

President's Advisory Council on Financial Capability for Young Americans  
Public Meeting  
U.S. Department of the Treasury - Cash Room  
Thursday October 2, 2014 9:00 AM – 11:30AM

MEETING MINUTES

Present Council Members:

- JOHN W. ROGERS, JR., Chair
- JOSE CISNEROS, Vice Chair
- THEODORE J. BECK, Council Member
- SHERRY SALWAY BLACK, Council Member
- JOHN HOPE BRYANT, Council Member
- ANNA MARIA CHAVEZ, Council Member
- KERRY N. DOI, Council Member
- ROBERT L. GLOVSKY, Council Member
- TED GONDER, Council Member
- RICHARD G. KETCHUM, Council Member
- BETH KOBLINER, Council Member
- LILLIAN M. LOWERY, Council Member
- MARC H. MORIAL, Council Member
- DEANNA M. MULLIGAN, Council Member
- CAROL E. QUILLEN, Council Member
- AMY ROSEN, Council Member
- BRAD D. SMITH, Council Member
- REGINA STANBACK STROUD, Council Member
- JASON W. YOUNG, Council Member
- JACK LEW, Secretary, U.S. Department of the Treasury
- ARNE DUNCAN, Secretary, U.S. Department of Education
- RICHARD CORDRAY, Director, Consumer Financial Protection Bureau



Also Present:

- SARAH BLOOM RASKIN, Deputy Secretary, U.S. Department of the Treasury
- ROY AUSTIN, Deputy Assistant to the President for the Office of Urban Affairs, Justice and Opportunity
- MELISSA KOIDE, Executive Director of the Council; Deputy Assistant Secretary for Consumer Policy, U.S. Department of the Treasury
- AMIAS GERETY, Acting Assistant Secretary for Financial Institutions
- J. MICHAEL COLLINS, Associate Professor, La Follette School of Public Affairs and the School of Human Ecology, University of Wisconsin, Madison; Director, Center for Financial Security
- TRACI KIRTLEY, Director of Programming and Evaluation, College Possible

- JOANNA SMITH-RAMANI, Senior Innovation Director, Doorways to Dreams Fund

### **Opening Remarks:**

The second meeting of the President's Advisory Council on Financial Capability for Young Americans convened at 9:00am on October 2, 2014. Amias Gerety, Acting Assistant Secretary for Financial Institutions welcomed the public, the Councilmembers, and introduced the first speaker, Sarah Bloom Raskin, Deputy Secretary, U.S. Department of the Treasury.

Deputy Secretary Raskin began by describing the existing needs in financial capability for young Americans, the purpose of the Council as a mechanism for social change, and the expected contributions from the members. Next, she lauded the leadership of Council Chair John Rogers and recognized the presence of Arne Duncan, Secretary, U.S. Department of Education and Director Richard Cordray of the Consumer Financial Protection Bureau (CFPB). She went on to further describe the struggle experienced by young Americans across the country even amidst significant economic growth on several levels. She also highlighted potential ways to augment the financial capability of young Americans throughout several stages of their young lives and stressed the urgency for thorough yet decisive action on this front. She continued her speech by highlighting opportunities in financial education, emphasized the importance of using technology to expose young children to financial concepts. She also pinpointed the increased usage of mobile technologies to access financial services as trend to be capitalized on in reaching young people. In her conclusion, she stated her excitement for and anticipation of the Council's bold suggestions for meaningful improvements for the financial health of young Americans.

Acting Assistant Secretary Gerety thanked Deputy Secretary Raskin for her words and introduced the Secretary of Education, Arne Duncan. Secretary Duncan began by thanking the current council members and welcomed the newcomers to the group. He emphasized the significance of the impending debt crisis facing college student with loan repayments and the threat it presents to their long-term financial capability. He followed this point of concern by mentioning the Department of Education's efforts to expand the *Pay as You Earn* program, and welcomed the Council's ideas and inputs to their efforts to financially prepare students.

Richard Cordray, Director of CFPB, spoke next. Director Cordray introduced his newest senior team member and discussed the importance for early financial education for children. He made the case for including financial education as part of a school's regular curriculum. He also asserted the importance of a child's parents to his/her understanding of financial concepts and money management. In the conclusion of his speech, he stated the intention of CFPB to work with the Council to find innovative and effective ways of building financial capability in children and young adults across the nation.

Following Director Cordray was Roy Austin, Deputy Assistant to the President for the Office of Urban Affairs, Justice and Opportunity. He explained how the areas of labor, human services and civil rights connect with financial capability. He discussed the launch of the “My Brother’s Keeper Community Challenge”, a multi-dimensional initiative designed to provide children critical skills for grade school, college, and financial success in the working world. He also highlighted the myRA program as an innovative tool to help young people build savings behaviors early. Next, he emphasized the importance of college affordability and commended the Department of Education, the Department of the Treasury and CFPB for their efforts to make college costs understandable. Mr. Austin concluded his speech by thanking the Council and welcomed their ideas and suggestions for the White House’s policy development in financial capability.

