UNITED STATES OF AMERICA

DEPARTMENT OF THE TREASURY

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FINANCIAL LITERACY AND EDUCATION COMMISSION

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PUBLIC MEETING

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Tuesday,
February 14, 2012

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The Financial Literacy and Education Commission met in the Cash Room, 1500 Pennsylvania Avenue, NW, Washington, D.C., at 10:30 a.m., Louisa Quittman, presiding.

PRESENT

ANNA ALVAREZ-BOYD, Federal Reserve Board
CYRUS AMIR-MOKRI, Dept. of the Treasury
KAREN BELLESI, Office of the Comptroller of the Currency
NATHANIEL BISHOP, Small Business Administration
ROGER BLAKE, NCUA
ELIZABETH COOGAN, Dept. of Education
RICHARD CORDRAY, Consumer Financial Protection Bureau
MICHAEL DAVIS, Dept. of Labor
JIM COURTNEY, Social Security Administration
MATT FELLOWES, HelloWallet
WILLIAM GLAVIN, Dept. of Housing & Urban Development
MARK GREENBERG, Dept. of Health & Human Services
MICHAEL HERNDON, CFTC

JEANNE HOGARTH, Federal Reserve Board of Governors
RAYMOND KIRK, Office of Personnel Management
BRENDA MCDANIEL, Dept. of Defense
LOUISA QUITTMAN, Dept. of the Treasury
SOPHIE RASEMAN, Dept. of the Treasury
LUKE REYNOLDS, Federal Deposit Insurance Corporation
LORI SCHOCK, Securities & Exchange Commission
JULIE SCHROEDER, Dept. of Veterans Affairs
SUSAN SHOCKEY, Dept. of Agriculture
COLLEEN TRESSLER, Federal Trade Commission
CHRIS VEIN, White House Office of Science and Technology Policy
BARRY WIDES, Office of the Comptroller of the Currency
JAMES ZAWADA, General Services Administration

P-R-O-C-E-E-D-I-N-G-S

(10:35 a.m.)

COMMISSIONER QUITTMAN: Good morning. If everyone could be seated we'd like to get started with our first Commission meeting of 2012. Thank you and welcome -- thank you for coming and welcome to the Treasury Department.

I'll start by turning it over to Cyrus Amir-Mokri, our Assistant Secretary for Financial Institutions.

COMMISSIONER AMIR-MOKRI: Thanks, Louisa. Thanks very much, and thank you all for being here today at the Financial Literacy and Education Commission's first meeting of 2012.

Just a couple of remarks before I -- can everyone hear me? All right. How about this, is this better? How about this? There we go. It's hard for me to hear myself since I'm not there.

Okay, so just thanks again

everyone for being here today.

Just a couple of brief remarks. I just wanted to say that I'm very pleased to be here today to support the Financial Literacy and Education Commission's important work.

In particular, I'm grateful for the Commission's dedication to providing Americans with the tools and skills that will assist them to navigate our complex financial system.

I'm also appreciative of the Commission's work coordinating the efforts of many agencies. Though each of our agencies has particular missions, objectives, and expertise, we improve the effectiveness of government by sharing resources and collaborative action.

A few words about the discussion topics for today. First we'll hear about Smart Disclosure, actually something I'm very excited about. The idea behind Smart Disclosure is to use information and technology in a way that focuses on and improves consumer's decision making. This empowers them to better understand products, and to make better informed decisions.

The White House is encouraging agencies to use Smart Disclosure to empower consumers to make complex decisions about all aspects of their lives. That includes energy, health, education, and so on. And at Treasury we're actively exploring the potential for Smart Disclosure to expand our financial capability, financial access, and consumer protection efforts. So, today you'll hear both from policymakers and from private sector innovators who are pioneering Smart Disclosure efforts in personal finance.

We hope to open the dialogue on this subject and work with your agencies to identify future opportunities to collaborate on Smart Disclosure projects.

Second, I look forward to learning more about the joint research agenda that you've developed to examine how and why financial education and access to financial services can be effective at enhancing Americans' financial well being.

I understand the research roadmap that you will propose identifies critical questions to assist federal agencies working together with our colleagues, and the private sector, and academia to support research needed to fill gaps in our knowledge about these important subjects.

This research has the potential both to inform public officials on developing better policies and to help innovators in the private sector to develop products and services that better meet consumer needs.

I commend you making this a joint effort. Again, your coordination on this issue allows for combining scarce resources, avoids duplication, and provides for a robust exchange of perspectives that will allow you to general more insightful research.

This week the Treasury and the Social Security Administration will sign a Memorandum of Understanding to support such a combined research project in the year ahead based on this Commission's research agenda.

I'd also like to take a minute to report on last month's meeting of the President's Advisory Council on Financial Capability. The Council had an important discussion on the fundamental role employers can play in promoting the financial well being of their employees.

A key recommendation from that meeting was that the federal government should be a model employer in this regard. The Council's recommendation is a reminder to us of the many ways in which federal agencies can be influential agents for positive change. In this case, the emphasis is on federal agencies in their capacity as employer.

So, as you plan your financial capability activities and policies in the coming years, I hope that you will consider how the Commission and its members can develop ways to address the Council's recommendation.

Finally, I'd like to warmly welcome Rich Cordray, Director of the Consumer Financial Protection Bureau and his colleagues for being here today. The Bureau is the Commission's newest member, and Rich will now serve as Vice Chair of the Commission.

Many of you know Rich, but let me say a few words by way of introduction. He's a graduate of Michigan State University, Oxford University, and as we were discussing just a few moments ago, most importantly the University of Chicago Law School, just a plug for our alma mater.

Rich was Editor-in-Chief of the University of Chicago Law Review and later clerked for Supreme Court Justices White and Anthony Kennedy. Throughout his career, Rich has been a dedicated public servant serving both in the Executive and Legislative branches of government. He served on the front lines of consumer protection as Ohio's Attorney General. He was elected to serve as Treasurer of the State of Ohio, and as Franklin County Treasurer. And as Ohio's Treasurer he resurrected a program to provide low-interest loan assistance to small businesses to create jobs in the state.

Earlier, Rich had served as State Representative for the 33rd Ohio House District. And he's been no stranger to the Judicial branch. Not only was he the first Solicitor General in Ohio's history, he's argued seven cases before the U.S. Supreme Court, including by special appointment of the Justice Department under the Administrations of both Presidents Clinton and George W. Bush. So, Rich, thank you very much for joining us. It's a real honor.

COMMISSIONER CORDRAY: Thank you, Cyrus, for the kind introduction. We did compare notes and found that I graduated from the law school, let's just say which chagrin I realized several years before Cyrus graduated from the law school, and we'll just leave it at that. So, I guess I have from your accounts numerous credentials, not necessarily particularly relevant to my current position.

But let me, if I could, as the first meeting I've attended briefly talk about financial education, which has been a passion of mine for years, and describe the work that Consumer Bureau is doing to support the objectives of this Commission.

The ability to understand and control one's finances is one of the most important life skills. It creates a path to economic independence and mobility. I view it as fundamental to responsible citizenship in our system of economic democracy.

