

Summary of Financial Literacy and Education Commission Public Meeting
Thursday, May 21st, 2015
U.S. Department of the Treasury, Washington D.C. – Cash Room
9:00am – 11:30am

MEETING MINUTES

Present FLEC Members and Invited Speakers:

- Karen Bellesi, Office of the Comptroller of the Currency
- Jack Bienko, Small Business Administration
- Jeannie Chaffin, Department of Health and Human Services
- Richard Cordray, Consumer Financial Protection Bureau
- Daniel Dodd-Ramirez, Consumer Financial Protection Bureau
- Allen Fishbein, Federal Reserve Board
- Stephanie Gambone, Philadelphia Youth Network
- Amias Gerety, Department of the Treasury
- Marietta Jelks, General Services Administration
- Angela Johnson, Cuyahoga Community College
- Melissa Koide, Department of the Treasury
- Matt MacIsaac, Office of Personnel Management
- Cristina Miranda, Federal Trade Commission
- Louisa Quittman, Department of the Treasury
- Jioni Palmer, Social Security Administration
- Janneke Ratcliffe, Consumer Financial Protection Bureau
- Meredith Regine, Commodity Futures Trading Commission
- Luke Reynolds, Federal Deposit Insurance Corporation
- Susan Shockey, Department of Agriculture
- Alan Sorcher, Securities and Exchange Commission
- Barbara Thompson, Department of Defense
- Johan Uvin, Department of Education
- Chris Walker, Local Support Initiatives Corporation
- Kenneth Worthey, National Credit Union Administration
- Portia Wu, Department of Labor

Opening Remarks:

Melissa Koide, Deputy Assistant Secretary for Consumer Policy, U.S. Department of the Treasury, opened the meeting describing its focus on the intersection of financial capability and workforce development.

Ms. Koide emphasized the need to equip the workforce with the skills that match the jobs of today. She highlighted the fact that many of those who are working do not receive living wages or benefits like a retirement savings plan that would help provide financial security to them and their families. She noted that a nexus between financial capability and job training was a natural

fit, extending from teenagers in their first jobs to adults looking to gain additional skills and education in the workforce.

Ms. Koide noted that the outcome of the discussion would hopefully inform federal efforts to achieve the important goal of helping job seekers to succeed in the labor market and to better compete in the global economy.

Next, Amias Gerety, Acting Assistant Secretary for Financial Institutions, U.S. Department of the Treasury, noted the value of financial inclusion and talked about how conversations about retirement savings early-on can connect a first job and paycheck to long-term benefit. He discussed the importance of the connection between financial wellbeing and safe and affordable financial products.

Richard Cordray, Director, Consumer Financial Protection Bureau, described some of the work the CFPB is doing to bring financial education to young people in the workplace as well as the classroom. He noted the critical timing, pointing out that as the summer starts and schools are out, millions of young people are poised to enter the workforce for the first time.

Mr. Corday referenced a pilot program the CFPB completed last year that took an in-depth look at how to improve the financial capability of young people who take part in summer jobs programs. The pilot sought to create a way to deliver valuable financial messages to young people in order to help pave the way for financial well-being. To address the challenges facing young people to start saving, the CFPB supports year-round youth employment programs and works to make financial education a priority in school systems. Lastly, Mr. Corday referenced the recently-released [Resource Guide for Policymakers](#) for further reference.

Workforce Development and Financial Education in the Workforce Innovation and Opportunity Act

Portia Wu, Assistant Secretary, Employment and Training Administration, U.S. Department of Labor, opened up expressing excitement for the jobs happening in our economy. She mentioned that in the implementation of the Workforce Innovation and Opportunity Act, which was signed into law last July. She noted that regulations open for comment until June 15th. She addressed details of the legislation, noting that the act has renewed focus on financial education as part of workforce development, especially for youth. She noted that states are rethinking their approaches to workforce develop and economic development, and there is an important opportunity for interagency coordination, as well as collaboration with state and local governments. She made note that DOL is committed to working with the FLEC, particularly in specific program s including Youth Build and Job Corps.

Next, Johan Uvin, Acting Assistant Secretary, Office of Career, Technical, and Adult Education, U.S. Department of Education, talked about the data that justifies investment in financial literacy program and other development programming for adults. He cited data from the Program for the National Assessment of Adult Competency found that a high number of Americans had low literacy skills and low numeracy and math skills. The Workforce Innovation and Opportunity Act authorizes a number of programs that can build the skills of adults to better prepare them for the 21st Century economy. Financial literacy should be a part of those foundational skills. Uvin outlined a number of actions the Department of Education is taking in this area, including the

report titled “Making Skills Everyone’s Business,” which calls to transform adult learning in the United States by looking at these foundational skills, and outlines 17 strategies that our country can pursue to address that set of skill issues.

Melissa Koide then opened up the floor for questions.

Alan Sorcher, Assistant Director, Office of Investor Education and Advocacy, U.S. Securities and Exchange Commission inquired to where the data was available, to which Johan Uvin responded that the data found in the survey is available through the Department of Education’s Website. Also, PIAAC Gateway’s website has additional research done post-survey and examples of the test items. He also noted that the test is done every ten years, and that 2032 will be the next administration.