Mr. Gerety thanked Deputy Assistant Secretary Melissa Koide and her team for organizing and supporting the Council’s work, and gave the floor to the Council Chair John Rogers.

### **Introduction of the New Council Members**

Chair Rogers also thanked the Consumer Policy team and began the next portion of the meeting by welcoming the Council members and recognizing their commitment and efforts in Financial Capability. He formally introduced each of the Council members that have joined since their last meeting in March.

#### **Dr. Lillian Lowery, Superintendent of Schools for the State of Maryland**

Council Member Lowery described Maryland’s recent efforts to give students a strong foundation in financial capability, more specifically Maryland’s State Curriculum for Personal Financial Literacy Education. She described the perspective she brings to the Council as a representative of the State’s Commissioners and educators and expressed her excitement on how to work with the Council to find more ways to integrate financial education into education standards and prepare high school graduates for financial lives beyond grade school.

#### **Brad Smith, President and CEO of Intuit**

Council Member Smith began by introducing his company and its mission to simplify finances for families. He described his technological and financial knowledge in addition to the passion for financial capability that he brings to the Council, and articulated his eagerness to begin his work with the Council.

#### **Dr. Regina Stanback Stroud, President of Skyline College**

Dr. Stroud began by describing the financial struggles of students that she has encountered through her work with Skyline College. She also stressed the importance of financial education as a tool to empower young people towards achieving economic sustainability.

### Jason Young, co-Founder and CEO of Mindblown Labs

Council Member Young explained his company's mission to educate and financially empower young people, and described its technological and school-based efforts to do so. He emphasized the power of mobile technology as an essential tool to reach young learners, and voiced his passion to incorporate technology-based and non-technology-based methods in experiential learning to connect young people with financial concepts.

After the introductions, Deputy Assistant Koide proceeded to describe Treasury's efforts to meet the financial capability needs of Young Americans. She focused mainly on the Financial Empowerment Innovation Fund, describing its main focus areas along with the processes behind its development and implementation. She also called attention to the overwhelming number of proposals her Office received to indicate the high levels of excitement and innovation being cultivated through this project and listed the names of the awardees: the Center for Financial Security at University of Wisconsin-Madison, the Center for Social Development at Washington University, College Possible, the Doorways to Dreams Fund, the Brookings Institution, Banking Up, the Midas Collaborative, the New Jersey Department of Children and Families, the City and County of San Francisco, and Mindblown Labs.

Deputy Assistant Koide then introduced the Financial Empowerment Innovation Fund panel, comprised of representatives of three organizations funded by the Treasury Department.

### **Meeting Panel: Financial Empowerment Innovation Fund**

J. Michael Collins, Director of the Center for Financial Security at the University of Wisconsin, began by applauding the efforts of the Office of Consumer Policy in building energy and enthusiasm in the financial capability field. He went on to describe the logic, history and impact of the subject of his research project, *My Classroom Economy* (MCE). He described the innovative ways in which the program integrates financial concepts into classroom management (students using play money to earn wages for punctually delivering assignments, paying rent on their desks, paying taxes for bad behavior, etc.) and detailed the challenges that teachers face as they try to implement it.

Next, Traci Kirtley, Program Director of College Possible, described her organization's research project that will primarily explore how financial literacy coaching influences 1700 students' ability to understand and apply financial concepts pertaining to attending college. She explained how the program uses AmeriCorps members to provide financial coaching for students, and highlighted the importance of building an evidence-base for the program's concepts as well as its implementation.

Next, Joanna Smith-Ramani, Director of Innovations at Doorways to Dreams detailed her organization's approach to connect young people with financial learning

through mobile interactive gaming. Their project will conduct pilot testing on a college readiness gaming app that introduces players to financial concepts including college costs financial aid, debt, among others. Ms. Ramani stated that through light-hearted fun, intrinsic incentives to continue playing and learning, and connections to real-world financial tools applications (e.g. FAFSA application form), their organization has found a way to make financial learning much more palatable for today's youth.

Deputy Assistant Secretary Koide then opened up the floor for Secretary Lew and the Council Members to ask questions.

The Council asked Professor Collins about the timing and the method of releasing the results stemming from the MCE research project, how the research project plans to address the generally low knowledge base of financial literacy concepts held by teachers in their implementation of the program, and the criteria being used to select participating schools for the MCE program. They also inquired if the program focuses on investments/equities, if it plans to address college costs with participants, and whether or not it connects financial decisions/capability with career aspirations and educational decisions.

Professor Collins responded by stating that the preliminary results on MCE should be received by summer 2015 and that a report on the findings should be available early in the following year. He also stated that packaging/delivering the program's simulated economy approach as a classroom management tool will help teachers understand how to structure and participate in MCE. While MCE will not primarily focus on investing or college loans, it will help the kids understand the basic financial concepts needed to approach these subjects in an informed way.