As the first Director of the Consumer Financial Protection Bureau, I'm keenly interested to serve as Vice Chair of the Financial Literacy and Education

Commission. I'm proud to work with you, the federal government agencies you represent, and the White House as we share a common vision of sustained financial well being for all Americans.

When I was Ohio Treasurer, I pushed for financial education as an integral part of our work. Our campaign called "Your Money Now," taught people about everything from budgeting, to bank rates, to building wealth.

We also successfully pushed for new law requiring high school students to receive instruction in personal finance education in order to graduate. We then worked to implement that new law by establishing a statewide curriculum and working with local school districts, there are over 600 school districts in Ohio, to train teachers to teach personal finance education.

At the Consumer Bureau, one of our responsibilities is to provide consumers with tools to manage their own financial lives. We're hard at work.

Gail Hillebrand, formerly of the Consumers Union, heads our Consumer Education and Engagement Unit. Gail has now established our Office of Financial Education headed by Camille Busette, which is mandated by law to develop and implement initiatives intended to education and empower consumers. We've launched several "Know Before You Owe" campaigns to bring greater transparency to the markets for mortgages, credit cards, and student loans. This included a model financial aid shopping sheet that we released with the Department of Education so the students can properly calculate the cost of college.

Yesterday we posted a draft monthly mortgage statement to our website to solicit feedback from consumers, industry stakeholders, and others. The information is intended to help consumers stay on top of their mortgage costs, and hold mortgage services accountable for fixing errors. You can see all our work at our website, Consumer finance.gov.

Giving people the tools and helping them build the skills to manage their money boosts personal confidence and protects their dignity. Dr. Martin Luther King, Jr. once said, "That the dignity of the individual will flourish when the decisions concerning his life are in his own hands, when he has the means to seek self-improvement."

At the Consumer Bureau, we believe in empowering people to make informed financial decisions and then take responsibility for those decisions.

Financial literacy is as much an equality issue as literacy itself. Knowledge is power, and financial knowledge offers an important cushion against some of the bumps and bruises of economic life. So, it's with great enthusiasm and commitment that I pledge our work together on this Commission. Thank you for welcoming me.

COMMISSIONER QUITTMAN: Thank you. And thanks to both of our -- our Chair and our Vice Chair for being here with us today.

As we mentioned, it's a new year and we wanted to start off with a panel on a topic that we think will be of great interest to all of us in the room going forward, the topic of Smart Disclosures.

We think that this will be critical to our work in the financial education and literacy field going forward. And Smart Disclosures, as you'll hear more about, can be defined as the use of product and consumer data to provide customized information to consumers in order to make those better decisions that we're hearing about.

To moderate this panel, I could think of no better person than Chris Vein, who is the Deputy Chief Technology Officer for

Government Innovation in the White House Office of Science and Technology policy.

Prior to joining the White House, Chris was the Chief Information Officer for the City and County of San Francisco where he led the city in becoming a national force in the application of new media platforms, use of open-source applications, creating new modules for expanding digital inclusion, and emphasizing green technology to transform government.

Chris was this year again named one of the top 50 public sector CIOs by *Information Week Magazine*, and he's been named to the *Government Technology Magazine's* top 25 dreamers, doers, and drivers, and has been honored by the Community Broadband Visionary of the Year by the National Association of Telecommunications Officers and Advisors. So, thank you, Chris, for being with us, and I'll let you introduce the panel.

MODERATOR VEIN: Thank you, Louisa,

and I have to get a shorter bio and send it out. Good morning. As Louisa said, I am Chris Vein, and it is indeed a pleasure and an honor to be here to speak on a subject that is very near and dear to my heart, which is called Smart Disclosure.

We've heard a bit about what the definition is of Smart Disclosure, and I'm not going to repeat that definition because you'll hear more about it. But I will talk about some policy levers that we have as a government that can aid in the release of that kind of data, the data that helps consumers make better informed decisions.

And there are really two levers, or two types of data that we can focus on. There is the government data. And as you know, the President has been very emphatic about asking agencies to release data about goods and services or consumers that we host or we have.

The other part, though, which is

equally important and almost more interesting is enticing or convincing non-federal government owners or holders of data to release their data in order for a more complete picture, if you will, of consumer data to be released and can be used.

Recently, there was an exciting example of just that aspect. My former boss who was the Chief Technology Officer for the federal government worked with three of the largest utility companies in the State of California and convinced all three to have them release their data on what consumers are using for energy in those areas. And we know have about six million people who are having access by simply going to the website for their energy company and downloading their personal data.

And it may sound kind of silly, but a use case of that, I was describing this to a friend of mine and she said, "Oh, really." And she typed in -- she went to the website, typed out her data and said, "I had no idea I was spending that much money on energy. I need to find out why." And it turns out that after talking with her husband and her daughter, her daughter was taking hour-long showers, and those showers were requiring lots of hot water, and a hot water heater in order to heat it. And they made a decision to ask their daughter to stop taking long showers, and low and behold their utility bill dropped precipitously. An interesting kind of humorous story, but a real story, nevertheless, of what we're talking about, which is the impact on the consumer to make better informed decisions on using their hard earned resources.

So, with that said I'm going to turn now to the real experts on Smart Disclosure, and have a pretty exciting, I think, panel discussion about Smart Disclosure.

The first person up is both a

friend and a colleague of mine, Sophie Raseman, because Sophie serves as Co-Chair of the Task Force on Smart Disclosure that is part of the White House National Science and Technology Council. And Sophie is a very active member, a very visionary member of that council, and that task force, and she is our first speaker today. Sophie.

MS. RASEMAN: Thank you. Can you hear me?

First of all, I'd like to thank the Commission for having me here today. This is a topic that I'm very passionate about. As Chris mentioned, I am a Co-Chair of the Task Force on Smart Disclosure, and in my day job I work in the Department of Treasury Office of Financial Institutions, where I lead up our efforts on consumer protection.

I will try to go quickly today, but as some folks in this room can attest, I can speak for hours on Smart Disclosure, so you may have to get the hook.

So, the first thing I want to talk to you about is what is Smart Disclosure, and then I want to talk about how it connects to financial education.

As folks have already mentioned, we define Smart Disclosure as giving access to the information that consumers need to make informed choices. And it's establishing public access to this information in formats that can be reused and repackaged by third parties.

Why do we care about doing this? The answer is that we believe that establishing public access to this useable data on products and services will allow third parties like non-profits and commercial enterprises to take that data and repackage it into tools that can help consumers make wiser choices.

So, what does this mean for financial consumers? It means, essentially, taking the data on products and services that are like pricing and the features of financial products and making it available to the public in machine readable formats for people over the internet. And we believe that through doing that, and we have evidence that we will spark the creation of financial tools that can help people make better choices.

So, the financial education community is very familiar with tools of this sort. In fact, the financial education community has been quite a leader in promoting access to these kinds of tools.

I threw up on the slide for you a couple of the goals from the National Strategy for Financial Literacy from 2011, where you focus on promoting broader access to tools that can help financial consumers make wiser choices. So, this gets to the heart of why we should care as financial education practitioners about Smart Disclosure. And the answer is, it is one of the most effective and powerful ways that we have of stimulating the creation of tools for financial consumers.

