

**Financial Literacy and Education Commission Public Meeting**  
**May 26, 2021**  
**U.S. Department of the Treasury – Virtual**  
**9:00 a.m. to 11:00 a.m.**  
**Minutes**

Louisa Quittman, Director, Financial Security/Education, U.S. Department of the Treasury, called the meeting to order at 9:00 a.m. She introduced Secretary of the Treasury Janet Yellen. Secretary Yellen welcomed the audience and recognized the topic of racial inequality as it relates to wealth building. She noted that the wealth disparity has changed very little since the 1960s. Secretary Yellen also referenced the disproportionate financial strain economic crises like the 2008 recession and Covid-19 have had on communities of color--in both intensity and lasting effects. In remedying this, big fiscal policy is required to build an economy that works for everyone. Secretary Yellen referenced the recent signing of the American Rescue Plan by the President and the proposed American Families and Jobs Plan. In closing, Secretary Yellen stated the importance of including financial education in any push for financial inclusion and highlighted the relevant impact of early financial education on adult decision making.

Director Louisa Quittman then introduced Deputy Secretary of the Treasury Wally Adeyemo who moderated the panel of experts in financial education. Deputy Secretary Adeyemo began by stressing the topic of the meeting--how do we use financial education to expand opportunities and in particular for those who have been marginalized? He proceeded to mention the President's agenda in the rebuilding of the economy following COVID-19 and highlighted the administration's focus on the inclusion of people of color.

Following an introduction of the panelist, Deputy Secretary Adeyemo opened with a question to Marc H. Morial, President and CEO of the National Urban League about the linkage between financial education and racial equality. In response Mr. Morial opened with a remark on the rhetoric of financial education. "People do not like being told that they need to improve their financial literacy; it makes them feel illiterate." Mr. Morial stated the need for reframing financial literacy efforts as "financial empowerment" in recognizing the dignity of its participants and in attracting additional ones who need it. Mr. Morial focused on the mechanism of increasing the "acceptability" of financial education services. He underscored the importance of knowledge about financial products and services, in addition to regulation as a step towards improving racial equality. Housing counseling and services to small businesses and others are essential to the ability to grow and protect assets and close the wealth and income gaps.

Deputy Secretary Adeyemo then introduced Marietta Rodriguez, President and CEO of NeighborWorks and asked about the importance of financial education in counseling minority homeowners and renters on how to stay in their homes. Ms. Rodriguez began by highlighting the

priorities of NeighborWorks additional funding from the American Rescue Plan housing stability counseling program, which will help people and neighborhoods facing financial instability. NeighborWorks has found financial education to be most successful when it is delivered by trusted resources like trained financial coaches, housing counselors, or resident service providers in affordable housing. The organization's focus on outreach and relationships has allowed it to be effective in developing a network that reaches people in crisis, including minority households. Ms. Rodriguez emphasized the need for community-based organizations and government agencies to develop a relationship of trust and provide higher-touch services to minority and low-income communities before they are ever at risk of losing their homes. She noted that many people have been exposed to unscrupulous landlords and scams, making it harder for them to trust in assistance.

Following Ms. Rodriguez, Deputy Secretary Adeyemo introduced Chief Investment Officer and co-CEO of Ariel Investments, John W. Rogers and asked about the role of financial education in teaching new investors how to invest responsibly. Mr. Rogers began by stressing the importance of teaching young people not only about saving but also investing in bonds and equities. During his time chairing President Obama's Council on Financial Capability for Young Americans, Mr. Rogers pushed for major financial institutions and urban public schools to partner to inform students on the stock market and potential careers in the financial sector. His recommendation for robust financial education focused on practical exposure, getting local corporations to educate students on how to save and invest long-term.