Richard Cordray asked how the Workforce Innovation and Opportunity Act made it through Congress. To which, Portia Wu responded that it took eleven years to get reauthorization and that the bill passed by overwhelming bipartisan margins. Following up, Amias Gerety asked which states and programs are successfully addressing issues. Portia responded that Philadelphia is combining funded one-stop career centers with intake for temporarily needy families with workforce development programs. Jeannie Chaffin, Director, Office of Community Services, Department of Health and Human Services, followed up again, asking how employers are viewing financial capability, and what value they put on it. Ms. Wu answered that a lot of employers do not have the time or resources to set up more sophisticated programs for their workers but they know that it will have an impact on the stability of their employees and increase productivity. The group also discussed the opportunity to connect with Extension programs and rural economic development centers through USDA.

John Uvin noted that the unified and combined state plans represent an opportunity for states to leverage their access points for people to access important opportunities relative to financial literacy and capability. Melissa Koide asked how the Workforce Innovation and Opportunity Act was embedding research or analysis of financial capability. Portia Wu responded that there were opportunities in the Department of Labor like its Work Ready program which has residential centers for youth where they can monitor how the education may work and when to administer workforce readiness preparation

Allen Fishbein Associate Director, Division of Consumer and Community Affairs, Federal Reserve Board of Governors, asked if clients of these centers have the opportunity to evaluate the services and provide feedback about the appropriateness of the information they are receiving? Portia Wu responded that it’s too early to say if states and localities are evaluating the financial literacy aspects.

Melissa Koide noted that it is important for the Financial Literacy and Education Commission to inform this effort, and the FLEC will look forward to follow up on this topic.

Panel: Workforce Development and Community Colleges as Delivery Channels for Financial Capability

Melissa Koide moved the conversation on to the panel focused on workforce development and community colleges as a channel to deliver financial capability.

Daniel Dodd-Ramirez, Assistant Director, Office of Financial Empowerment, Consumer Financial Protection Bureau, talked about the Summer Youth Employment and Financial Capability Pilot that was launched in four cities in 2014. The intent of this program was to develop community partners to expand programs that provide jobs for youth to provide financial education, develop a savings plan, and gain access to financial services. Since this program was launched, the CFPB's Office of Financial Empowerment has partnered with the Department of Labor to increase offer technical assistance to 25 municipalities that offer summer and year-round youth employment programs.

Next, Stephanie Gambone, Executive Vice President, Philadelphia Youth Network, introduced the Philadelphia Youth Network, a sixteen year old nonprofit focused on financial education and workforce development. In 2008, the organization launched a payroll debit card to manage payroll and centralize the youth access. The organization has approximately 10,000 young people in year-round and summer programming, and did that through a network of 55 nonprofit organizations that are running and managing the programs on a daily basis. . Now, the organization is looking for financial literacy opportunities within the Workforce Innovation and Opportunity Act.

Angela Johnson, Executive Director, Enrollment, Financial Aid, and Scholarships, Cuyahoga Community College, introduced [Project GO!](#). This project focuses on breaking down barriers to college completion, which includes financial education and public benefits access. She noted that currently they have 46,000 students, whom the college hired peer financial coaches funded through the work study program. The college moved from a broad financial education program to integrating services of public benefits, housing, food, and utility assistance, and tax and Medicare filing. The program relies on faculty, staff, and call centers as the means to communicate these benefits to students. Prescreening and coaching all take place in the financial aid office. and students on work-study serve as benefits coaches. A video of student testimony was aired.

Next, Chris Walker, Director, Research and Assessment, Local Initiatives Support Corporation, introduced the Local Initiatives Support Corporation: a national community development intermediary that invests in housing, economic development, and income, asset, education, and other quality of life domains in low-income communities. He talked about the Financial Opportunity Centers, which deliver integrated services that are offered to low-income people to help them to gain employment and build credit and net worth through a community platform. He described the effect of bundling services in boosting job attainment. People who just receive employment counseling have a 33% job placement rate versus 74% for those who receive the bundle. Fifty-six percent have job retention six months later; and 78% for those who receive the bundled services. Bundled services also reduce days to job placement and increase starting wages.

FLEC members asked the panelists about levels of usage, effectiveness, and transferability of their programs. The panelists discussed the level of usage of the financial products offered to youth in summer jobs and their use of smartphones to access their financial information. Panelists described the features of the payroll cards and how youth employees handle their funds. Panelists also explained the types of job training and financial education services they use. Panelists also described the sustainability of the community college financial education program and highlighted opportunities within the Workforce Innovation and Opportunity Act.

Commission Discussion and Announcements

Louisa Quittman, Director of Financial Education, Department of the Treasury, thanked everyone for their great actions during April, which was proclaimed by President Obama as National Financial Capability Month. Members of the Financial Literacy and Education Commission addressed a number of important themes during Financial Capability Month that enabled more Americans to use information, tools, and understanding to make choices that promote their financial security. She noted the Department of Labor's Employee Benefits Security Administration, Federal Trade Commission, and Department of Education's Office of Federal Student Aid reached out to young people to let them know about resources to help them set goals and plan for their futures. The Administration for Children and Families in the Department of Health and Human Services encouraged the programs it funds and state human service offices to consider the importance of financial capability in their work and note ways in which they can structure their services and activities to strengthen financial capability among the populations they serve. She said these activities demonstrate the diverse range of actions needed to address Americans' financial education and capability requirements.

Next, Jioni Palmer, Associate Commissioner for External Affairs, Social Security Administration, talked about a five month Campaign for a Secure Retirement to spark the conversation around retirement security.

Melissa Koide thanked everyone for their attendance, and concluded the meeting.