Next, I want to walk you through some examples to make this concrete. What do we mean by tools? For simplicity sake, I'm going to focus first on one of the most important categories of tools, and that's comparison shopping websites.

The first bullet you see there is Bankrate.com, which allows folks to go on line and shop for a variety of types of financial products from savings accounts, to checking accounts, to mortgages. You're probably familiar with sites like these.

The next slide is Kayak.com, which probably even more of you are familiar with. These kinds of flight search comparisons are increasingly popular. They allow you to perform quite sophisticated searches and use quite sophisticated and rich filters to find flights that are the best deal for the unique needs that you have.

Now, I put these two examples next

to each other because I wanted to spark a question in all of our minds that I'll get to in a minute; which is: why is it that the market for flight search is so comparatively rich and well developed, and the market for comparison shopping for financial products is so comparatively underdeveloped. So, Bankrate.com is one of the leading outlets for this kind of information for financial consumers, but it has far from the ubiquity and the richness of some of the search tools in travel.

We don't have a Kayak.com for every kind of financial product, and why don't we? So, we'll get back to that in a minute. I want to show you one more example before we get back to that, which is I want to talk about how mobile devices are changing how comparison shopping applications are used by consumers.

Comparison shopping is not just about sitting at home online buying products online. Mobile devices have allowed us to bring tools, comparison shopping tools to consumers in the real world in brick and mortar retail decision making environments. Goodguide right here is an example of how you can do that. Goodguide is for consumer packaged goods. What they allow you to do, as you can see, is take a snapshot of the barcode of a bottle of shampoo or similar product and get instant access to very rich comparison shopping information about that product.

We don't have this today, but you could imagine a tool, say if you walk into a check casher and there was a barcode on the disclosure for that check cashing service, or similarly if you're looking at mortgages and sitting down with a broker, why shouldn't you be able to take a snapshot of a barcode on the disclosure and instantly have access to information and advice from third parties on that product? Just a question for us.

Okay. So, what is the role for the

government here? We already know there are many comparison shopping tools out there. The role for the government is to address the gaps and problems that we see in this marketplace for tools today.

This gets back to the question that I posed about why don't we have a Kayak.com for type service for all sorts of financial products, and why aren't they more popular? There simply aren't very useful tools in many product areas, and they're not very widely available.

And more importantly I think for the financial education community, many of these tools do not address the needs of lower income consumers and other consumers outside the financial mainstream. So, what's the bottleneck, or why don't we see more and better comparison shopping tools?

The answer boils down, it's pretty simple, and the answer is the data. If the data is there, the applications are built and when the data is not there we don't see them. So, this is where we get to the role for the government and the role for Smart Disclosure.

Government in the Smart Disclosure approach tries to break this bottleneck by establishing access to the information that can fuel the creation of these apps.

So, this slide has a lot of detail, but I just want to make two points, which is there are two important levers that government has for establishing access to the data that can be the fuel for these applications. One is releasing data sets, as Chris mentioned. And many of the agencies on the Commission have already been leaders in this area.

Michael will talk later about his pioneering efforts at the Department of Labor. I'll just mention a couple of others. The Consumer Financial Protection Bureau publishes a database of credit card agreements. The SEC makes available interactive data on mutual fund fees and financial disclosures of public companies. All of these data sets can then be used for the creation of consumer tools.

The second lever, which Chris also mentioned is making information that sellers of financial products disclose to the marketplace more usable. This is a very critical lever since, as you know, most of the information on products and services is not collected by the government. It's disclosed directly by providers to customers, and to the marketplace.

So, Smart Disclosure solution here is to say all that information that you're making available today in the form of fine print, or you have to actually go into the store and get the information, make that information available, and usable, machine readable data formats over the internet, and by doing so we can help stimulate the creation of more and better comparison shopping tools.

So, I'm going to switch gears and

talk about another frontier for Smart Disclosure, which Chris also touched on, and that is personal data, the customer's access to his or her own information.

What we know from our financial education work is that financial education, advice about products and services that's generic can be powerful, but it can be a lot more powerful if it's tailored to the unique needs of the individual's particular financial circumstances. So Smart Disclosure of a person's own data, giving a customer access to his own financial usage data for a particular financial product, or giving him access to other financial data like his historical tax information, or his federal and state benefits information can be an important way of stimulating the creation of more personalized financial tools.

I'll just give you one example. This is Mint.com, and I think Matt will talk in a moment about HelloWallet, which is also provides personalized information. Mint.com is a free application online and on mobile devices that aggregates a person's own account information from many different financial providers. And it allows people to use an array of personal financial management tools like budgeting, goal setting, and spending tracking to help that person better manage his or her finances. Mint.com and sites like it also provide personalized recommendations on products that are suited to an individual's unique circumstances.

I won't go too far into it, since I'm about out of time, but there are some similar limitations and issues in the market for personalized financial tools as we saw in the comparison shopping site context. And it boils down to the same problem, which is that where there are limitations on data availability, these sites or these applications are limited in the kind of functionality that they can deliver to consumers. So, there's a role for the government to explore how it can facilitate broader and cheaper access to an individual of his own data so he has access to better personalized tools.

I'll make one final plug, which is the Task Force for Smart Disclosure is here in part to be a resource to agencies who are interested in exploring how Smart Disclosure can help them in their work. I've already -- with my colleagues on the task force, we've already been in dialogue with a number of your agencies on some of your Smart Disclosure efforts, and I would just leave by encouraging those of you who are not already in touch with the task force to get in touch with us, and we look forward to talking to you more about how Smart Disclosure can help promote financial access, financial education, and financial capability. Thank you.

MODERATOR VEIN: Thank you, Sophie. Our next panelist is Michael Davis, Deputy

Assistant Secretary Employee Benefits Security Administration at the Department of Labor. And Michael is going to talk about some of the pioneering work that they're doing at the Department of Labor.

COMMISSIONER DAVIS: Good morning. Can everybody hear me? Is that good?

Well, first I'd like to say Happy Valentine's Day for those who are celebrating Valentine's Day, and hopefully everybody in here has someone to love, or somebody that loves you. I am going to be sharing a lot of love today with the Commission.

First for this opportunity to address the Commission, and secondly for the collaboration that happens around this table both in these meetings and away from these meetings, because there's been a tremendous amount of activity that's happened as a result of the Commission's existence.

We're going to talk about adventures today in Smart Disclosure. I say adventures in Smart Disclosure sort of evokes these ideas of sort of marching down a journey along with lots of your companions, and we are, in fact, marching down a journey, and it's a journey of Smart Disclosure.

Smart Disclosure actually has real impact on the lives of Americans, and we're going to talk about some of the bright examples as they exist within the Department of Labor.

So, as was said, I am Deputy Assistant Secretary for EBSA, the Employee Benefits Security Administration. I have been in that role since 2009. Prior to that, I was -- I tell people I'm a recovering investment banker. I was an investment banker for many years in New York, and then the latter part of my career I spent actually working in asset management. We sold 401(k) plans, pension plans, so I think part of the reason I joined the Administration and was asked to join is some of the perspectives I have from that perspective. And a lot of things we do, do directly impact the retirement marketplace.