Deputy Secretary Adeyemo then introduced the CEO of Neighborhood Trust Financial Partners, Justine Zinkin and asked about getting people back to work following the pandemic and what models could we use to address the financial challenges of it. Ms. Zinkin described her organization's work providing financial coaching as a worker benefit and training to credit unions to embed financial coaching. She provided information about low-income workers who rely on public assistance, and who are disproportionately people of color such as domestic workers and food service workers, who were disproportionately effected by Covid-19. She described the financial status of clients, including being "extremely worried" about making ends meet. Ms. Zinkin suggested that it is essential to bundle financial education with other services, and reiterated earlier points of reframing the narrative on financial education as a tool to help workers navigate structural disadvantaged in the economy. She noted that data from qualitative data can also help improve policy. Ms. Zinkin also suggested the need for integrating financial education and coaching into policies that improve unstable jobs, such as home care workers, restaurant workers, and small businesses.

Deputy Secretary Adeyemo then introduced the CEO and Chairman of Operation Hope, John Hope Bryant with a question about responses to natural disasters and what lessons it could teach us in response to the Covid-19 pandemic. Mr. Bryant opened with a remark about families'

recoveries following disasters, using 9/11 as an example. He stated that the number one reason people do not recover from disasters is because of poverty. He noted various steps that have been taken by government in the past, noting that “the urgent has always crowded out the important in this country.” Mr. Bryant described how the pandemic affected not only black and brown communities but also middle-class families, mainstream retailers, and nearly everyone in the economy. He noted the importance of financial education in all aspects of people’s lives. He described his organization’s response and framework for future action, working with large business investments in black entrepreneurship, given that businesses need financial education and coaching. He recommended making the solution bigger and embed it in the “business plan” of the nation and be properly resourced and reimaged.

Deputy Secretary Adeyemo then transitioned to the next part of the discussion, asking the panelists their recommendations on how to advance the financial education agenda. Deputy Secretary Adeyemo then proceeded to list out five areas he was focused on at the Department of the Treasury: service provider diversity, connecting capital to marginalized communities, tax enforcement and resources, affordable housing, and recruiting and retention government agencies that are diverse.

Mr. Rogers responded by mentioning the example of NYC Kids RISE which starts off kindergarteners with stock investments through 529 programs that follow them to college. He also mentioned the Ariel Community Academy, which he co-created, which teaches elementary school children how to invest in the market with real stocks and real money. These two programs serve as examples of financial institutions partnering with urban schools to promote wealth building. Mr. Rogers then raised the issue of minority workers participation in 401k programs due to their discomfort in the market. He gave the example of McDonald’s education initiatives for minority workers that teach employees about the market and investing. He encourages employers to track retirement savings and investing by race.

Ms. Rodriguez offered three suggestions for consideration by the FLEC: (1) housing counselors should be considered a resource for educating consumers and connecting renters to emergency rental assistance, (2) rental resident services are critical for success of tenants in affordable housing properties, (3) real time collaboration between the private sector, government, and nonprofits is crucial in identifying challenges and forming solutions. She noted that this last approach was effective during the last financial crisis and enabled innovation. She noted the challenge for people in crisis to navigate to find the help that they need. Financial coaching can help people move out of crisis and to stability. She encouraged using local organizations to reach people in communities about federal programs.

Mr. Morial followed with his recognition of the many federal agencies in attendance and the recommendation that the FLEC do a full inventory of all the financial education programs either

funded by or provided by the federal government. He recommended the scaling of federal programs and funding as it relates to financial education. The tendency to reinvent the wheel is not the solution, when sometimes all that is needed is to put air in an existing tire. Secondly, Mr. Morial expressed that embedding financial education into the curriculum of every classroom in America could have a huge impact on the future. To ensure progress, he suggested that there be a person put in charge of coordinating financial education efforts on the federal level, someone to be held responsible. Lastly, Mr. Morial remarked that financial education efforts be pragmatic and be focused on the basics of homeownership, small businesses, community-based providers, and in the workplace.

Ms. Zinkin highlighted the importance of counseling on racial equity in recovery. She pointed out that job quality is key, including —prevailing wages, safe working environments, and the ability to organize. Job quality standards should be the norm, which has a return on investment. Ms. Zinkin noted that timely cash infusions were a lifeline for households. Income stability and cash disbursement should be improved to ensure resiliency. She urged the FLEC to closely examine short-term cash flow issues, through innovation, such as the Consumer Financial Protection Bureau’s sandbox.

