



**Financial Literacy and Education Commission Public Meeting Minutes  
December 14, 2017  
U.S. Department of the Treasury – Cash Room  
9:00 a.m. to 11:30 a.m.**

Louisa Quittman, Director, U.S. Department of the Treasury opened the meeting at 9:03 a.m. She introduced Treasurer Jovita Carranza. Treasurer Carranza welcomed members of the Commission, members of the public and acknowledged the presence of Advisor to the President Ivanka Trump. The Treasurer mentioned her travels and discussions with Ms. Trump regarding Science, Technology, Engineering and Math (STEM) enrollment, the importance of entrepreneurship and in particular, women-owned businesses, before introducing the Secretary of the Treasury, Steven Mnuchin.

Secretary Mnuchin stated that the purpose of the meeting was to discuss the plan for advancing the FLEC's financial education activities. He noted that a stronger economy will provide opportunity for more people to save, get better jobs, and start businesses, and that high quality financial education can play a valuable role in helping Americans take advantage of these opportunities to meet their own goals. He referenced an Executive Order which included a principle "to empower Americans to make independent financial decisions and informed choices in the market place, save for retirement, and build individual wealth." Secretary Mnuchin emphasized that FLEC can play an integral role in empowering Americans to make informed choices, and that the Treasurer is leading a Steering Committee to develop a plan that will help ensure FLEC is meeting its objectives and educating the public on financial matters.

Secretary Mnuchin noted that a major priority for the FLEC will be to provide greater resources to service men and women and veterans, and to help service-members transition back to civilian life. He urged the FLEC to seize the opportunity to innovate and do things better, and strive to have measurable impacts.

He then welcomed the CFPB's Acting Director, Mick Mulvaney,

Acting Director Mulvaney discussed the Administration's priority of bringing financial prosperity to as many Americans as possible and the importance of financial education in helping people maintain financial prosperity and the role it plays in helping move people into self-support. He thanked the Commission for their work, and committed to working with the CFPB to help the FLEC achieve shared goal.

Treasurer Carranza then discussed the rationale for the FLEC Reform Initiative. She mentioned the work that she had done to learn about the FLEC and financial education, and that she has met with leadership of more than half of FLEC agencies. At the meetings she asked each agency head for their frank assessment of the FLEC's overall effectiveness, its reach, how well it is serving our communities, and its strengths and weaknesses. It was agreed that the Administration should make the FLEC stronger and more responsive to American families.

She discussed setting collective goals and timelines, identifying and implementing best and effective practices, and working together to produce a positive impact on Americans' financial capability and well-being. She also emphasized that FLEC members put a premium on measuring outcomes, rather than outputs, despite the challenge.

She mentioned that she has met with private-sector financial education leaders and experts, local government officials, community-based organizations, philanthropic and civil rights organizations.

She reiterated that financial education is very important, and that stakeholders around the country look to this body to provide national leadership, expertise, networks, and tools and materials to move this field forward.

She outlined the work over the next six months, which includes recommending populations of focus, review existing financial education activities for effectiveness and quality and recommending improvements in FLEC procedures.

She invited FLEC member agencies to actively commit to work in the reform initiative to achieve the shared goal of empowering more Americans to make successful financial decisions.

The Treasurer then introduced Jason Brown, Director of Microeconomic Policy at Treasury, to provide insights on current and notable trends in household economic security. In particular, she asked that he discuss financial security trends among women in particular, including entrepreneurs and older women.

Dr. Brown began by acknowledging that there has been considerable recovery from the recession, noting reductions in debt. Median household net worth is still not completely recovered, with significant differences in age groups, with much of the wealth accruing to the oldest households. He pointed out that student loan balances have quadrupled in the past 15 years, and students are bearing more of the cost of higher education. Higher education is still a good investment, but there are variations in outcomes for students. Older Americans have more wealth, mostly concentrated in housing. Single, including widowed households are more likely to be less wealthy, with disability being a negative factor. Older women are twice as likely to be in poverty as older men. He concluded with emphasizing the importance of financial education in helping people accumulate and preserve wealth.

Director Quittman asked whether these trends are likely to continue, and what this would mean for financial education efforts. Dr. Brown said that they are likely to continue, citing the student

loan issue and that people are living longer and long-term care issues are still present. The Treasurer recognized that homeownership is important to wealth accumulation that can be used to finance education, entrepreneurship and long-term care. Ja’Ron Smith asked whether Dr. Brown had done any research on minorities and financial education, and Dr. Brown deferred to financial education experts.

Director Quittman asked the members of the Steering Committee had any comments.

Fred Drummond, DOD, remarked that we need to have the right investments in financial education and have successful outcomes transitioning to civilian service. He thought that there was value in exchanging best practices in financial education. He also mentioned the importance of investing early for retirement and the portability of these accounts.

Allen Gutierrez, SBA emphasized that in order to run a successful business you need to understand your personal finances as well. The Treasurer mentioned the role that the SBA has in helping businesses be prepared financially for disaster.

Bob Patterson, SSA mentioned SSA’s long history in better helping the public understand retirement security and their ongoing public outreach in helping in this effort.

Mark Pearce, FDIC, discussed the collaboration with other FLEC agency members to reach diverse populations, including youth, older adults and people with disabilities. Specifically, he mentioned the resources developed to help teachers and parents about financial matters. He also pointed out that about 20% of people who are unbanked in the country are people with disabilities, and that they are seeking ways to tailor their information to better serve this population. He noted the difficulty of measuring impact but emphasized the importance of demonstrating that our work makes a difference and stays current, including the way that the information is delivered.