So, first let's talk about EBSA. A lot of people here may not have heard about EBSA. Don't be ashamed if you have not. I actually had not for a long time. The only way I knew about it is there was an Assistant Secretary who used to be at the agency who I worked with when I was in the private sector for many years. EBSA has a tremendous mission. Its mission is to protect the benefits of working Americans and retired Americans, Americans who are enrolled in private sector plans. They could be retirement plans or health plans.

There about 140 million Americans who are affected by these plans. Most people who have health insurance get them through health plan, and there are trillions of dollars in assets that are deposited in these plans, currently over $6 trillion. So, EBSA's role is the regulation and enforcement around the operation of these plans.

It is a voluntary decision to set up a retirement plan, but once you do set up a retirement plan there are lots of rules and laws that affect how that plan has to operate. It's got to be funded a certain way, the people that operate the plan have to operate it with standards of -- fiduciary standards which are standards of prudence. You have to act with exclusive loyalty to the people in that plan, and act only in their best interest. You are compelled to act in their best interest by law. That law is ERISA. It's the Employee Retirement Income Security Act signed into law in 1974.

The law also provides for both civil and criminal penalties to the extent that those rules are not adhered to. So, EBSA's role is to interpret the law as it pertains to these plans. We had a big regulatory division, and we had a big enforcement division. We actually do investigations, criminal and civil. Charges are brought if there -- criminal charges are brought by the U.S. Attorney's Office, civil charges are brought by the Solicitor's Office, and we have been very active on the enforcement side.

Just a couple of examples. Everybody, of course, is familiar with Enron. We brought action against Enron to the extent that it affected those employee benefit plans. There was about $134 million that we were able to get reinstated to those individuals who lost as a result of malfeasance at Enron. And also Bernie Madoff, we also brought an 11-count indictment against Bernie Madoff for violations of ERISA and a variety of other provisions that were violated in conjunction with the SEC and the FBI. So, we're very, very active in these areas.

But there are about 700,000 retirement plans, two and a half million health plans. The agency has about 1,000 employees in 10 regional offices across the country. One of the big things that we do and people don't know is participants can actually call and get a live person on the phone if they have a question about their benefits, they have concerns about their benefits, either retirement or health. They can call one of our people on the phone and actually get a live person to talk to about your benefits. That number is (866)444-EBSA. That's not a paid political advertisement.

Next page is, as I said, I have a lot of love for the FLEC, and I want to talk about just coordination. So, we've been members of the FLEC since '03, since the establishment of the FLEC. We're co-chair of a working group to implement the National Strategy.

There were a number of things that have happened over the course of FLEC the last couple of years that have really made us think and follow-up. One of those was something I think Louisa organized with an organization that worked with victims of domestic violence. And I think that presentation was last year, and the speaker said that one of the key reasons that abused partners stay in those relationships is for financial reasons. They don't feel like they have the financial independence to step away, and we thought well, with respect to retirement to the extent they don't understand about their access to those benefits, we need to get involved. So, we actually did follow-up. We've done now two webcasts with the people that help those victims of domestic violence. We're going to schedule another webcast with actual victims of domestic violence across the country, so a lot of great stuff there.

We do think that Smart Disclosure, as I said, makes a difference. We are encouraging the development of tools and resources to help. One of those key tools is the Form 5500. Now, people around this table probably have not heard about the 5500, doesn't sound exciting, but I tell you it's exciting because the information that is embedded in this form, this form was required by ERISA back in 1974, the first time the report was issued was in 1975. The information has specific data on plans, so if it's a retirement plan it would have information on the investments, fees both direct and indirect. A direct fee is a fee that the plan would pay to that provider, an indirect fee would be a third-party fee that the provider receives.

So, you guys may have heard, or may not have heard of revenue sharing, but there are third-party payments that do come to providers for settlement of funds. And we think that those fees should be understood because they do affect the way that provider operates, and the fund complexes that may recommend.

The form was initially manual. We

gave it electronic option back in 2000. Back in 2010, just a couple of years ago, we required all filings to be electronic, so that information is more easily digested, and we can post it within one day.

So, I wanted to give you guys an example of how this actually works for an individual company. If you go on our website you can pull up the information that we're showing right now on the screen. This is an example of IBM's plan. IBM is a large plan. They have 100,000 active employees, 200,000 people that have accounts. This would include retirees, people who have been separated from the company voluntarily or involuntarily.

This is the first page you would see if you went to their form on our website which, as I said, is free and available to all. It shows very basic information. It shows the name of the fund. This is their 401(k) plan. It shows the signatory, the information has to be attested by an individual by their signature, and just basic information on the form.

Next page gets into a little bit more detail, talks about the number of active participants, as I said about 110,000, 200,000 though people who have accounts with IBM. I think in this plan they have about $36 billion.

What's more interesting, however, is what we can do with that information as a result of EFAST2. EFAST2 is our electronic filing system that we use to sort of keep this data, make this data available to the public. This is sort of a three-part package that we did with PBGC and Treasury. We share that information, we share the cost of EFAST2, but EFAST2 allows us to post information very quick, make it available in a way that's consumable, and make that information useful for people in a way that they could actually consume it.

The raw data sets are up on our

website right now, so you can go to our website right now and download that raw data. Those data sets have been viewed last couple of years over 47,000 times.

What's interesting is how the private sector is using this data. There are a couple of companies that I'd like to cite that have used this data we think to great effect to create the kind of public policy objectives that we have with this data. We think that the disclosure of this data can make plan sponsors rationalize the cost of their plans, allow consumers to make better informed decisions about their plans. And we think make these plans more cost-effective, and create more wealth for middle class savers. As those fees come down as a result of transparency from the providers, that directly benefits retirement savers.

So, two companies have used the data in a big way. BrightScope that I mentioned earlier that actually rank different

401(k) plans by fees, and FreeERISA that makes the information available, mostly the people that are in the industry.

The next page is BrightScope. So, we saw the basic data that we have on the form on our website. This is how a company like BrightScope uses it. So very colorful display, you can get this data right now if you went to Google, pulled up their site, search for IBM, this page will come up. It shows, again, this first page is basic information on IBM. Right? The name of the plan, who signed off on the information, the year of the information, just again very, very basic information.

Next page I think is much more interesting. As I said, one of the schedules in the 5500 talk -- next page, please. Talks about fees and investments. So, what BrightScope does is they will group plans in certain files, in certain peer groups. And they'll group them by the size of the plan, size of assets, number of participants, type of industry, and they will rank that plan in terms of fees and other components. So, you see with respect to IBM they have a rating of 86. The highest in that category is 88, so that means that they're at the top of that category.

Now, there are other funds that would not be at the top, they'd be near the bottom, and if you were a participant in that plan you could call up the director of your plan and say why are we ranked near the bottom in our peer group? Right? It's pressure on the Chief Investment Officers, the people who operate these plans to make better decisions about these plans. And we have heard anecdotally of stories where people have done exactly that.

