

Financial Literacy and Education Commission (FLEC) Public Meeting Minutes

October 6, 2020

9:00 a.m. to 10:30 a.m. E.D.T. (webcast)

Dubis Correal, Acting Assistant Director of the Office of Financial Education, Consumer Financial Protection Bureau (CFPB) opened the meeting held via webex. She went over some logistical matters and called the roll of members and established there was a quorum present of all the members. Then she introduced the Vice Chair of the FLEC, CFPB Director Kathleen Kraninger and U.S. Department of the Treasury Assistant Secretary for Management (ASM) David Eisner representing the Chair. Director Kraninger welcomed members of the Commission and members of the public. She reaffirmed her commitment to fulfill the CFPB's financial education responsibilities and collaboration with interagency partners to implement the 2020 National Strategy for Financial Literacy. Director Kraninger also discussed a collaboration with the Conference of State Bank Supervisors to release guidance for homeowners, an interagency housing hub, and that 3.9 million users have accessed educational content produced by the CFPB in response to COVID-19, including back-to-school materials and the Financial intuition podcast.

ASM Eisner thanked the CFPB for hosting the meeting and shared support from the Chair, Treasury Secretary Steven Mnuchin. ASM Eisner recapped the Administration's economic assistance efforts in light of the economic challenges brought on by the pandemic and steps toward a strong recovery. He briefly described outcomes from the CARES Act, the Paycheck Protection Program (PPP) Economic Impact Payments, and other funding to state, local and tribal governments to assist with COVID-19 related expenses and creating jobs. ASM Eisner particularly highlighted the role of community development financial institutions and minority depository institutions in delivering PPP funds. ASM Eisner gave recognition to the Internal Revenue Service (IRS) and FLEC partners including Department of Veteran Affairs (VA), Social Security Administration (SSA), and CFPB that made unprecedented outreach efforts to ensure people are aware of their eligibility for an Economic Impact Payment, which provided over \$273 billion to American families.

ASM Eisner underscored the importance of federal agencies working together. He went on to highlight the National Strategy for Financial Literacy 2020 that lays groundwork across five key areas of consumer financial decision-making which include: basic financial capability, retirement and investor education, housing counseling, postsecondary education, and military financial readiness. Through newly established working groups in each of these core areas, the FLEC will coordinate programs, policies and outreach. The government will continue to serve as a leader providing evidence-based best practices, research, and program accountability to improve financial outcomes. The National Strategy lays a framework to support financial education initiatives and enable government to promote a resilient and inclusive economy in ways that are effective and efficient. He described the role of the Federal government to serve as a leader providing evidence-based practices, research, and program accountability working the private

sector and local leaders to build and sustain financially independent individuals, families and communities.

Next, Louisa Quittman, Director, Financial Security and Education, Treasury, updated the FLEC on the 2020 National Strategy and Working Groups. The National Strategy details the federal government's financial education priorities and its plans to collaborate widely to strengthen financial capability for all Americans. She highlighted the need for increased financial literacy in the U.S. as only one-third of adults could answer at least four of five financial literacy questions on fundamental concepts such as mortgages, interest rates, inflation and risk, as an example. African-American and Hispanic adults answered fewer financial literacy questions correctly than did White and Asian respondents. The National Strategy includes evidence-based best practices including: know the individuals and families to be served; understanding the specific needs of the learner; provide actionable, relevant, and timely information; improve key financial skills rather than merely transmit facts and information; and provide ongoing support, such as one-on-one financial counseling; and evaluate for impact.

The National Strategy also describes a new structure to increase efficiency of the FLEC, and increased efforts to reduce fragmentation, duplication, and overlap by assessing activities for impact, building a learning and research agenda, and working with experts across federal agencies and outside partners. Also, she discussed the activities of the each of the five working groups:

- **Basic Financial Capability**, led by CFPB, addresses basic money management and planning skills and actions, including budgeting and savings; managing payment of bills and debts; understanding the appropriate use of credit and how that affects credit scores and credit reports; access to and sound use of financial products and services; and avoiding fraud and scams.
- **Housing**, led by Department Housing and Urban Development (HUD) seeks to support consumers ability to make sound decisions on home buying, managing housing expenses, avoiding foreclosure, understanding rights and obligations as renters, and other housing-related decisions through greater accessibility and use of quality housing counseling.
- **Saving for Retirement and Investors Education**, led by Department of Labor (DOL), focuses on helping Americans plan, save, and invest for retirement and for long-term needs and avoiding frauds and scams that can imperil their savings and investments.
- **Postsecondary Education**, led by Department of Education (ED), focuses on helping postsecondary students and their families to avoid the pitfalls associated with financing higher education by helping them plan for and understand the costs and benefits of higher education, and promotes implementation of the recommendations in the 2019 report *Best Practices for Financial Literacy and Education at Institutions of Higher Education*.
- **Military**, led by Department of Defense (DoD), supports national security so that financial challenges do not distract servicemembers from focusing on their missions, recognizes the substantial resources dedicated to military financial education, and the unique financial situation of military servicemembers, veterans, and their families.

FLEC members were asked for questions or comments about the National Strategy. Barry Wides, Deputy Comptroller, Community Affairs, Office of the Comptroller of the Currency (OCC), commended the work of the FLEC and Working Groups. Terry Carr, Senior Program Advisor, Office of Housing Counseling, (HUD), expressed her interest in working together on the National Strategy and addressing the housing crises brought on by the pandemic.

Next, Desmond Brown, Assistant Director, Office of Consumer Education, CFPB recapped the minutes of the last FLEC meeting and moderated a panel on Financial Wellness Response and Recovery: Assisting Consumers in Navigating Pandemic Financial Challenges.

