

**Financial Literacy and Education Commission  
Public Meeting  
Department of the Treasury – Media Room A/B  
May 18, 2011 10:30 am – 12:00 pm**

**MEETING MINUTES**

**Committee Members Present**

Susan S. Shockey, U.S. Department of Agriculture  
Brenda McDaniel, U.S. Department of Defense  
Phil Martin, U.S. Department of Education  
Mark H. Greenberg, U.S. Department of Health and Human Services  
William Glavin, U.S. Department of Housing and Urban Development  
Michael Davis, U.S. Department of Labor  
Joshua Wright, U.S. Department of the Treasury  
Louisa Quittman, U.S. Department of the Treasury  
Gail Hillebrand, U.S. Department of the Treasury – CFPB  
Mandy Sage, U.S. Department of Veterans Affairs  
Cassandra McConnell, Federal Deposit Insurance Corporation  
Jeanne Hogarth, Federal Reserve Board  
Colleen Tressler, Federal Trade Commission  
James Zawada, General Services Administration  
Kent Buckham, National Credit Union Administration  
Raymond Kirk, Office of Personnel Management  
Karen Bellesi, Office of the Comptroller of the Currency  
Deirdre Foley, Office of Thrift Supervision  
Kathy Floyd, Securities and Exchange Commission  
Nathaniel Bishop, Small Business Administration  
Janice Mosby, Social Security Administration  
Barbara Smith, Social Security Administration

**Introduction, Announcements, and Items of Interest**

Josh Wright began the meeting with some welcome remarks. He introduced the featured speaker, Gail Hillebrand, Associate Director of the Consumer Education and Engagement Division of the Consumer Financial Protection Bureau.

**Feature Speaker:** Ms. Gail Hillebrand discussed the CFPB organizational structure as six divisions including Consumer Engagement and Education; Supervision, Enforcement and Fair Lending; Research, Markets, and Regulations; the Office of the General Counsel; External Affairs; and the Chief Operating Officer. Ms. Hillebrand also asserted that as CFPB helps to shape a marketplace where the information is clear about the costs and risks of the products, it is important to encourage consumers to use that information to make affirmative choices that will help them save money or get more out of the financial products they purchase. She indicated that this will mean a cross-disciplinary approach where insights from the social sciences, human

behavioral ecology, cognitive psychology, and game theory are brought in order to provide the appropriate environment and information for consumers when they are selecting financial patterns or choosing products to match their risks and tastes. She also discussed the importance of tailoring approaches to meet varying types of populations and different types of decisions.

**National Strategy Working Group:** Wright introduced Barbara Smith of the Office of Retirement Policy at the Social Security Administration to provide an update on the efforts of the National Strategy Working Group. The National Strategy Working Group (NSWG) has been working on developing an implementation plan for the National Strategy 2011. A draft implementation plan has been sent for review to Commission member agencies. As the implementation plan is drafted, the Commission will serve three key functions in the implementation of the National Strategy 2011: (1) promote the National Strategy 2011 widely through a variety of means such as, but not limited to, events, speeches, and social media, in coordination with stakeholders from the private and public sectors, (2) provide leadership for implementation of the National Strategy 2011 by encouraging Commission members to be the first to develop action plans, measures and evaluation mechanisms that will serve as models for other organizations, and (3) undertake actions that will establish a summary of Commission-related financial literacy and education activities, and encourage enhancements and new opportunities. The Commission's working groups will be active participants in the implementation of the National Strategy 2011.

**Research and Evaluation Working Group:** Wright introduced Jeanne Hogarth, Manager of the Consumer Education and Research Division of Consumer and Community Affairs at the Board of Governors of the Federal Reserve System to provide an update on the efforts of the Research and Evaluation Working Group. The objective of the Research and Evaluation Group is to encourage multi-disciplinary research and evaluation to improve financial literacy and education. Four primary elements guide the committee's work.