Next page is FreeERISA. As I said, this company actually makes information more available to people in the industry. This is a snapshot of how they would show the information from IBM on their website. Again, it's targeted to industry professionals. These screen shots are free, but they actually will do reports for you for an additional fee if you want them, but they're another service out that they use this information.

So, we think that the 5500, the electronic disclosure of that information, posting it on our website, making it very easy for people to access combined with rulemakings that we recently issued, we just announced on February the 3rd, that compels companies to release the information, both direct and indirect information on the fees.

So, 4(a)(b)(2) is the one that we just announced, and this is for the first time creating an affirmative obligation on behalf of retirement service providers, primarily record keepers to disclose both the direct fees that people pay, and indirect fees.

This information we know will empower plan sponsors to make better decisions. There has been already a very significant response to these activities in the press, and by the marketplace. Certainly, there are people who applaud these activities, and I would say most of the coverage has been positive.

There is a concern, though, that this may put pressure on active investment managers to lower their fees. We think that to the extent that there is room to rationalize fees, that benefits middle class savers, and that's a good thing.

So final thoughts. We think Smart Disclosure makes a difference. In our case, we think that difference is going to be experienced in retirement plans, particularly 401(k) plans. We think consumers will benefit from the disclosure of this information. And one of the things I didn't mention is one of our rulemakings will require a chart to be issued to participants in 401(k) plans. People will start to get those charts in August of this year, and those charts will show in a very simple format the fees you pay, performance on one, three, and ten-year basis, and a variety of other just basic information about funds. But we think that's going to benefit people in terms of lower fees, better information about the way their plan is operated. Thanks.

MODERATOR VEIN: Thank you, Michael. Thank you very much. Our last panelist is Matt Fellowes, the Founder and Chief Executive Officer of HelloWallet at HelloWallet. He will provide a private sector perspective on how companies can use Smart Disclosure data to promote financial capability and access. Matt.

MR. FELLOWES: Thanks, Chris, and thanks to the Commission for the invitation to be here this morning. We're running a little short on time, so I'm going to be motoring through some of the slides, probably not all.

So, I was asked to come here this morning and talk about how HelloWallet uses

Smart Disclosure to help workers increase their savings and overall financial wellness, as well as how additional Smart Disclosures would help that objective even further. But I couldn't resist providing a little context up front. I used to be a Brookings scholar up until about two years ago, consumer finance scholar, and it's really these data that I found very provocative which motivated me to take the jump off of the cliff into entrepreneurship from my comfy perch at Brookings. And I thought this context might be useful for you all as you're considering potentially ambitious work to promote additional disclosure, since it's quite provocative, and we'll just go very quickly.

But to start with, most workers are living pay check to pay check, and the specific distribution of the population really varies depending on how you look at the data. This is my favorite source; it comes from pay checks just because of the size of the sample.

But about 70 percent of workers are reporting that they live pay check to pay check. So, the practical implication for workers is that they're not able to effectively allocate their pay checks as a result of that. Their money is going to bills, and spending, and debt, and health and fees, and really the needs of retirement ultimately are going unmet along with emergency funds, other savings goals, and so on.

So, for instance, the number one reason why people are reporting that they're not contributing enough to their 401(k) or at all is because of liquidity concerns. They're concerned that they don't have enough money to contribute in the first place. So, it should be no surprise that workers are about $6 trillion now behind on retirement savings, just a massive retirement savings gap exists in this country.

So, I think what's even worse is that when they do manage to save, there's a massive amount of money leaking out of 401(k)s every year, so we've - this estimate comes from other scholars elsewhere, but about $85 billion is annually leaking out of 401(k)s. We've put together a variety of data to estimate about $200 billion is going into the plans, so almost 40 percent is coming out of the plans every year in the form of loans or hardship withdrawals.

But I think perhaps worst of all, and this is where it becomes most relevant to Smart Disclosures, is because workers are living paycheck to paycheck, because they're struggling to pay their bills, they're really not focused then on understanding financial products and services. It's not something they think about, and it makes sense. Why would you if you're having trouble putting food on the table, or if you're having trouble paying your bills.

So that lack of focus has created all sorts of inefficiencies in the consumer financial product market. And I could talk all day about this, these data, but just a few examples.

We know about a third of working households store more than two months of their annual income in their checking account, and that includes about 25 percent of low-income households. So, that's money that just piles up in their checking account, and then is not allocated into a better performing savings vehicle. So, it's there if someone has binge spending. It makes people feel like they have more money to spend than they actually do.

Households, I think you all have probably reported on these data before, spend about $38 billion in overdraft fees. The really stunning statistic, though, is that we found in work I did while I was at Brookings, that over half of those households that are paying overdrafts have savings at the bank they're overdrawing at that can cover those overdrafts. All they need to do is link their accounts, but there's no incentive in the world for the FIs to provide that -- basically make that option obvious for people.

Another is that we have this glaring example of all these millions of people that bought homes that never should have bought homes in the first place. Right? Millions of people are foreclosed on. If they were talking to someone objective during the process of the evaluation, they would have -- the majority would have walked away thinking no, I cannot afford this house that I'm about to buy.

So, anyway, the lack of focus on financial products has created all sorts of inefficiencies. And the blame for those inefficiencies is all around, but the reality is they exist in the marketplace.

So, bottom line, workers aren't saving enough, they on too much debt and risk, and are ultimately vulnerable to abuses because of that. So, how we help, and how we help in particular through Smart Disclosure is we're essentially helping workers find the money to save for savings.

Part of that is about finding them better prices in the marketplace, part of it is about using behavioral science and psychology to nudge people. All of it, though, is about providing very personalized messages and guidance based off of the data that we're observing on individual households. So I'll show you that in a moment.

I should mention we're primarily distributed through large Fortune 500 companies, and it's everyone from very large retailers, to manufacturing companies, to rocket scientists, so we have a really broad demographic.

Okay. So here's some examples of how we actually apply Smart Disclosure in the market through personalized messaging. On the left-hand side there you see an individual's accounts, and there you'll see that that data is actually being piped in automatically every day from the individual's financial account, so we've got access to 12,000 different bank's transaction level data. The individual has to agree to disclose that data to us, but the real magic then is the analytical and the behavioral layer that we apply on top of that where we provide this personalized messaging. So, a couple of examples.

First, we see that an individual hasn't bought a car in a couple of years. I know from my research this is one of the ways people get into trouble financially and go after a hardship loan and build up too much. We know that they're not saving for a car. We know that their car is old, so we're proactively reminding them. We do the same thing with small stuff.

My five-year old had a birthday yesterday. I got a message from HelloWallet three months ago saying your five-year old's birthday is coming up. This is how much we think you should set aside for her cupcakes and clothes, and all the other stuff.

Another example is running a surplus. We're automatically running this algorithm every day looking at an individual's bank balance and figuring out how much they can safely allocate into a better performing vehicle. So, that's one of literally hundreds of types of guidance that we provide to people, all very personalized, and all completely dependent on our ability to get access to their everyday data.

