

**President's Advisory Council on Financial Capability  
Fourth Public Meeting  
Department of the Treasury – Cash Room  
November 8<sup>th</sup>, 2011 10:30 am – 12:30 pm**

**MEETING MINUTES**

**Council Members Present**

John W. Rogers Jr. Chair  
Roland Arteaga, Member  
Ted Beck, Member  
John Hope Bryant, Member  
Samuel T. Jackson, Member  
Richard Ketchum, Member  
Beth Kobliner, Member  
Addison Barry Rand, Member  
Amy Rosen, Member  
Carrie Schwab-Pomerantz, Member  
Kenneth Wade, Member

**Administrative Officials Present:**

Arne Duncan, U.S. Secretary of Education, U.S. Department of Education  
Neal S. Wolin, Deputy Secretary, U.S. Department of the Treasury  
Phil Martin, Office of the Under Secretary, U.S. Department of Education  
Josh Wright, Acting Director, Office of Financial Education and Financial Access, U.S.  
Department of the Treasury

**Other Attendees:**

Cami Anderson, Superintendent, Newark Public Schools  
Jeanette Betancourt, Senior Vice President for Outreach and Educational Practices, Sesame  
Workshop  
Timothy Flacke, Executive Director, Doorways to Dreams (D2D) Fund, Inc.  
Andrei Cherny, Co-Founder and President of Democracy  
Mary Cullinane, Worldwide Senior Director of Innovation and Education Policy, Microsoft  
Corporation

**Introduction and Announcements**

Josh Wright welcomed the audience and introduced the agenda for the meeting. He introduced Neal Wolin, Deputy Secretary of the U.S. Treasury Department.

## **Welcome Remarks**

*Neal S. Wolin, Deputy Secretary, U.S. Department of the Treasury*

Deputy Secretary Wolin welcomed the audience to the Treasury Department. He mentioned that Treasury is working to increase access to mainstream financial services among the un-banked and the underbanked. One focus of Treasury's work is to build the infrastructure for a growing field of locally led Bank On initiatives. These efforts aim to open up basic financial services to low income individuals and families who historically have had difficulty accessing them. Treasury, in collaboration with the Corporation for Enterprise Development, the National League of Cities, and the City of San Francisco, just re-launched a website to help state and local governments access community needs and start their own Bank On initiatives. Finally, Treasury is undertaking a pilot research project with the Corporation for Enterprise Development, the University of Wisconsin, and the City of New York, to explore ways to increase access to mainstream financial services among un-banked people who have recently reentered the workforce.

## **In-depth Discussion with U.S. Secretary of Education**

*John W. Rogers Jr., Council Chairman, CEO, and Chief Investment Officer, Ariel Investments*  
*Arne Duncan, Secretary, U.S. Department of Education*

Secretary Duncan emphasized that it is important to start young and engage students when they are in kindergarten. He said that hands-on experience is necessary and his school gave students real money to learn. Duncan mentioned that financial education is just as important as reading and science. Schools should not make excuses such as the lack of resources and time to prevent them from offering financial education courses. Furthermore, the goal of being proficient in financial literacy by the time of graduation should be a collaborative effort. State leaders, governors, and legislators should strive to make financial education a requirement for graduation. Then superintendents, the school board, and school superintendents need to take on leadership in assisting the teachers so that they are confident to teach the students. In addition to having support from the Council and federal government, Secretary Duncan believes that it is also important to work with non-profit groups to stimulate public schools.

## **Council Updates**

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

Mr. Wright began with some announcements. He mentioned that the President, effective September 26, appointed Amy Rosen to be the Vice Chair of the Council. Ms. Rosen is the President and CEO of Network for Teaching Entrepreneurship, a global non-profit with a mission to provide programs that inspire young people from low income communities to stay in school, to recognize business opportunities, and to plan for successful futures.

