

President's Advisory Council on Financial Capability for Young Americans
Public Meeting
Via Teleconference
Wednesday, June 17, 2015 3:00 PM – 4:00 PM EDT

MEETING MINUTES

Councilmembers Present:

- Ted Beck, President and Chief Executive Officer, National Endowment for Financial Education
- José Cisneros, Vice Chair of the Council, Treasurer, City and County of San Francisco
- Robert Glovsky, Vice Chair of the Colony Group, former CFP Board Chair
- Sherry Salway Black, Director, Partnership for Tribal Governance, National Congress of American Indians
- John Hope Bryant, Founder, Chairman and Chief Executive Officer, Operation Hope
- Ted Gonder, Co-founder and CEO, Moneythink
- Carol Quillen, Chair of the Post-secondary Education Subcommittee, President, Davidson College
- Lillian Lowery, Maryland State Superintendent of Schools, Maryland State Department of Education
- Marc Morial, Chair of the Financial Education Subcommittee, President and Chief Executive Officer, National Urban League
- Beth Kobliner, Personal Finance Journalist and Author
- Rick Ketchum, Chairman and CEO, Financial Industry Regulatory Authority
- Regina Stroud, President, Skyline College
- Kerry Doi, President and Chief Executive Officer, Pacific Asian Consortium in Employment
- Kay Madati, Executive Vice President, Black Entertainment Television
- Deanna Mulligan, President and Chief Executive Officer, The Guardian Life Insurance Company of America
- John Rogers, Jr., Chair of the Council and Chairman, Chief Executive Officer and Chief Investment Officer, Ariel Investments
- Amy Rosen, Partner, Public Private Strategy Group
- Brad Smith, President and Chief Executive Officer, Intuit
- Jason Young, Co-founder and Chief Executive Officer Mindblown Labs

Other Federal Official Present:

- Amias Gerety, Acting Assistant Secretary for Financial Institutions, U.S. Department of the Treasury
- Melissa Koide, Executive Director of the Council and Deputy Assistant Secretary for Consumer Policy, U.S. Department of the Treasury
- Louisa Quittman, Designated Federal Official for the Council and Director of Financial Education, U.S. Department of the Treasury

Opening Remarks:

The fourth meeting of the President's Advisory Council on Financial Capability for Young Americans convened at 3:00pm on June 17, 2015. Melissa Koide, Executive Director of the Council and Deputy Assistant Secretary for Consumer Policy, U.S. Department of the Treasury, commenced the meeting.

John Rogers, Jr., Chair of the Council and Chairman, Chief Executive Officer and Chief Investment Officer, Ariel Investments, welcomed the public, the Councilmembers; and explained that the agenda of the meeting was to vote on the Council's final recommendations. He noted the leadership and commitment of members of the Council, as well as the Council's ability to engage with others on the issue of youth financial capability. He then introduced Amias Gerety, Acting Assistant Secretary for Financial Institutions, U.S. Department of the Treasury.

Amias Gerety thanked the Councilmembers for their service and commitment to improving financial capability on behalf of the Secretary of the Treasury and Administration. He encouraged Council members to continue to hold themselves and each other accountable to continue to advance the ideas identified by the Council, and work together to drive the agenda forward. He noted that the Treasury will continue its work in financial capability for young people as well.

Roll Call of Members:

Louisa Quittman, Designated Federal Official for the Council and Director of Financial Education, U.S. Department of the Treasury, conducted a roll call of the Councilmembers present at the meeting, and determined that a quorum had been reached.

Overview of Recommendations and Council Discussion:

Melissa Koide explained that a vote was necessary to approve the Council's final recommendations, and referred everyone to a summary of the proposed recommendations on the Council's website. She stated that all of the Councilmembers had reviewed and provided feedback on the proposed recommendations. She said that a final report would be released during the following week. She then introduced each of the Chairs of the Council's Subcommittees to explain the proposed recommendations.