I'll skip over the next -- yes, another example. We just rolled this out a few months ago. We're using data on location-based information about the location of retailers and pairing that with an individual's transaction history, so that when they walk into a store they can press this button on our app and figure out how much they have spent at that store year-to-date. And it's just a nice little psychological trigger so when you're walking into Caribou you can say hey, I've spent $200 this year. You might be preparing to spend $1.50, but it just is a little light bulb that goes off in people's head.

Similarly, we recognize that it's a coffee shop, so we can tell you how much you've got to safely spend in your coffee budget. So, this is one of the additional ways that we use Smart Disclosure. I could talk about a lot of additional ways, but why don't we go forward.

Briefly, we've been able -- we launched our enterprise application in May of last year, and since then we've signed contracts where this will roll out to about 2 million workers this year. To date we've rolled it out to about 300,000. We've been able to increase savings contributions on average by about 80 percent. Let's skip this, skip this, skip this.

So, let's talk just how -- I just want to make two other points. How do we --

how could additional Smart Disclosure help our service or others like us, or other services out there even further? One example would be an IRS data. If you want to create an opportunity for workers to put $6 billion additionally into savings every year, you could automate the tax filing process for people.

There was an experiment run in California, I think Austan Goolsbee's like -- his idea originally called "Ready Return," which basically automatically processed taxes for people out in California, a subset of them. The reason why it ran into some problems is that the government didn't have full data about an individual's tax filings, so the filings were often wrong. But with the combination of these bank data I was just talking about, you could get a much more richer picture of someone's finances.

We're spending about $6 billion a year every day, or every year on tax preparation, so this is a way that you could potentially create savings by having the government automate tax filing for people.

A second, and this is where I'll stop on the examples, but there's -- companies are very focused right now on proactively improving the health of their employees. The health reforms that were passed a couple of years ago provide further incentive dollars for employers to do this.

If they were able to, or if companies like us were able to get to item level data about how people are consuming, again with the consent of the individual, it could be a very powerful way to incentivize people to choose to eat different food than what they're currently doing, and improve their health.

So, why don't we go to the last slide then, keep going, one more. Okay. So, closing thought here. There's an enormous amount of power with Smart Disclosure. We're an example of that. We have increased savings contributions by 80 percent within three months, a huge impact. But there's risk with disclosure, as well, so I think for them to be truly smart, those risks really need to be accounted for.

One of those risks is privacy. Some of the free sites that are out there right now are selling people's transaction level data with just very modest consent. You have a little checkbox when you sign it, but no one reads that stuff. So, that's a risk.

A second is that it can create some false advertising. So, one of the sites that we monitor regularly is encouraging people to move their 401(k) into an IRA, and dramatically inflates the return that that individual investor will get because they're not regulated. And they can get away with a little bit more loose advertising of the benefits of this IRA product.

So, anyway, the bottom line is we

see an enormous amount of power. We're realizing some of that power but for it to be truly smart, I think a lot of care needs to be given in thinking about the unintended consequences, as well. Thank you.

MODERATOR VEIN: Thanks, Matt, appreciate that. I think -- let me see, we have about five minutes or so for question and answers. So, obviously, I've got lots of questions that I'd like to ask, but let me open it up to the Commission and see if the Commission has any questions, or else I'll just launch into mine. So, any questions?

Well, I think my question to the three of you is really, you all have done such a great job of saying what the potential is. And, Matt, thanks for identifying some of the risks. I guess the question is: where do we go from here? How do we prioritize all of the different ways that we could go in this, and all the different types of tools, and all of the bottom line financial literacy questions that are yet to be answered? How would you start prioritizing our work? Matt, you want to start?

MR. FELLOWES: Thanks a lot. That's a great question, and it's a very practical question, and I don't have a practical answer for you, because the reality is the universe is quite large. I think we're -- the automation of data that sort of ends in a machine readable format is something that we're still kind of at the tip of an iceberg so to speak. So, I think a useful exercise might be to first define the iceberg.

We've come up with five ideas sitting around in my office for about 10 minutes. There's a lot of opportunities there to help consumers get ahead, so I think I would start with getting more clear about what that universe of opportunities looks like, and then I think you could get various criteria to evaluate priority.

MODERATOR VEIN: Michael, do you

want to --

COMMISSIONER DAVIS: Yes. I think with the data I talked about we're discussing ways we can make that data more available and more consumable. And, actually, we've had great conversations with Sophie and her team about things that we can do. We've actually had conversations with your team in the White House about what we can do, and the Office of Technology. So, we think there are more things we can do. We don't have answers yet, but we're actively talking about it right now.

MS. RASEMAN: I'll give some practical very near-term advice, which I've seen work for a number of agencies on the Commission as they've gone about their open data efforts, including -- I'll use the Department of Health and Human Services as an example.

Talking to the data user communities, getting to know who those people are and starting a dialogue with them so that you can get feedback about what's most valuable is critical. And I think those conversations, if you start them now, will help define the iceberg that Matt is talking about, and help set priorities.

MODERATOR VEIN: Thank you. Cyrus.

COMMISSIONER AMIR-MOKRI: Thanks, Chris. Matt, this question I think is basically for you, and it may go to this whole iceberg thing.

As you were -- I thought your presentation was fascinating. And as you went through and you had a couple of slides talking about the household's budget and how they organize that. I could use that, but the question I have for you is where does the data input come -- does the individual themselves have to have the discipline to sit down and make the input?

MR. FELLOWES: Yes. So, while I was at Brookings I was largely paid to stare at a wall and think, and -- I mean, I was also working with policymakers and so on various policies, but -- so, I basically lined up all the barriers that have prevented democratization of independent guidance for everyday spending. And one of the big barriers was just the amount of bloody work that goes into just figuring out how much you're spending on various things, and what your priorities should be on everything from education, and retirement, and so on.

So, one of our goals on the outset was to automate as much of this as possible. In this case we were able to solve for that problem by essentially patching into 12,000 different banks and transaction level data. Now, how we actually go through that takes about literally one minute. It's shocking how efficient it is, but a user will come into our application. They will enter their user name and password for their online bank, and then we automatically pull the data from that point on. So, there's no data entry after they've entered their user name and password.

A second big barrier was trust. Giving over your user name and password is a big deal, especially at an online company. So a couple of ways that we overcame that barrier is we are distributed through employers. There's a very intense vetting process. We've answered to date about 1,600 unique security questions. We work with some of the biggest companies in the country now, as a result.

The second is that we're independent. There's no advertising. We don't do any kind of lee generation stuff. We're totally product agnostic, and institution agnostic.

And then third is we have a social mission. We were created initially with support from the Rockefeller Foundation, and we give away one free subscription for every five, so those -- that combination of the value gives people enough confidence that they can automate this process.

MODERATOR VEIN: Actually, one last question then. Obviously, as you heard from my introduction, San Francisco, digital inclusion, digital divide, very important in my work. So, we've been talking a lot about perhaps some sophisticated concepts, and some sophisticated tools in order to do what we need to be doing.

What can we do, or what should we be doing to make sure that we're not inadvertently making that divide worse as we move forward with digital?