Next, Mr. Wright mentioned that the Executive Order established that the Council will expire on January 29, 2012. However, a one year extension of the Executive Order is currently being considered.

Lastly, Mr. Wright provided a brief update on the requests for public comments. The Council put out five principles and three themes through the *Federal Register* and asked for public comments. Some of the points highlighted by the commenters included: the need for research to determine effective approaches that delivers positive outcomes. Integration was emphasized many times and also providing teachers with more training so that they feel confident and able to be able to move forward. The subcommittees will embrace these comments when finalizing the recommendation of the principles and themes to the President and the Secretary.

### **Subcommittees Updates**

#### **Financial Access**

*Roland Arteaga, President and CEO, Defense Credit Union Council (DCUC)*

Mr. Arteaga first provided updates to the Council. He mentioned that the subcommittee put out a mobile application challenge recommendation back in April. The Treasury will conduct a competition for industries to develop a mobile application geared toward the un-banked and under-banked. Secondly, the subcommittee's mainly focused on research to understand why 60 million adults are un-banked and under-banked.

Mr. Arteaga introduced a couple of products and services that they think will be the key to solving un-banked and under-banked communities. Savings is an important product such as Prize-Linked Savings. About 28 countries in the world uses this product and they hope to learn more about it. He then mentioned transactional accounts and how financial institutions can better address this issue. Lastly, he mentioned that he's been looking for the best practices associated with the Cities for Financial Empowerment to develop a template or a model to incorporate the works of the financial literacy councils.

Finally, he concluded that the recommendation made in April is moving forward and more will come in 2012.

#### **Research and Evaluation**

*Ted Beck, President and CEO, National Endowment for Financial Education (NEFE)*

Mr. Beck began by giving a brief update on the subcommittee. The subcommittee has been working with the Financial Literacy and Education Commission (FLEC) to identify a new series of recommendations. The three areas of focus are developing from those including delivery and access, evaluation and risk. Secondly, the subcommittee has been looking at research and evaluation standards including metrics and how to evaluate programs. The subcommittee is trying to develop a Doing What Works financial education website which can help identify additional research resources.

Next, Mr. Beck delivered the subcommittee's recommendations. The first stated that the Department of the Treasury lead the development of outcome metrics to help stakeholders assess the effectiveness of financial capability programs. There is much interest on financial education, but with no metrics, it's very hard to evaluate programs and figure out what best works. The second recommendation is for Treasury to support the development and publication of program evaluation and research standards tailored to the needs of the financial capability community.

The third recommendation is the second wave of the National Financial Capability Study conducted by the FINRA Investor Education Foundation be fielded in 2012.

Chairman Rogers motioned in support of the three recommendations. The motions passed with a unanimous vote.

### **Partnerships**

*Carrie Schwab-Pomerantz, President, Charles Schwab Foundation*

Ms. Schwab-Pomerantz began by introducing the two areas that the Partnership Committee has been focusing on: the work place in the federal and private sectors. The subcommittee plans to make a recommendation to the President in January that will focus on providing the “best in class workplace financial education program.” The subcommittee has been working with the Office of Personnel Management and other agencies. They believe that the federal government can act as the role model for the private industry. The subcommittee is also doing research on why more corporations do not provide workplace financial education. She hopes to have a recommendation to encourage corporations in America to provide financial education. The subcommittee has also created a guide for cities to create their own councils. The subcommittee did not provide any recommendations.

### **Youth**

*Amy Rosen, President and CEO, the Network for Teaching Entrepreneurship (NFTE)*

First, Ms. Rosen provided updates to the Council. The recommendation discussed in the July meeting to add financial module of the Program for International Student Assessment (PISA) to the test in 2012 is still in progress. The subcommittee is trying to seek strategies to how to incent public schools to provide kids with financial education. They are looking at what opportunities might exist to really use technology to jumpstart schools. Ms. Rosen introduced Beth Kobliner to talk about “Money Milestones,” a tool for families to articulate what kids should know about finances at different age levels.