José Cisneros, Vice Chair of the Council, Treasurer, City and County of San Francisco, spoke on behalf of the Cities and Communities Working Group (subcommittee).

- He acknowledged the members and focus of the Cities and Communities subcommittee. He named the members as follows: Sherry Black, John Hope Bryant, Michael Corbat, Kerry Doi, Richard Ketchum, and Amy Rosen.
- He explained a proposed recommendation that federal supervisory agencies should offer additional regulatory guidance for checking and savings accounts for young people aged 14-18.
- He stated that the Department of Labor should engage youth employers to integrate financial capability practices into workforce investment opportunities.

- He stated that Individual Development Accounts for job and post-secondary training should be made available through the Assets for Independence program.
- He called for an increase in opportunities for families to save for post-secondary education or college, and other purposes essential to future financial independence, by supporting and promoting Child Savings Accounts across the country.
- He explained a recommendation for Treasury to convene experts and practitioners to examine current barriers to scaling the programs; and for Treasury to cooperate with its Financial Literacy and Education Commission members to help identify ways to make 529 accounts more easily accessible to low income families.
- He explained a recommendation that the Department of Health and Human Services should support and encourage youth savings programs for post-secondary education to accommodate a wider array of Child Savings Account designs.
- He also encouraged the adoption of College Board's recommendation for Pell Grant funds to be used for Child Savings Accounts; and encouraged grant programs for tribal communities.
- He explained that identity theft and credit abuse amongst young people should be examined and combatted through the use of consumer protection tools and private and public sector collaboration.
- He proposed a recommendation to identify ways for financial capability best practices to be used at community hubs, such as libraries and community colleges, to deploy financial capability resources to individuals and educators.
- He also suggested a recommendation for pro bono partnerships with financial advisors.

Marc Morial, Chair of the Financial Education Subcommittee, President and Chief Executive Officer, National Urban League, spoke on behalf of the Financial Education in Schools Working Group (subcommittee).

- He acknowledged the members and framework of the Financial Education in Schools subcommittee. He named the members as follows: Ted Beck, Robert Glovsky, Lillian Lowery, Amy Rosen, and Jason Young.
- He stated that they have proposed a broad aspirational statement to express the importance of financial capability.
- He outlined a recommended list of best practices of effective financial capability guidelines, programs, tools and resources that could be applied to new programs.
- He also explained a teacher training demonstration project using technology to encourage teacher engagement.

Carol Quillen, Chair of the Post-secondary Education for Children Working Group (Subcommittee), President, Davidson College, spoke next.

- She acknowledged the members in charge of the Post-Secondary Education subcommittee. She named the members as follows: Ted Beck, Robert Glovsky, Ted Gonder, Beth Kobliner, Deanna Mulligan, and Regina Stanback Stroud.
- She stated that post-secondary education is an asset that appreciates over time, and that students need trusted and relevant information about post-secondary options much earlier.
- She also explained that lower-income students need access to additional services.

- She stated that peer mentoring dramatically impacts student persistence for education and financial stability. For example, she said that internships are effective at enabling young people to achieve financial autonomy.
- She also explained a need for more information on why and how students drop out of school or default on student debt.
- She explained a proposed recommendation that the FAFSA (Free Application for Federal Student Aid) be further simplified.
- She also stated that Federal student loan repayment options should be more broadly communicated to empower young people to apply and remain enrolled in sustainable repayment plans.
- She said that governmental agencies should better coordinate to help more students access all available resources to support them in completing their post-secondary education.
- She proposed a recommendation that interested students be able to share their academic information with technological tools that can deliver meaningful and customized information about post-secondary options in a trusted, timely, and relevant form.
- Lastly, she covered commitments from Councilmembers as follows:
 - Expanding college advising
 - Diversifying the financial planning profession
 - Developing better tools for teaching training in this area
 - Retraining employees whose jobs are changing or becoming obsolete because of technology
 - Exploring the development of new design tools for students exploring post-secondary decisions in an effective manner

Jason Young, Co-Founder and Chief Executive Officer Mindblown Labs, spoke on behalf of the Innovation and Technology Working Group.