Hogarth followed with an update on the proposal to develop a research clearinghouse, and the report from the Research Subcommittee of the President's Advisory Council on Financial Capability. She then mentioned the Treasury request for FLEC public datasets related to personal finance that will be posted on the research clearinghouse on MyMoney.gov and then spoke about the OECD pilot project related to developing common metrics.

**Financial Access Working Group:** Wright introduced Cassandra McConnell, Associate Director of Community Affairs at the Federal Deposit Insurance Corporation to provide an update on the efforts of the Financial Access Working Group. The purpose of financial education is to provide low and moderate-income families with tools to better their financial futures, and to promote access for the unbanked and underbanked. The goals of this working group are to (1) assess current financial initiatives among the FLEC members and create an inventory of existing resources, (2) explore the opportunity to share and leverage those resources, especially with low and moderate-income families, (3) explore products and services (accounts, remittances, etc.) that are available for low and moderate-income families.

**Treasury Updates:** Wright provided some updates on the financial capability efforts of the Treasury Department since the last FLEC meeting. On April 12, 2011, he testified on behalf of Treasury before the U.S. Senate Committee on Homeland Security and Governmental Affairs

Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia. The focus of that hearing was mostly on how more coordination of financial capability efforts among FLEC members is necessary. Wright also shared that Treasury is currently working on further improvements to the FLEC website MyMoney.gov. He also provided an update on Treasury's efforts to develop a marketing plan for the core competencies and he noted key highlights from the President's Advisory Council on Financial Capability (Council) meeting on April 21, 2011. He mentioned that the Council made two recommendations: 1) that Treasury supports the Workplace Leaders in Financial Education Award, administered by the American Institute of Certified Public Accountants (AICPA) and the Society for Human Resources Management (SHRM) and 2) the Treasury holds a challenge to the private sector to create applications for mobile devices that promote financial capability and financial access. Wright concluded his updates thanking the FLEC members for responding to Treasury's request for publicly accessible datasets related to personal finance, which will be posted in a research clearinghouse on MyMoney.gov.

## **Presentations**

**Louisa Quittman**, Director of Community Programs in the Office of Financial Education and Financial Access at the U.S. Department of the Treasury, provided an overview on the Workshop Exploring the Intersection between Financial Capability and Domestic Violence, which took place on May 17<sup>th</sup>. This event explored the impact of financial capability on women affected by domestic violence. She then introduced Rene Renick.

**Rene Renick**, Vice President of Economic Enterprises at the National Network to End Domestic Violence. Ms. Renick discussed issues relating to financial education, financial access, and domestic violence. One in four women experiences domestic violence. Financial abuse is a common way (92 to 99% of domestic violence situations) for an abusive partner to gain power over their partner. Examples of financial access are hiding assets, controlling how money is spent, and stealing the partner's identity. Finances are the main reason why people stay in their abusive relationship or return. Financial abuse makes it difficult for the victim to escape, and makes it hard for the victim to become unbanked.

The National Network to End Domestic Violence (NNEDV) partnered with AllState Foundation to develop the "Moving Ahead through Financial Management" curriculum. The results of the usage of the curriculum are as follows: 80% of participants created a budget, 71% opened a bank account, and the advocates themselves increased their knowledge of financial capability.

**Ben Mangan:** Josh Wright introduced Ben Mangan, President and CEO of the EARN Research Institute. Mangan concentrated on the financial self-efficacy EARN model in which people must be given the ability to make choices when it comes to managing their money rather than just be told what to do. Self-efficacy plays a major role in how one approaches goals, tasks, and challenges. In a study done by EARN, self-efficacy lead to fewer financial problems, self-efficacy grew as financial knowledge grew, and when financial happiness grew, financial stress decreased. The result is that financial self-efficacy will help people cover expenses, track spending, plan and save, select and manage products, and use financial knowledge. A baseline

of 487 surveys show a strong degree of relation between financial knowledge, financial efficacy, and financial problems.

### **Adjournment**

Joshua Wright ended the meeting by announcing that the next meeting of the FLEC will be held on September 14, 2011, and by thanking all the members for all of their hard work.