Ms. Kobliner began her presentation by emphasizing how critical financial education is to the younger generation. She stated that the goal of Money Milestone is to offer information to families on “financial fitness” as it is a way to give parents the language to talk to their kids about money. Money Milestone is composed of 20 age-appropriate benchmarks designated to help teach what kids need to know as they grow in to young adults. Along with each milestone there will also be activities that parents could do to enforce and reinforce the lesson. The next step is for the subcommittee to receive feedback from the Council.

### **Guest Speakers: How can we use technology to re-imagine financial education in schools?**

*Moderator: Andrei Cherny, Co-Founder and President of Democracy*

*Dr. Jeanette Betancourt, Senior Vice President for Outreach and Educational Practices, Sesame Workshop*

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

*Mary Cullinane, Sr. Director of Innovation and Education Policy, Microsoft Corporation*

*Cami Anderson, Superintendent, Newark Public Schools*

After introducing the panel, Mr. Cherny asked the panelist to each identify the biggest challenge in delivering effective financial education to students. Ms. Anderson said that the adoptions of the national Common Core Standards are both the greatest challenge and greatest opportunity for anyone who wants to influence K-12 classroom education. Dr. Betancourt said that the factor is to provide specific details to parents and educators on financial education because the home is children's first encounter. Mr. Flacke mentioned that there are two challenges: it is difficult to get youths interested in the concept of financial education and the impact on behavior change.

Mr. Cherny then asked "How can we take the in school and out of school education components and think about those two things as something that works well together?" Ms. Cullinane mentioned that Microsoft is looking at the difference, and the ability, or the promise of informal versus formal learning. Youths have the ability to gain formal learning by going to an educational institution or receive informal learning through online access. Anderson said there needs to be an integration of the 3Ms in the K-12 education. Dr. Betancourt said common messages that start and communicate from all the way from the informal settings of a home to formal education settings. Mr. Flacke said that it is important to equip educators with the right tools to make it interesting and fun for the students.

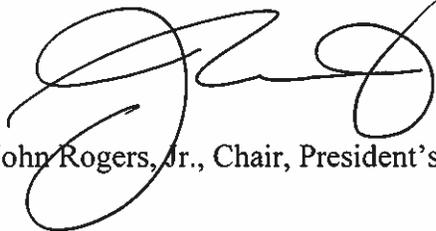
Next, Mr. Cherny asked what the panel thinks about establishing national standards for financial education or align it with the Common Core Standards. Ms. Anderson said that the Common Core Standards should lay out a set of social and emotional goals. Ms. Bentancourt mentioned that there are many resources and that it is necessary to make clear those resources. Mr. Flacke said that the content of formal standards should remain, but recommended that the context should be changed and geared towards financial related topics. Ms. Cullinane said that Common Core Standards is a great tool and that educators should apply skills of numeracy and literacy into financial literacy context. Ms. Anderson then mentioned the need to empower and educate families and young people when they make good and bad choices.

Finally, Mr. Cherny asked the panel what are the most exciting innovations in technology. Mr. Flacke said that social dimensions of technology have been influential because people can instantly share and receive information. Ms. Betancourt said that instead of starting something new, it is making what we have better. Ms. Cullinane mentioned that we need to look at the characteristics of gaming and how it can be a learning process. Anderson emphasized the positive advantages of games for learning.

### **Conclusion and Announcement**

Mr. Wright thanked the speakers for their interesting ideas. He emphasized the promise that technology can have on re-imaging financial education in schools. The next PACFC Full Council meeting will take place on January 19<sup>th</sup>, 2012 at the Department of the Treasury. The meeting adjourned at 12:30 p.m.

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete

A handwritten signature in black ink, appearing to read "John Rogers, Jr.", with a large, stylized initial "J" and a flourish at the end.

John Rogers, Jr., Chair, President's Advisory Council on Financial Capability