

Financial Literacy and Education Commission
Public Meeting
Department of the Treasury – Cash Room
September 27th, 2011 2:30 am – 4:30 pm

MEETING MINUTES

Committee Members Present

Department of Agriculture	Cameron Briggs
Department of Defense	Barbara Thompson
Department of Education	Phil Martin
Department of Health and Human Services	Lynda Perez
Department of Housing and Urban Development	William Glavin
Department of Labor	Michael Davis
Department of the Treasury	Mary Miller
Department of the Treasury	Josh Wright
Department of the Treasury - CFPB	Cassandra McConnell
Department of Veterans Affairs	Julie Schroeder
Federal Deposit Insurance Corporation	Luke Reynolds
Federal Reserve Board	Sara Messing
Federal Trade Commission	Carol Kando-Pineda
General Services Administration	James Zawada
National Credit Union Administration	Kent Buckham
Office of Personnel Management	Raymond Kirk
Office of the Comptroller of the Currency	Barry Wides
Securities and Exchange Commission	Lori Schock
Small Business Administration	Nathaniel Bishop
Social Security Administration	Kojuan Almond

Introduction and Announcements

Josh Wright welcomed the audience and introduced the agenda for the meeting. He introduced Mary Miller, Assistant Secretary for Financial Markets of the Treasury Department and Richard Ketchum, member of the President’s Advisory Council on Financial Capability (Council).

Welcome and Opening Remarks

Mary Miller, Assistant Secretary for Financial Markets, U.S. Department of the Treasury

Miller welcomed the audience to the Treasury Department. She emphasized the importance of the Council’s role for the American people. She believes that now is the perfect time to highlight the importance of financial education, skill building, and access because the

reality is that so many families need this information and these skills more than ever during our current difficult economy.

President's Advisory Council on Financial Capability Update

Richard Ketchum, Chairman and CEO, Financial Industry Regulatory Authority (FINRA)

Ketchum began by updating the audience on the progress and meetings of the Council. He mentioned that in the most recent meeting in April, the Council agreed to make two preliminary recommendations: "that the Treasury supports the Workplace Leaders in Financial Education Award and that the Treasury sponsors a challenge to the private sector to create applications for mobile devices that promote financial capability and financial access." He also mentions that the next meeting will be held on November 8th at the Department of the Treasury.

Financial Literacy and Education Commission Updates

General Updates:

Joshua Wright, Acting Director, Office of Financial Education and Financial Access, U.S. Department of the Treasury (Meeting Chair)

Wright began by making a few comments regarding the recommendations mentioned by Richard Ketchum. The Treasury is working hard "to construct the Mobile Financial Access and Financial Capability Prize challenge that will inspire the technology community to develop applications for mobile devices, such as smart phones and tablets." Wright then told the audience that the Treasury is planning the 2012 Financial Capability Challenge which challenges teachers and schools to incorporate personal finance topics in class.

National Strategy:

Karen Bellesi, Special Advisor for Community Affairs, Office of the Comptroller of the Currency

Bellesi began with some updates. She mentioned that Barbra Smith has stepped down as the co-chair for the National Strategy Working Group, while Debra Golding from the Department of Labor will be the new co-chair. Bellesi then laid out the four goals and objectives of the National Strategy 2011: to increase awareness of and access to financial education, to determine and integrate financial competencies, to improve financial education, and to identify/ enhance/ share effective practices. She then presented the goals of 2011-2013 for the Commission. She states that the Commission will focus on actions that will implement and coordinate financial literacy and education programs and activities on the federal level.

Bellesi then mentioned that the committee is developing a toolkit that will be electronically accessible for all agencies. She stated that this will be a great tool for implementing the strategy, and sharing ideas and calendar events. This will also help enhance communication between and within agencies.

