

**PRESIDENT’S ADVISORY COUNCIL ON FINANCIAL CAPABILITY  
Partnerships Committee**

**Proposed Recommendation Regarding Financial Capability Resources for Federal  
Employees**

**Recommendation:** The President’s Advisory Council on Financial Capability (PACFC) recommends that the President direct federal agencies, through Executive Order, to improve the financial capability of federal employees. The Council realizes that to fully implement this recommendation with the suggestions below may require additional resources and statutory changes.

**Background and Rationale:** One area of focus for the PACFC Partnerships Committee is improving the financial capability of the American workforce by using the employer as a delivery mechanism for financial capability resources to employees. The intention is that 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 result in absenteeism, turnover, and distraction. The committee recommends that the federal government should provide outstanding financial capability resources to the approximately 2.1 million federal employees<sup>1</sup>.

The Office of Personnel Management requires, under Benefits Administration Letter 07-102 (“Retirement Financial Education Plan, April 23, 2007), each agency to develop a financial education plan for its employees and provide an annual report on those activities. In 2011, OPM issued a request to all federal agencies to report back to OPM with an assessment of the financial capability of the agency’s employees, a description of the current financial education programs available to employees of the agency, and a plan for improving the financial capability of agency employees in the future. Those reports, not surprisingly, revealed a wide range of programs at different agencies. They also showed that resources were lacking in many agencies, and that many agencies were unsure of how to go about improving the financial capability of employees.

To meet this need, the PACFC has consulted with the OPM to analyze the kinds of resources available to federal agencies. PACFC members have reached out to some of the member agencies of the Financial Literacy and Education Commission (FLEC) to discuss the idea and existing available resources. There are a variety of steps that OPM could take to improve the resources available to agencies, such as:

- *Create a centralized repository of financial capability resources at the Office of Personnel Management (OPM).* Federal agency human resources leaders should be encouraged to utilize these resources as part of an internal program to enhance the financial capability of each agency’s employees.
- *Create an expert “speaker’s bureau.”* Experts from various agencies could be tapped to, for example, speak at an employee education event at another agency; attend a financial education workshop or fair at another agency; or record short web videos that could be accessed by employees at other agencies. OPM would keep a centralized database of those individuals willing to participate, their areas of expertise, the topics they would

---

<sup>1</sup> <http://www.opm.gov/feddata/HistoricalTables/ExecutiveBranchSince1940.asp>

cover, and the formats they would be willing to participate in (i.e., in-person appearances at another agency, webinars, written materials, etc.).

- *Encourage the sharing of new and existing materials on the mymoney.gov website.* The materials on the Financial Literacy and Education Commission's website can help federal employees not only in their professional roles, but also in their own families and in their local communities. Federal employers can also use the publicly-accessible mymoney.gov website to share materials with non-government employers.
- *Develop a database of peer stories.* Federal employees could share stories, either in writing or on video, of their successes in savings or financial management, particularly if part of their success relates to having taking a class or gathered information from/through the agency.
- *Launch one or more agency recognition awards.* Such awards could honor each year the agency or agencies that develop and use the most innovative financial education programming and/or have the most successful program.
- *Create a consistent, ongoing awareness campaign.* Such a campaign might include:
  - E-mail reminders at employee's anniversary-of-hire date about resources available
  - Contests, employee savings challenges, or other creative ways to get people to take a few minutes to take some action and check-in on their financial fitness
- *Expand partnerships.* OPM should consider partnerships with outside non-profit organizations to develop and provide financial capability tools, curricula, and information in line with the FLEC's adopted five Core Competencies for Financial Health for use agency HR departments to provide employees with unbiased and effective resources to improve their financial capability and decision making.
- *Improve use of online and mobile technology.* OPM and the Thrift Savings Plan could explore using funding under allowable plan expenses to provide online and mobile interactive resources that are proven to boost retirement savings by helping people improve their financial capability, including retirement planning, budgeting and tools to follow through on savings commitments. There are already providers in the market that furnish this service. The competitive contracting process could be used to select a provider.
- *Develop a set of standards for measuring success* and report annually on how each agency is performing. Such standards could include (but are not limited to):
  - Increases in savings rates by all employees, broken down by different employee segments, and type of savings (e.g. retirement, college, emergency)
  - Decrease in loans taken from TSP plan
  - Attendance at educational programs
- *Utilize existing surveys.* OPM should consider whether existing surveys could provide useful data on the financial capability strengths and needs of federal employees. OPM could use the resulting data to develop new programs, better understand how to target programs to areas of weakness, and ensure that resources are being utilized effectively.

This short list of possible resources and approaches is not exhaustive; it is intended to be illustrative and a starting point. More work needs to be done to determine the best resources and the best way to pull the resources together, how to house them and make them accessible, and how best to market the availability of these resources to human resources and benefits officials at agencies across the government. But the Partnerships Committee believes it is critically important that this process be jumpstarted so that federal employees can become an example of the benefits of having strong financial capability workforce in the workplace.