Mr. Bryant suggested that this “big, bold, and audacious plan” by the Biden administration needs to be attached to financial literacy efforts. He proceeded to list off contributors of financial literacy efforts across the public and private sphere, recommending that the federal government take the lead in embedding financial literacy by making it “the law of the land” and funding it from kindergarten through college. His specific recommendations for the Treasury were: 1) a living wage for all specifically through the Earned Income Tax Credit, 2) wealth creation for all through financial education, 3) the creation of a new federal council to set big goals for partnerships between government, private sector, and community organizations.

Deputy Secretary Adeyemo thanked the panelists and asked Ms. Quittman to facilitate the discussion portion of the meeting. Ms. Quittman introduced David Uejio, Acting Director of the Consumer Financial Protection Bureau (CFPB). Mr. Uejio began with a statement on the CFPB’s commitment to addressing racial inequities in the financial marketplace. He recognized that many practices and policies in the financial services industry have “caused and exacerbated” racial inequality and explained the CFPB’s efforts to address racial equity under his leadership. Among the CFPB’s efforts, Mr. Uejio emphasized the CFPB’s priority investigations, including fair lending enforcement and addressing unlawful conduct. In addition, the CFPB engages in financial education research to develop, assess, and distribute information about effective approaches and tools. He noted CFPB’s partnerships with other organizations and the financial well-being scale which is used by many organizations. The CFPB’s research on financial well-being will continue, and be focused in a number of key areas, including student loan borrowers. He plans to focus use of CFPB’s tools on economic and housing security.

Todd Harper, Chairman of the National Credit Union Administration (NCUA) began by explaining the ways in which the NCUA is acting to respond to the pandemic's economic fall-out, strengthen consumer protection, and advance economic equity and justice. Since the start of the pandemic, NCUA has encouraged credit unions to proactively work with their members to handle their financial strains and hardships. It has also been working to improve the financial capabilities and financial knowledge of credit union members. This year, the NCUA has collaborated with the CFPB, the Internal Revenue Service (IRS), and the Federal Deposit Insurance Corporation (FDIC) and hosted events for its service members on financial readiness, earned income tax credits and access to savings accounts. The Access program will also raise awareness of consumer financial protection laws and regulations and the importance of financial literacy.

Ms. Quittman then opened the discussion to questions from members of the FLEC. Mr. Uejio asked Ms. Zinkin about the upcoming child tax credit and what ways to ensure families of low to moderate income can access their credits quickly. Ms. Zinkin responded with a recognition of the importance of timely access to the tax credit for working class families will help improve their financial security over time. She noted the volunteer income tax assistance (VITA) program helps people access tax credits for free and protects families from the predatory loans often associated with tax credits. She also urged the government to partner with trusted community-based organizations to roll out information on how to apply for and access the tax credit and leverage that with financial coaching, which is essential to reach the Latino and immigrant community.

Jennifer Leach of the Federal Trade Commission (FTC) asked Ms. Rodriguez about campaigns against frauds and scams and how this appears in their messaging. Ms. Rodriguez stated that NeighborWorks worked closely with the FTC during the last recession to campaign against loan scams. Currently, NeighborWorks has relied on trusted community organizations to spread accurate information to avoid scams, such as on vaccines and tests by mobilizing community members and coalitions. Ms. Rodriguez also recommended the creation of a standardized database to report scammers so the government could go after them. Mr. Morial jumped in with a comment on the importance financial education, along with aggressive enforcement in preventing the long-term persistence of scams.

Mark Pearce of the FDIC raised the issue of minority communities' lack of access to bank accounts. During the pandemic, the speed of receiving economic impact payments depended on having a bank account with direct deposit on file with the IRS. Those without one had to wait additional weeks for a physical check or card at a time when stimulus payments were necessary for the survival of many. He described the #getbanked pilot and public awareness campaign in Atlanta and Houston and encouraged partnerships in this work.

Mr. Harper directed a question to Ms. Zinkin about the barriers of getting financial education and empowerment information out to the public. Ms. Zinkin described that organization has found that trained financial coaching embedded in credit unions enables people to trust their products and services, subsequently using them more successfully. Ms. Zinkin also mentioned the importance of understanding and removing structural barriers to accessing bank accounts such as the Chex systems, liens on accounts, language, and fees.