Dr. Eric Belsky, FRB expressed interest in making sure that we understand what’s effective in helping people make good financial decisions. He discussed insuring reaching people at times when they need to make a financial decision, such as receiving their first paycheck, financing an education or filing taxes. The Federal Reserve considers savings and financial inclusion to be critical. Dr. Belsky discussed the importance of the research function in informing financial education work about consumer household financial conditions and perceptions. He pointed out his enthusiasm for driving outcomes, not just outputs, in financial literacy programs and the individualism of making financial decisions.

Director Quittman opened the meeting to discussion among the FLEC members. Svetlana Gans responded to discuss the FTC’s consumer education resources, including [MilitaryConsumer.gov](http://MilitaryConsumer.gov), [IdentityTheft.gov](http://IdentityTheft.gov), and business cybersecurity protection. Gail Hillebrand, CFPB, discussed the importance of identifying what works and what doesn’t work. She expressed that it’s important to support and work through community channels, such as libraries, recruiters, and employers in order to help people build skills over the life cycle. She also encouraged the FLEC to think about how to measure how we build a strong community infrastructure to continue to deliver these services. She mentioned their network of 1600 libraries that receive training and

information, as well as “Your Money, Your Goals,” which works with social service providers to include financial education in their services. She also discussed tax time savings and the role that research plays in helping meet the financial needs of the public. Barry Wides, OCC talked about the “Financial Literacy Update”, a bi-monthly resource that informs banks of local opportunities to participate in local initiatives to improve financial capability. The Treasurer discussed the meaningful role that banks can play in providing financial capability. Director Quittman followed up with encouraging the group to systematically improve how the FLEC works with the private sector. Sarah Gerecke, HUD discussed HUD’s homebuyer counseling network and an ongoing study on the effectiveness of homebuyer counseling. Preliminary findings are that counseling can help people recovering from disaster make good decisions, access resources and avoid fraud.

Director Quittman then provided highlights from 2017 that included DOD’s new Blended Retirement System and the FLECs work in helping military families make good financial decisions and the Military Financial Readiness Roundtable, which brought some outside experts on financial health to inform the military financial readiness community.

She noted that several FLEC members mentioned the importance of savings. Referring to earlier studies, it’s known that many people are lacking emergency savings and also that it is important for people to start saving early, particularly for youth. We know more about the messaging and moments that make a difference in people’s savings.

In May, the FLEC hosted the U.S. release of the 2015 Programme for International Student Assessment (PISA) financial literacy findings. Both the U.S. Department of Education and the OECD presented data which showed that more than one-fifth of U.S .15 year-olds do not have the basic level of financial skills and knowledge they need as measured by this rigorous assessment. There is a huge gap in student performance based on socio-economic status. She noted that there are positive lessons in helping students gain knowledge, including strategies to work with parents and increasing hands-on learning.

She mentioned the FLEC’s response to recent disasters. The FLEC recently added “[Rebuilding Your Finances Following a Disaster](#)” landing page which provides information on managing your finances after disaster and includes several FLEC member resources on topics such as working with creditors and avoiding fraud. FLEC agencies are also collaborating in other ways to meet disaster response, recovery and prevention needs.

Looking to the year ahead, Quittman also emphasized the role that research plays in helping to effectively include financial education in other programs and services and how technology-based approaches can be effective at helping people make decisions and take action. The FLEC encourages the sharing of this data and research.

She thanked the FLEC member agencies for their work in 2017 and that the annual report is for the FLEC is set to be released in early 2018.

She then asked for brief announcements from the FLEC members.

Gail Hillebrand, CFPB, mentioned that copies of the CFPB's Annual Report and the Financial Well-being Survey are available for the public, and that all the tools and resources are available for use by anyone.

Erica Richardson, CFTC announced the launch of CFTC.gov/bitcoin, a collection of educational materials and information on bitcoin and other virtual currencies.

Director Quittman pointed out that this is a reminder for the FLEC to be responsive to current needs. She noted that the next public meeting is expected in the spring, and the Steering Committee is expected to meet in January.

The Treasurer closed out the meeting by reiterating the need to focus in on change as a window of opportunity to improve the FLEC and optimize the collaborative group and its expertise and experience. She noted how the Steering Committee was selected based on their reach and practices that benefit the work of the whole. The group will focus on identifying best practices and specific target populations that could benefit from increased efforts, such as military members. She noted that the process is designed to be transparent, and will interact with the full FLEC to gain input. . She applauded the FLEC for the progress and activities to date. She thanked the meeting participants, including those joining via webcast and thanked special guest Ivanka Trump for her participation and attention during the meeting.

The meeting concluded at 10:33 a.m.

## **Financial Literacy and Education Commission Representatives**

Department of Treasury, Chair	Secretary Steven T. Mnuchin Treasurer Jovita Carranza Louisa Quittman
Consumer Financial Protection Bureau, Vice Chair	Mick Mulvaney Gail Hillebrand
Commodity Futures Trading Commission	Erica Elliott Richardson
Department of Agriculture	Toija Riggins
Department of Defense	Fred Drummond
Department of Education	Jason Botel
Department of Health and Human Services	Aisha Gurley
Department of Housing and Urban Development	Sarah Gerecke
Department of the Interior	Archie Barnes
Department of Labor	Jeanne Wilson
Department of Veterans Affairs	James Manker
Federal Reserve Board	Dr. Eric Belsky
Federal Deposit Insurance Corporation	Mark Pearce
Federal Trade Commission	Svetlana Gans
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	Karen McManus
Securities and Exchange Commission	Lori Schock
Small Business Administration	Allen Gutierrez
Social Security Administration	Robert “Bob” Patterson
White House Domestic Policy Council	Ja’Ron Smith

## **Additional Speakers**

- Jason Brown, Director, Microeconomics Policy, U.S. Department of the Treasury