MR. FELLOWES: I, actually -- we work very closely with Mayor Newsom, former Mayor Newsom. We may have talked, but it's a fundamental question. It's particularly important to us because we have a social mission in which we believe passionately, and we give away one free subscription to a needy family for every five subscriptions that we sell. And we work with community groups around the country, so we needed to solve this problem for our own purposes.

The answer is, actually, you talk to a lot of -- if your goal is to serve a diverse group, you have to talk to that diverse group intensely and the sort of outcome of the discussions to date and our innovation to date is that there's different products needed for different populations. Big surprise, right, but practically what that means is for low wage populations we have a text-based application, which is just as automated, but a lot of the population doesn't have bank accounts so there's no automated pulling data. What we are pulling is peer data, though, about that individual. And that's data that we have from federal resources. And that's influential, and then we deploy various services for that population through a text phone.

So, I think the key is to just be very mindful about the fact that there is a very diverse group of needs out there, and that there's not a silver bullet.

MODERATOR VEIN: Well, I think we're out of time, so on behalf of the panel we, again, thank you for your time and attention, honor to be here, and we hope we've provided some valuable information to the Commission. Thank you.

COMMISSIONER QUITTMAN: Thank you. Let me again thank the panel for being with us today and sharing their insights. This is an issue I think that has peaked everyone's interest, and we do hope to continue conversations on this topic. I hope the panel will engage with us in those conversations, as well. I know at least two of you kind of have to, so -- so, again, I hope you all will join me in thanking the panel.

(Applause.)

COMMISSIONER QUITTMAN: I will shortly turn to you updates from the Commission. We're going to try to keep these updates fairly brief. All the members of the

Commission have more detailed information in their binders.

Let me start, though, by welcoming in addition to Director Cordray some members of his team, Gail Hillebrand, the Associate Director of Consumer Education and Engagement, and Camille Busette, who is the Assistant Director for the Office of Financial Education at the Consumer Financial Protection Bureau joining us today, and I know we'll see Camille around much more in the months ahead. We've been working with her and her team since she joined the Bureau, and we are certainly looking forward to their engagement in the Commission in the months ahead.

I also want to welcome two other members of the Commission, Michael Herndon, who is representing the Commodity Futures Trading Commission's new Consumer Outreach Office, and Roger Blake from the National Credit Union Administration is sitting in for Tanya Green who has a very good reason, she just gave birth a couple of weeks ago, so she has a good reason for not being with us today.

Let me give a little more detailed update from the January 19th meeting of the President's Advisory Council on Financial Capability, which was held here at the Treasury Department.

As Cyrus mentioned, that meeting focused on work place financial education and included a very encouraging discussion about the roles employers can play in promoting the well-being of workers and the sustainability as businesses by providing access to financial education resources and related services.

The intention is not only does this make Americans better financial consumers, but it also makes them more effective and productive workers by reducing financial stress which can relate to absenteeism, turnover, and distraction in the work place.

As Cyrus mentioned, the Council

recommended that the government serve as a model employer to promote the financial capability of more than 2 million federal employees. And Ray Kirk of the Office of Personnel Management will be leading the way on this effort. And I think he'll be providing the Commission with updates on his work in the months ahead.

Additionally, you can find the interim report of the President's Council on the Treasury Department's website under the "Resources" section.

Speaking of websites, our office with the very able assistance of Jim Gatz has been working on upgrading the Mymoney.gov website you all know and love. And we've been also working on integrating the financial research clearinghouse that we've been working on, as well we consumer finance data sets, very apropos of the discussion of making available public data.

The upgraded website will also

include a self-assessment tool on the core competencies. And work is progressing well, and we expect to have those available and ready to re-launch later this spring. And I do want to thank all the members of the Commission who have been helping us and sharing information and ideas for the website.

Finally, I want to remind you that the National Financial Capability Challenge will kick off in a month from now, and we'd like to ask you again to help us promote it. We've included a flier in the binders, and there's fliers out on the table, as well. And you can certainly find more information about that at Challenge.Treas.gov.

The Financial Capability Challenge is a non-monetary awards program, which challenges high school-aged students to take control of their financial futures by learning more about personal finance, and encourages educators to share financial lessons with youth in the classroom, after school, and elsewhere, so we certainly encourage everyone to spread the word.

I'll now turn to the Working Group Chairs to provide a brief update on their work. And the members of the Commission will note that the full Working Group Reports are in your binders. First, Luke Reynolds from the FDIC who's chair of the Core Competencies Working Group and the Financial Access Working Group.

COMMISSIONER REYNOLDS: Thank you, Louisa.

First, the Financial Access Working Group is an ongoing resource for agencies considering financial access projects and initiatives. Our financial access guide, which we distributed at the time of the last meeting is a resource designed to help agencies identify existing financial access programs within other agencies within federal government with the goal of promoting greater synergies between financial education and access initiatives.

Looking forward, we will also coordinate efforts to advise the Commission on implementing a safe strategy relating to remittances.

Moving on to the Core Competencies Working Group, marketing concepts including an edugraphic has been developed to prompt initial consideration and encourage people to learn more about the core competencies.

These materials were developed by marketing experts who have insights learned from nationwide focus groups. The marketing materials are currently under review by the Department of Treasury. After they are cleared for release, the working group will provide leadership for communicating, integrating the core competencies on the federal level, as well as promoting the competencies for strategic non-commission partners.

Our ultimate vision of the project is that just as the consumers will view the graphic and be motivated to go to MyMoney.gov to learn more about the competencies, so just we're asking individuals practitioners and providers to do their own curriculums and initiatives, we need to align MyMoney.gov so that consumers can go to MyMoney.gov and access resources from the agencies aligned with each of the core competencies.

So, we're currently reviewing the existing resources available on MyMoney.gov, and categorizing them by the core competencies, identifying where there are gaps, and identify other resources that may be able to fill those gaps that have already been created within the federal government.

And then we'll be developing introductory content to introduce each of the five core competencies, and select the two or three best resources to supplement those core competencies.

I wish to once again thank all the members of our Working Group, in particular

James Gatz, Ray Kirk, Lisa Quittman, as well as our new assistant -- new colleagues from GSA, SSA, and USDA will be helping us with the next step of the project.

Do members of the Commission have any questions? Thank you.

COMMISSIONER QUITTMAN: Thanks, Luke. Next we'll hear from Jeanne Hogarth from the Federal Reserve Board, Chair of the Research and Evaluation Working Group.

COMMISSIONER HOGARTH: Good morning and thank you.

I, too, would like to recognize the members of the Committee or the Working Group. They are printed in your documents, and I won't read off all the names, but know that they are all very hard at work on this. Everybody is very active and engaged.

We have two major projects that we have been working on. One is a list of updating the research priorities. Some of you may know that in 2008 there was a convening that brought together a team of scholars and agency staff to identify key priorities. That happened in the fall of 2008, and as many of you know, things have happened since then. And we decided that it was time to update those priorities.

We held a convening in September that was broad group of Commission members along with researchers, funders, community practitioners to really identify what the priorities were moving forward. Those have been worked, and reworked, and vetted, and they are in your notebooks for you. And we are asking you to get back to us by March 1 for comments. And our goal is to release these in the spring.