Wright then mentions that Treasury is using a tool to implement the National Strategy; it's called the Quality Function Deployment or QFD. He understands that there are limited resources and priorities at the agency level, but he hopes that this tool will help individual

agencies identify resources and priorities in respect to the National Strategy. Agencies need to do what works for them: what is measurable, what are the goals, and what are the ways to achieve the goals.

Cameron Briggs, Department of Agriculture

Briggs began by introducing himself and telling the public that he is speaking on behalf of Dr. Susan Shockey. He is representing the National Institute of Food and Agriculture (NIFA) where the two main focuses are education and research. Their agency's plan is driven by communication, collaboration, and dynamic NIFA delivery system. The delivery system receives funding at local, state, and federal level.

Briggs mentioned their strategic plan to enhance education and research. For education, each state is encouraged to submit 1-2 programs about financial availabilities. They are also strongly encouraged to network among other states. For research, there is a national effort to develop cooperative extension to find qualitative data and behavior.

Barry Wides, Office of the Comptroller of the Currency

Wides commends and congratulates the agencies for doing such a great job on the state and federal level to promote financial literacy.

Research and Evaluation:

Wright mentioned that Barbara Smith and Jeanne Hogarth were unable to attend the meeting. Thus, Dubis Correal will announce the updates for this committee.

Correal began by introducing the group's two main goals: establishing a research clearinghouse and developing research priorities for FLEC. To establish a research clearinghouse, the group agrees that there needs to be an online web application for users to self-assess financial education materials. Thus, social media will play a very important role. Secondly, the group met last week to review the research priorities that were set in 2008. By the next meeting, the group will report the new research priorities for the next few years.

Financial Access:

Luke Reynolds, Chief, Outreach & Program Development Section Federal Deposit Insurance Corporation

Reynolds mentioned that the working group has compiled a directory of financial access programs that are organized into three groups: programs that promote financial access, programs that indirectly assist in financial access, and printed resources that can help implement financial access. This directory is used to help FLEC members identify potential opportunities.

A draft of the first draft is located in the binder provided and he welcomes comments. The final graphic is scheduled to be developed by the end of the year.

Financial Education and Financial Access Approaches

Wright told the audience that two approaches regarding programs to aid the American people will be introduced. There will be a federal and local perspective on the issue.

He first introduced Lynda Perez who will provide information on how her agency developed strategies to help low-income family's access information. Then, Josh introduced Jonathan Mintz who will talk about his consumer protection agency.

Federal Level Perspective

Lynda Perez, Director, Division of Community Discretionary Programs

Perez began by introducing herself. She is from the Department of Human Resources where she administers a wide range of policies that support very low income families in the community. Her organization sponsors many community activities such as domestic violence, adoption, refugee services, services for disabilities, and much more. The organization is mostly funded by a state level and they collaborate with local, state, and tribal organizations.

The primary goal of her program is to assure that individuals and families have access to financial resources and succeed in life. Their main target is low income and vulnerable families. There are many families and individuals out there who do not even have a bank account. She mentions that there are so many programs available out there, and she hopes to help the community find it. Her organization calls their service "ACF ASSET Initiative". They support over 300 agencies across the nation. The initiative emphasizes individual money management process and planning for long term success. Perez introduced the "60 overarching process of ASSESS": Financial education, Savings and individual developing accounts, Getting banked, Managing Credit and debt, Tax credits and tax filing assistance, and Accessing federal and state benefits. Perez states that comprehensive approach is based on research and that integration is the key to success. Their initiative began by identifying topics and services. Then, they searched for agencies to help find programs to help their communities.

Perez wrapped up her presentation by showing a comprehensive video that aims at promoting the initiative by introducing the six approaches (crediting the video to Jim Gatz). She mentioned that ACF is very open to collaborating with other partners and is very eager to work with FLEC members to develop more strategies.

