-sufficiency operate outside the financial  
6           mainstream, paying high costs to handle their fi-  
7           nances and saving little for emergencies or the fu-  
8           ture.

9           (2) Currently, personal debt levels and bank-  
10          ruptcy filing rates are high and savings rates are at  
11          their lowest levels in 70 years. The inability of many  
12          households to budget, save, and invest prevents them  
13          from laying the foundation for a secure financial fu-  
14          ture.

15          (3) Financial planning can help families meet  
16          near-term obligations and maximize their longer-  
17          term well being, especially valuable for populations  
18          that have traditionally been underserved by our fi-  
19          nancial system.

20          (4) Financial education can give individuals the  
21          necessary financial tools to create household budg-  
22          ets, initiate savings plans, and acquire assets.

23          (5) Financial education can prevent vulnerable  
24          customers from becoming entangled in financially  
25          devastating credit arrangements.

1           (6) Financial education that addresses abusive  
2           lending practices targeted at specific neighborhoods  
3           or vulnerable segments of the population can prevent  
4           unaffordable payments, equity stripping, and fore-  
5           closure.

6           (7) Financial education speaks to the broader  
7           purpose of the temporary assistance to needy fami-  
8           lies program to equip individuals with the tools to  
9           succeed and support themselves and their families in  
10          self-sufficiency.

11 **SEC. 3. REQUIREMENT TO PROMOTE FINANCIAL EDU-**  
12 **CATION UNDER TANF.**

13          (a) STATE PLAN.—Section 402(a)(1)(A) of the Social  
14          Security Act (42 U.S.C. 602(a)(1)(A)) is amended by add-  
15          ing at the end the following:

16                   “(vii) Establish goals and take action  
17                   to promote financial education, as defined  
18                   in section 407(j), among parents and care-  
19                   takers receiving assistance under the pro-  
20                   gram through collaboration with commu-  
21                   nity-based organizations, financial institu-  
22                   tions, and the Cooperative State Research,  
23                   Education, and Extension Service of the  
24                   Department of Agriculture.”.

1 (b) INCLUSION OF FINANCIAL EDUCATION AS A  
2 WORK ACTIVITY.—Section 407 of the Social Security Act  
3 (42 U.S.C 607) is amended—

4 (1) in subsection (c)(1)—

5 (A) in subparagraph (A), by striking “or  
6 (12)” and inserting “(12), or (13)”; and

7 (B) in subparagraph (B), by striking “or  
8 (12)” each place it appears and inserting “(12),  
9 or (13)”;

10 (2) in subsection (d)—

11 (A) in paragraph (11), by striking “and”  
12 at the end;

13 (B) in paragraph (12), by striking the pe-  
14 riod and inserting “; and”; and

15 (C) by adding at the end the following:

16 “(13) financial education, as defined in sub-  
17 section (j).”; and

18 (3) by adding at the end the following:

19 “(j) DEFINITION OF FINANCIAL EDUCATION.—In  
20 this part, the term ‘financial education’ means education  
21 that promotes an understanding of consumer, economic,  
22 and personal finance concepts, including the basic prin-  
23 ciples involved with earning, budgeting, spending, saving,  
24 investing, and taxation.”.

1           (c) EFFECTIVE DATE.—The amendments made by  
2 this section take effect on October 1, 2003.

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