



January 16, 2020

Support the Financial Literacy Improvement for Professionals Act, H.R. 5629

On behalf of our activist community, I urge you to contact your representative and ask him or her to cosponsor the Financial Literacy Improvement for Professionals (FLIP) Act, H.R. 5629. Introduced by Rep. Ted Budd, the FLIP Act would clarify what “financial literacy” means and allow existing federal education funds to be used to advance financial literacy in schools.

While the federal government should remove itself entirely from the education space, as we note in our support for fully terminating the Department of Education, there are changes to the existing education system that can create better outcomes for students. While the funds that the FLIP Act addresses should not exist in the first place, efforts to make them available for actually useful purposes is an effort worth supporting.

Specifically, the FLIP Act would allow a portion of the federal grants available on a competitive basis to eligible educational entities under 20 U.S.C. 6672(a) to also be used for “providing teachers with professional development activities that enhance or enable the provision of financial literacy coursework covering topics that include personal finances, responsible borrowing, managing interest on debt, credit scores, and setting up a bank account, across a local educational agency.” Such topics are rarely taught through the course of education in schools, which is mind-boggling because of the practical reality of needing to know these things in life.

Furthermore, the FLIP Act specifies what is included in the “financial literacy” programs for which local educational agencies receiving allocations under 20 U.S.C. 7117(a)(3)(A) may use such funds. Too frequently, Congress passes laws that are too vague and ripe for abuse. Efforts to make congressional intent known, as Rep. Budd’s bill does, help to ensure that laws have a better chance of achieving their intended effect.

Specifically, the FLIP Act spells out that “financial literacy” includes “courses providing instruction on debt management, managing interest on debt, credit scores, setting a personal

budget, opening a checking and savings account at a bank, alternative banking methods, student loans and navigating the process of obtaining Federal financial aid for students, filling out the Free Application for Federal Student Aid... and comparing Federal and private loans.”

Rep. Budd is right to notice that students graduate from elementary and secondary school and even from higher education without a real grasp of how to manage finances, whether that be to pursue further education or to buy a home, or even just to pay bills. Working within the existing infrastructure of education in our country, Rep. Budd’s leadership in addressing this problem is laudable. For these reasons, I urge you to contact your representative and ask him or her to cosponsor the FLIP Act, H.R. 5629.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Brandon', with a stylized flourish at the end.

Adam Brandon
President, FreedomWorks