

# *President's Advisory Council on Financial Capability for Young Americans*

## **Summary of Recommendations**

Created by Executive Order 13646, the President's Advisory Council on Financial Capability for Young Americans ("Council") makes recommendations to the President and the Secretary of the Treasury on promoting the financial capability of young Americans, taking into consideration the particular needs of traditionally underserved populations. The recommendations provide opportunities to empower young Americans to achieve greater financial stability and upward economic mobility, which will have positive impacts on our nation as a whole. This document summarizes the Council's key recommendations. Refer to the Council's final report for background on the Council and the full set of its recommendations.

### **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 children's Pre-K-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.

### **Engage Communities and Schools**

- Youth job training and employment programs should integrate financial education and provide direct deposit to safe and affordable transactional accounts at mainstream financial institutions. Youth job training and employment programs may also connect young people to child savings account programs, individual development accounts and longer-term savings vehicles, including products like *myRA*, to help establish a lifelong habit of saving for their futures.
- Community hubs, such as libraries and community colleges, should be better deployed to connect financial capability resources to individuals and educators.
- Technology should be used to help teachers improve their competence and confidence in teaching students about finance, such as by using on-line credentials to encourage innovation.

- The United States should participate in the Programme for International Student Assessment's (PISA) 2015 study of the financial knowledge of 15-year-olds.
- Private sector partnerships with state, tribal and local governments should be encouraged in order to facilitate greater adoption of modern, real-time electronic payments solutions and best practices to help young people better manage, move, and control their spending.

### **Inform and Simplify Post-Secondary Education Decision-Making**

- FAFSA (Free Application for Federal Student Aid) should be further simplified, and volunteers and technology should be used to help students complete financial aid forms and receive customized guidance on their post-secondary options.
- Federal student loan repayment options should be more broadly communicated to empower young people to apply and remain enrolled in sustainable repayment plans.
- Governmental agencies should better coordinate to help more students access all available resources to help support them toward completing their post-secondary education.
- Interested students should be able to share their academic information (e.g. test scores and transcripts) with technological tools that can deliver meaningful and customized information about post-secondary options in a trusted, timely, and relevant form.

### **Improve Identity and Credit Protection and Provide Pathways for Saving**

- Identity theft and credit abuse among young people should be examined and combatted through the use of consumer protection tools and private and public sector collaboration.
- Child Savings Accounts and policies should be promoted as a means to increase the likelihood of college attainment.

## **Ideas into Action**

The Council announced several actions to effectuate the recommendations. The full report includes a complete list of the recommendations as well as additional resources for educators and policymakers. The Council hopes these ideas and resources will spur progress by the President, his Administration, and various levels of government and organizations across sectors toward improving the financial capability of more young Americans.

### **Better prepare teachers to implement financial education in the classroom**

- With support from PricewaterhouseCoopers, Digital Promise will develop a pilot to test whether teachers who become more comfortable and confident with personal finance topics and effective strategies for teaching these topics will be better equipped to teach them. The pilot provides access to tools powered by digital technologies and the use of micro-credentials and badging to improve teachers' motivation, confidence, and skills.
- National Endowment for Financial Education and the Take Charge America Institute at the University of Arizona are building an online national teacher resource center. The center will provide financial capability resources for middle and high school educators.
- The Economics Center at the University of Cincinnati and the Math Forum at Drexel University have launched a new series of lessons for students in grades 3-8 that integrate math and financial literacy called "Math That Makes ¢ents." The series is funded by Jump\$tart Coalition for Personal Financial Literacy and supported by the National Endowment for Financial Education.
- In New York, a partnership between the Council for Economic Education and W!SE will provide financial education and certification to high school students.

### **Equip young people with information and guidance so they can navigate the critical and complex decisions related to post-secondary education and how to pay for it.**

- Davidson College, Franklin & Marshall College and the College Advising Corps will expand their partnership to train college students to help underserved students and families to prepare and make informed choices about college and financial aid.
- Intuit is raising awareness of the Department of Education's student loan repayment program among its TurboTax and Mint customers. By providing individuals with a prompt to think about repaying their student loans, Intuit has helped to draw thousands of individuals to the repayment website.

**Recognize the uniquely powerful roles that cities and communities can play, and how they can effectively partner with private-sector organizations.**

- The Citi Foundation and Cities for Financial Empowerment Fund expanded their Summer Jobs Connect program into the District of Columbia and St. Louis, joining Chicago, Los Angeles, Miami, New York and San Francisco to provide more than 2,000 low-income youth with summer work experience, access to financial education, and appropriate financial services.
- Over three years, the Chicago Financial Education Initiative will bring together city agencies and financial education providers for the first time to develop and enact a plan to make financial education accessible to all youth, parents and community members.
- Operation Hope has partnered with a number of financial institutions to open Hope Inside Centers in underserved communities, including Detroit and St. Louis.
- Casey Family Programs has committed to sponsoring an Operation Hope Fellow to help carry out the recommendations of the report, with a particular emphasis on building financial capability through employment.

**Encourage Smart Innovation and Use of Technology to Better Reach Young People**

- Through the Financial Empowerment Innovation Fund the U.S. Department of the Treasury awarded \$6.2 million in contracts to 11 research projects. These projects will develop, test, and evaluate new ways to empower Americans with their finances and help them access safe and affordable financial products and services.
- The U.S. Department of the Treasury created *myRA*, a simple, safe, and affordable starter savings product which can help young people get started saving for their future early, and reap the benefits of saving over time. *myRA* is a particularly helpful savings program for young people who face barriers to saving, such as those who do not have access to a retirement plan through their employers.