Aaron Levy from Federal Emergency Management Agency (FEMA), asked Mr. Morial how we can make communities more financially resilient before disaster strikes? Mr. Morial responded by first reminding the audience of the harsh reality of most Americans' finances. Most do not feel as if they earn enough money to take care of their present obligations, let alone save for the future. When it comes to preparing for disasters, Mr. Morial suggested that it is more palatable to people to be told to put together resources for natural disasters and including a debit card, than to tell people to simply save money. He stressed the importance of finding a distinct purpose for savings that people can relate to. He also noted it was important for people to know where their important records are, such as insurance policies. Mr. Levy noted that FEMA has developed a kit that helps organize documents together with Operation Hope. Ms. Rodriguez added that investment in resource coordination among community organizations and cross-sector collaboration are proving to be important resources during the pandemic.

Mark Madrid, from the Small Business Administration (SBA), noted that SBA recently announced a Community Navigator Pilot and asked Mr. Morial what services directed towards small businesses are they offering. Mr. Morial responded with the example of the National Urban League's entrepreneur program where they serve as a facilitator of opportunities for small businesses to connect with banks, community development financial institutions (CDFIs), and potential government and private sector customers. They are also working with other organizations to provide funding, resources, and connections to small businesses. Mr. Rogers added that minority owned small businesses need access to customers as well as access to capital. During the pandemic, he found that African American small businesses were among the hardest hit being in industries with the smallest margins. He suggested in order to create a more equitable future we need to promote and invest in diversity within industries of the future such as finance, media, and technology.

Mr. Bryant brought attention back to an earlier point made on getting information out to the public, through bold and simple messages. He argued that financial education needs to get to the core of the issue, to better equip organizations like the National Urban League and Operation Hope with the resources already available.

Eric Belsky, representing the Federal Reserve Board of Governors, underscored the importance to reach Americans with assistance, especially on housing.

Ms. Quittman thanked the panelists for speaking with the FLEC. She noted the expertise and commitment to equity and financial well-being of the members of the FLEC to draw on for future action. She summarized activities that FLEC agencies are currently working together on, including responding to the Covid-19 national emergency with information on Economic Impact Payments, housing assistance, and student loan forbearance. She also mentioned actions promoting homeownership, retirement savings, helping students and families understand the cost of college, and supporting the financial readiness of military service members. She recapped some of the main topics discussed during the meeting and noted that these will inform the FLEC's work. Ms. Quittman indicated that the FLEC will share their activities in the next public meeting later this year.

Ms. Quittman adjourned the meeting at approximately 10:55 a.m.

## FLEC Member Participants

Department of the Treasury	Janet Yellen Wally Adeyemo Louisa Quittman
Consumer Financial Protection Bureau	David Uejio
Board of Governors of the Federal Reserve System	Eric Belsky
Commodity Futures Trading Commission	Dan Rutherford
Department of Agriculture	Suzanne Stluka
Department of Defense	Andrew Cohen
Department of Education	Elizabeth Coogan
Department of Health and Human Services	Alison Barkoff
Department of Housing and Urban Development	David Berenbaum
Department of Labor	Ali Khawar
Department of the Interior	Jerold Gidner
Department of Veterans Affairs	Lawrencia Pierce
Federal Deposit Insurance Corporation	Mark Pearce
Federal Emergency Management Agency	Aaron Levy
Federal Trade Commission	Jennifer Leach
General Services Administration	Marietta Jelks
National Credit Union Administration	Todd Harper
Office of Personnel Management	Patricia Sapol
Office of the Comptroller of the Currency	Barry Wides
Securities and Exchange Commission	Lori Schock
Small Business Administration	Mark Madrid
Social Security Administration	Jeffrey Buckner

## Outside Participants:

John Hope Bryant, Founder, Chairman, and CEO, Operation Hope  
Marc H. Morial, President and CEO, National Urban League  
Marietta Rodriguez, President and CEO, NeighborWorks  
John W. Rogers, Jr., Chairman, co-CEO, and Chief Investment Officer, Ariel Investments  
Justine Zinkin, CEO, Neighborhood Trust Financial Partners