This is a living document. It is not something that's meant to be cast in concrete. We're not asking for official move it up the chain of command approval, but we do want to have a consistent set of priorities that researchers and funders can respond to.

And I will note that we have in the spirit of cutting back moved the priorities from 10 priorities down to nine.

The other project that we have is the research clearinghouse that Louisa alluded to. The work is progressing on that. This will be building a database of federal research in the area of financial literacy and capability, and federal data sets in the area of financial capability that other researchers can use. So, the goal is to have a kind of a portal that people will be able to access research and data that they can use in their own research.

And then finally, I would like to mention something that is not in your notebooks but is a personal interest of mine, and that is I happen to serve on the Program for International Student Assessment Advisory Committee that is putting together the 2012 PISA Financial Literacy Test. Those of you who are familiar with PISA know that every three years the -- there is an international effort to go out and survey 15-year olds, and you read these in the newspapers about how different countries stack up with math, or literacy, or problem-solving skills.

In 2012, we're going to be assessing the financial literacy skills of youth worldwide, and I am thrilled that the United States is a participant country in this initiative.

We hope to have -- we have field tested the document, the test exam, and there is a preliminary report available on the PISA website. Those of you who are interested in it, I do have slips of paper with the website written down so you can go and check it out. And next fall we should have preliminary results from the assessment. So, stay tuned, more research.

COMMISSIONER QUITTMAN: Thanks, Jeanne. That's a lot of great information. Next we'll hear from Karen Bellesi, who is one of the Co-Chairs along with Deborah Golding of the National Strategy Working Group.

COMMISSIONER BELLESI: Thank you, Louisa. I'm very pleased to talk about the work of the National Strategy Working Group.

As you recall, over the past 18 months the Commission launched both the National Strategy for Financial Literacy and the Implementation Plan for promoting financial success. Both of those documents are now posted on MyMoney.gov in the "About Us" section.

With the issuance of both of those documents, the National Strategy Working Group decided to step back and reflect on how it can continue to add value to the Commission. And along those lines, we revamped our mission statement. And it includes two focus areas. The first is to keep the National Strategy relevant and up-to-date. And the second is to help coordinate the efforts to carry out the Implementation Plan at the federal level.

So, Working Group members are coordinating with the staffs of both the Department of Treasury and the Consumer Financial Protection Bureau, as well as other working groups on the following planned activities.

The first is an outreach plan for the National Strategy and the Implementation Plan. We think it's important to increase the public awareness of both of those documents certainly among the FLEC, but beyond the FLEC, and also beyond Washington, D.C.

We think it's important to discuss what the federal government is doing to implement the National Strategy. And we also think it's important to provide examples of how it can be applied to organizations that are doing the day to day work of financial education.

The second activity is to coordinate a Commission-wide action plan. And that will include plans of action by the

Commission's Working Groups to implement the four goals. It will also include opportunities for agencies to increase their communication and work together on common financial education topics.

The third activity is to recommend and it helps implement focus themes for use by the Commission's agencies in collaborating on outreach and other activities. So, for example, financial literacy month is coming up, and we hope to help coordinate some activities around that.

And finally, we are working on a web-based vehicle for Commission members to share information and ideas, as well as promote partnerships on the Commission's activities. We hope to include information about programs, activities, and initiatives on this web-based vehicle. Agency contacts on particular financial literacy topics, as well as a calendar of events.

So, after appropriate vetting with

other Commission Working Groups, as well as with the Commission agencies, more details about these activities will be discussed at future Commission meetings.

And finally, I also want to thank Deborah Golding, who's the Co-Chair of the Committee, as well as the other members of the National Strategy Working Group. I really appreciate their hard work and many contributions to all of our efforts.

Thank you, and I'd be happy to respond to questions.

COMMISSIONER QUITTMAN: Thank you, Karen.

Before I open up the floor, let me just also acknowledge Cassandra McConnell of the CFPB's Office of Financial Education who has recently stepped up to serve as Chair of a reinvigorated Outreach Working Group. That slot has been vacant for some time, and we certainly appreciate that Cassandra has just taken on this task. And we expect -- there she is, great work ahead from Cassandra and from those of you who have volunteered to serve on the Working Group. So, thanks again for stepping up to this important role, and we look forward to the good efforts of that Working Group.

And then one more item before I open up. First, let me thank the Working Group Chairs for those reports, and for the efforts of all the members of the Working Groups who have made so much progress in the last few months on these collaborative efforts.

I did also want to note back to the topic of financial education in the workplace, Susan Shockey of the USDA asked to make a brief announcement about the event that they have tomorrow that I think is very exciting progress in that very area. Susan.

COMMISSIONER SHOCKEY: Good morning, everyone. Thank you, Louisa.

FLEC members, you received a flier

at your seats reminding you about tomorrow's meeting. It is from 9:00 a.m. to 12:00 noon. We are having Dr. Barbara O'Neill from Rutgers present the Small Steps to Health and Wealth. This is the signature program offered by USDA through all land grant universities and cooperative extensions reaching the 3,000 communities.

But we're really pleased, our USDA employees asked for this in service. We have space for 500, and we're hoping that all of those individuals will come. Louisa will be presenting, representing FLEC from U.S. Treasury, and then you are invited to have -- bring your displays and display tables, not displays but actually handouts.

So, again, thank you, Louisa for letting me make that announcement. We're really pleased that we can provide leadership in this area. USDA Secretary Vilsack is very engaged with this. The Under Secretaries --and then also printed in the program will be the

FLEC Commission, where you will be verbally thanked for your leadership. Any questions? Okay, thank you.

COMMISSIONER QUITTMAN: Thank you, Susan. It looks like an exciting event, and hopefully a number of the members of the Commission will be there tomorrow to help support you.

So, let me open the floor in the remaining minutes for discussion and questions from any members of the Commission, any additional questions for the Working Groups, or announcements, or discussion items.

COMMISSIONER KIRK: Thank you. As was mentioned a couple of times, the President's Advisory Council passed a recommendation that the federal government become a model employer for providing financial education. I think Susan just gave us an example how some of the resources developed primarily for external audiences can be used for internal audiences. And at OPM we'll be reaching out to the Commission members asking for you to help us identify those programs that you may have developed primarily for your external audiences that we can then make available to improve the financial education of federal employees.

Thank you for your cooperation when we ask you for your help.

COMMISSIONER QUITTMAN: Thank you, Ray. I know a number of you have mentioned that you're very interested in being part of that work.

If there are no other comments or questions, that brings us to the conclusion of our meeting. I want to extend another thanks to our panelists this morning, as well as to the Commission members and their staffs for all their work in advancing the work of this Commission, as well as the members of the public who joined us today.

So, I again want to extend another special thanks and welcome for the Consumer

Financial Protection Bureau for their engagement and support and being with us, and we look forward to seeing you all again. We have a tentative meeting date scheduled of May 22nd, and you'll receive a Save The Date on that in early May, so thanks very much for being here.

(Whereupon, the proceedings were concluded at 11:55 a.m.)