- He acknowledged the members and collaboration between the Innovation and Technology subcommittee and other subcommittees. He named the members as follows: John Hope Bryant, Anna Maria Chávez, Ted Gonder, Lillian Lowery, Kay Madati, Brad Smith, and himself. The Subcommittee is chaired by Charles Scharf.
- He explained that most young people own smartphones, and technology-enriched learning has become increasingly embraced. He explained that its recommendations are coupled with evaluation to ensure that young people receive solid financial education.
- He explained a proposed recommendation to improve teacher confidence and competence in teaching personal finance by using technological innovation.
- He also explained a recommendation to use meaningful tools that will provide customized information about post-secondary education options.
- Lastly, he stated a need for private sector partnerships with state and local governments to facilitate greater adoption of modern, real-time electronic payments solutions and best practices to help young people to gain access to high quality transaction accounts.

Melissa Koide then opened the meeting to the Councilmembers for discussion.

Ted Beck, President and Chief Executive Officer, National Endowment for Financial Education, spoke next.

- He congratulated the Council and highlighted a proposed recommendation for the United States to continue its participation in the Programme for International Student Assessment's (PISA) 2015 study of the financial knowledge of 15-year-olds.
- He also thanked the Chair's office for helping to put the Council's final report together.

John Hope Bryant, Founder, Chairman and Chief Executive Officer, Operation Hope, spoke next.

- He announced that Casey Family Programs has agreed to provide a fellow to be housed at Treasury to implement some of the Council's recommendations.

Regina Stroud, President, Skyline College, spoke next.

- She noted that the Council had discussed looking at the student debt system and ways in which we implement it. She noted that it was not included in the recommendations, and wanted to bring it to light.

Beth Kobliner, Personal Finance Journalist and Author, spoke next.

- She stated that Regina Stroud has made sure that the Council examines student indebtedness. She said that the Council has proposed a recommendation for financial aid forms, which is a good start to addressing student debt.

Sherry Black, Director, Partnership for Tribal Governance, National Congress of American Indians, spoke next.

- She acknowledged drafters of the report had done a good job incorporating Native communities and tribes throughout the report..

Ted Gonder, Co-founder and CEO, Moneythink, spoke next.

- He echoed the tremendous work of the Council.
- He noted that the final report implicitly highlights an opportunity for safer and more accessible savings and checking account options for 14-18 year olds.
- He also highlighted practical and relevant information on higher education and blended learning experiences.
- He stated that by increasing the number of safe products that are accessible to youth and young adults, we could increase the behavioral impact and measurability of financial education for those groups with respect to technology.

Council Vote on Recommendations:

John Rogers, Jr. advised that two-thirds of the votes cast during the meeting were necessary to approve the recommendations, and then proceeded to call on each Councilmember to vote on whether he or she approved or rejected the recommendations.

All Councilmembers, with the exception of Kay Madati who did not cast a vote, voted unanimously to approve the Council's recommendations.

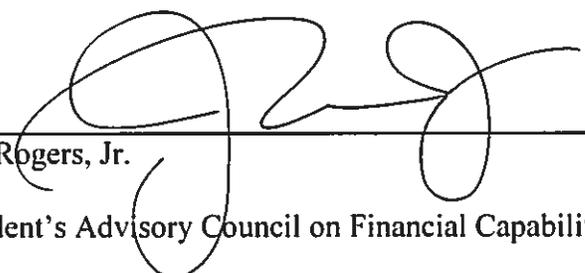
Closing Remark:

John Rogers, Jr. verified that the recommendations were approved and reiterated that a final report would be released soon.

Adjournment:

The Meeting was adjourned at 3:40 PM after Chairman Rogers thanked everyone for their participation.

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



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