Regarding the College Possible research project on the impact of financial mentoring, the Council inquired about the financial training given to the AmeriCorps volunteers, the project's incorporation of parents, the best practices that have emerged as they have trained and engaged volunteers, and the evaluation outcomes used to assess the program's success.

Ms. Kirtley stated that her program recruits recent college grads and trains them with a curriculum developed by the GLOW Foundation. She also stated that while College Possible's main focus stays on the students, their coaches do interact with parents around financial topics, particularly with completing the FAFSA and college enrollment decision-making.

On Doorways to Dreams' (D2D) mobile gaming app, the Council asked about the specific focus areas of the game's learning modules, the incorporation of parents into the gaming experience, the coverage of investment and equities as a focus area, and the connection between financial learning and career/educational decision-making.

Ms. Smith-Ramani stated that while D2D's educational gaming portfolio does contain products geared toward adults, her organization's project will specifically focus on kids with the intent to produce a broader discussion on finances and education with the parents through the game. Additionally, the game will not cover advanced topics such as investing or college costs, but D2D is interested in engaging young people and their families to challenge their assumptions on what constitutes good financial and educational investments.

After the conclusion of the panel, Council Chair Rogers asked for the reports from the Council's working groups (subcommittees).

### **Reports from the Working Council Groups**

#### Working Group on Cities and Communities

Vice Chair Jose Cisneros stated that the group met with the Cities for Financial Empowerment Coalition to discuss several issues of interest.

The working group also developed a set of criteria for considering issues to be focused on, and through this process identified four priority areas that represent the best opportunities to advance financial capability for young people. The areas are integration of financial products/education into youth job training, improved access to child savings accounts, the alleviation of identity theft and credit abuse of at-risk youth, and the examination of place-based initiatives to encourage cities and communities across the country to increase their engagement with financial capability.

#### Post-secondary education Working Group

Carol Quillen introduced the working group, reviewed the group's mission and objectives, and described its intentions to focus on vital elements of strong financial education programs like mentoring, relevant information, and comprehensible learning formats to help young people make informed decisions about their post-secondary education options. She stated that the group plans to create a blueprint for pilot programs that could be delivered at the local, state, and national levels to find innovative ways to synthesize mentoring, technology, and online coaching to help augment a young person's decision-making on their post-secondary educational life.

#### Financial Education for Children Working Group

Marc Morial explained the group's objectives of producing useful outcomes and reaping/applying the lessons learned from the recent financial crisis. To guide these efforts, the group created a broad aspirational statement:

*"All American children must be equipped with the knowledge and skills necessary to make smart decisions about their finances. This is a basic right that must be integrated throughout the child's pre-K through 12 learning experience, to assure that all youth in America have the tools necessary to make sound financial decisions that will allow them to pursue their dreams. "Whatever*

*their life's aspirations, whether college-bound, career-ready or thinking entrepreneurially, this knowledge will enable our young people to compete in a global economy, and enhance our nation's economy."*

The group also noted guidelines that could be used to highlight successful financial capability programs. Once these programs are identified, the group intends to establish or select guidelines for programmatic evaluation.

#### Innovation and Technology Working Group

Jason Young (standing in for Group Chair Charles Scharf) reviewed the group's process to identify the financial needs and interests of young people. They used this needs assessment to identify focus areas in which technology could help address the unmet needs of young Americans—he listed the focus areas as:

- financial education tools aligned with core math and social studies curricula
- financial decision-making tools that use emerging technology,
- social networking and crowd-sourcing, improved financial products, and
- optimized distribution channels for connecting products with consumers

He affirmed the group's intent to work with the other three groups and the US Government to promote public-private partnerships, post-secondary educational institutions, and K-12 education opportunities that can incorporate technological solutions for young Americans.

The group plans to work with the Federal Reserve Bank of Boston to convene a symposium of strategies to leverage educational technology to develop stronger financial capacities for young Americans.

#### **Closing Remarks:**

Council Chair Rogers opened the floor for any concluding remarks from Councilmembers.

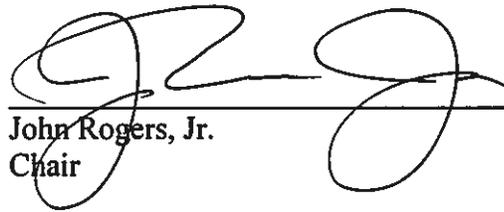
The Councilmembers remarked on the resilience and innovation embedded within young Americans and stressed the need to work with (not just for) the youth in developing solutions. They also emphasized the need to provide coaching and support to as they navigate their own finances in addition to cultural issues.

#### **Adjournment:**

Council Chair Rogers thanked everyone for their time and concluded the meeting at 11:39am.

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



John Rogers, Jr.  
Chair

Dec 19th, 2014  
(Date)