Mr. Brown introduced the panel:

- Marietta Jelks, Research Lead, General Services Administration (GSA);
- Elizabeth Ortiz, Deputy Director, Consumer and Community Affairs, Federal Deposit Insurance Corporation (FDIC);
- Allen Gutierrez, Associate Administrator, Office of Entrepreneurial Development, Small Business Administration (SBA); and
- Jeanne Wilson, Acting Assistant Secretary, Employee Benefits Security Administration, Department of Labor (DOL).

Ms. Jelks discussed GSA's mission every day is to make it easier for people to find US Government information and that during times of crises that mission is amplified as USA.gov is designated as an official mode of communication in emergencies. GSA responded by developing USA.gov/coronavirus in English and Spanish as the official landing page of over 100 government agencies on a myriad of topics including financial wellness and well-being to aggregate and amplify U.S. Government messages.

The GSA uses data as a key tool to analyze which pages are most popular from week to week. Additionally, GSA reviews survey comments, and social media use, to see which areas are of most interest over time. GSA is very intentional in sharing that data with other agencies for identification of content gaps or avoid duplication. Mr. Brown agreed and amplified the benefits of using data to target financial education messages to the communities that need them most.

Ms. Ortiz described that economic inclusion is core to the FDIC's mission to maintain stability and confidence in the banking system. The same underserved communities that are unbanked are the ones most greatly affected by the current pandemic and any economic crises. FDIC reiterates the overall benefit of encouraging people to maintain a banking relationship as it is akin to having a share in the U.S. economy. People who have bank accounts were generally able to receive economic impact payments faster than those that didn't. FDIC maintains networks and collaborations to encourage unbanked consumers to tell the story of the benefits of a banking relationship.

Ms. Ortiz further discussed that efforts to collaborate mutually reinforce each other. FDIC works with National Credit Union Administration on national webinars to promote federal resources, *Money Smart*, and programs that generate interest from insured institutions. Another partnership with the Federal Emergency Management Agency (FEMA) to speak at webinars, other

partnerships to speak to larger constituencies, and a December webinar with HUD on the importance of financial education. Ms. Ortiz also mentioned collaborations with Department Health and Human Services, IRS, and CFPB to reinforce messages nationally and locally.

Mr. Gutierrez discussed how the CARES Act provided additional funding to maximize the SBA's small business development centers, women's business centers, and 68 district offices that are open 24/7 to help businesses from drowning in many ways including by pivoting to serve areas in demand during the current pandemic environment. Many businesses have, by necessity become more technologically savvy. SBA has become more user friendly by enhancing their website [SBA.gov/coronavirus](https://www.sba.gov/coronavirus) and [SBA.gov/recovery](https://www.sba.gov/recovery).

Ms. Wilson discussed how the DOL is focused on providing help by extending key deadlines for benefit claims, COBRA notices, and disclosures to avoid hardships. DOL's Employee Benefits Security Administration (EBSA) has 125 benefits advisors that actively assist the public either by reaching out to groups or responding in real time to questions. Since March, DOL has participated in 2,700 outreach events to help workers confronted with job loss. In addition, partnerships with government agencies including SSA in webinars to help employers and employees through these challenging times. To find out more go to [DOL.gov](https://www.dol.gov) and click on EBSA.

EBSA's retirement initiatives all support the mission of promoting the security of American workers' retirement benefits. For example, many are aimed at promoting compliance promoting fiduciary prudence and loyalty, investment practices, and investment advice. EBSA just completed a lifetime income final rule designed to ensure American workers in defined contribution plans will have lifetime income illustrations on their account statements to understand how their account balance translates into a monthly income for retirement.

Mr. Brown then opened the meeting to questions from members of the FLEC. He acknowledged questions were received from members of the public about renters and suggested people look at the CFPB's website [CFPB.gov/coronavirus](https://www.cfpb.gov/coronavirus) that provides information for renters and homeowners.

Lori Schock, Director, Office of Investor Education and Advocacy, Securities and Exchange Commission (SEC), highlighted the World Investor Week and amplified the need for saving and investing and fraud warnings/alerts as some companies have been suspended from trading due to scams related to the pandemic.

With no other questions or comments from FLEC members, Ms. Correal noted that the minutes and the recording will be posted at the FLEC website.

CFPB Director Kraninger closed the meeting by thanking Treasury and all the participants and acknowledging the interagency working groups and the clear intent and efforts to work jointly to make financial education materials available to all.

Financial Literacy and Education Commission Representatives

Consumer Financial Protection Bureau	Director Kathleen Kraninger, Vice Chair
	Desmond Brown
	Dubis Correal
Department of Treasury	ASM David Eisner (alternate for Chair)
	Louisa Quittman
Department of Agriculture	Richard Elrod
Department of Defense	Fred Drummond
Department of Education	David Albers
Department of Health and Human Services	Sandy James
Department of Housing and Urban Development	Terry Carr
Department of the Interior	Jerry Gidner
Department of Labor	Jeanne Wilson
Department of Veterans Affairs	Richard Hartman
Commodity Futures Trading Commission	Dan Rutherford
Federal Reserve Board	Anna Alvarez-Boyd
Federal Deposit Insurance Corporation	Elizabeth Ortiz
Federal Trade Commission	Cristina Miranda
General Services Administration	Marietta Jelks
National Credit Union Administration	Matthew J. Biliouris
Office of the Comptroller of the Currency	Barry Wides
Office of Personnel Management	Patricia Sapol
Securities and Exchange Commission	Lori Schock
Small Business Administration	Allen Gutierrez
Social Security Administration	Jeffrey Buckner