Local Government Perspective

Jonathan Mintz, Commissioner, New York City Department of Consumer Affairs

Mintz began by introducing himself as the NYC commissioner of consumer affairs and he hopes to be "find a rightful place for financial education". He stated that his organization was the first municipality to establish an office of financial empowerment. The goal is to educate/protect consumers and to move from literacy to capability. He stated that he is very impressed and influenced by FLEC's philosophy. Mintz stated that his program is designed for large scales. His idea is a one-on-one professional financial counseling model where people sit together to solve problems. They tested this program in the city school of NYC where students would take the course for credit. For the past two years, this program has been very successful. There have been 23,000 individual counseling services and they have helped clients save a total of \$700,000.

Mintz believes that there is a "perfect storm". He believes that financial empowerment has been proven to be successful. Also, basic human social services are basic and essential needs. The "supervitamin idea" believes that social services cannot always solve financial instability. However, integrating financial empowerment strategies can help speed up success.

In an NYC report that will be released next week, it shows what they have learned, what are proven practices, and talks about a case study. Mintz listed the best practices for successful supervitamin integration: “identify a professional program”, “find appropriate partners” (identifying partners where clients are suffering from financial instability – ex. Domestic violence because many people tend to go back to their spouse because of financial instability), “identify transition points” (finding people who are ready to learn and absorb change), “institutionalize the integration” (make the process regulatory by having enough funds), and “quantify real results” (solve the larger picture and problem).

Mintz wrapped up his presentation by telling FLEC members to help identify specific integration plans by setting high standards.

Financial Education and Financial Access Approaches (continues)

Wright introduced the final panel where there will be a discussion about model programs that are using “teachable moments” at tax time to provide individuals and families with access to a basic and safe financial product for savings. Josh introduced the next two speakers: Timothy Flacke and Michael McBride.

Purchasing Savings Bonds at tax Time

Timothy Flacke, Executive Director, Doorways to Dreams (D2D) Fund, Inc.

Flacke started by saying how great it is to see 22 agencies working together to promote financial behavior. He strongly believes that the process of saving is a good thing. His question and goal is: “how do we make it possible for everyone to save?” He introduced “Tax Time Opportunity” where he stated how there is \$300 billion worth of tax refund a year. He stated that it is acknowledged that not many people can save their refunds for people in moderate lower income. Then he introduced the accessibility of “U.S. Savings Bonds”. He says that anyone can own them, and there are low initial investments. Anyone can buy bonds for as low as \$50 with no fees, risk free, inflation protected, and gift-able. He believes that this is a great deal and the public should be made aware of it.

He believes that the main challenge is to spread the word. The goal is to reach 1 million people in 2012. The campaign will focus on children and family. In order to reach 1 million people, government has a critical role to build awareness and drive action. He mentioned that he has lots of resources for free and available for all. He also mentioned that there is an online 15 minutes game that is fun to help people learn about savings. Finally, he welcomed the public to give him a call if they have any other question.

Government Touch Points for Access

Michael A. McBride, Acting Director, SPEC Headquarters Operations, Wage and Investment Division

McBride introduced himself and the SPEC company. SPEC is headquartered in Atlantic Georgia and mentioned that they call themselves the “face of the Internal Revenue Service”. They partner with 4000 community agencies and 12,000 volunteer tax assistances (free of charge). Compared 2010, the year 2011 we see a dramatic increase in requests for Savings

Bonds. As of today, \$11 million has been issued to savings bonds. The 2012 filing season will have the same requirements as 2011. Thus they have developed a 2012 marketing plan: Work with tax payers, Work with professionals, and Work with partners. They have made a few publications such as “910- IRS Guide for Free Tax Services”. They strongly emphasize on cutting taxes and increasing savings.

Conclusion and Announcement

Wright thanked the speakers for their interesting ideas. Through this discussion, he hopes the FLEC commissioners have gained good ideas on how to implement and develop their bills.

Finally, Wright mentioned that the next FLEC meeting will take place in February 2012 and that the PACFC meeting will take place on November 8, 2011.

The meeting was adjourned at 4:35 pm