

**President's Advisory Council on Financial Capability  
Research and Evaluation Subcommittee  
April 9, 2012**

Subcommittee Members:

Ted Beck (chairman), Rick Ketchum, John Rogers (ex-officio), Eldar Shafir, Ken Wade

**Background**

This subcommittee is exploring several themes aimed at facilitating the identification of, and access to, effective financial capability programs by policy makers and practitioners, improving the measurement and evaluation of financial capability programs, and increasing access to research and evaluation resources. The subcommittee also will investigate how the financial decision environment supports (or impairs) the ability of financially capable people to act in their own best interest.

**Updates**

- New subcommittee member
  - Eldar Shafir, Ph.D., was appointed to the Council in January 2012 and joined the Research and Evaluation subcommittee at the invitation of Chairman Beck. Dr. Shafir, the William Stewart Tod Professor of Psychology and Public Affairs in the Department of Psychology and the Woodrow Wilson School for Public and International Affairs at Princeton University, focuses his research on behavioral economics. In reviewing the subcommittee's work to date, Dr. Shafir affirms the research priorities in discussion by the subcommittee and the Financial Literacy and Education Commission (FLEC), and already is contributing his expertise to further discussion of educational, access, design and regulatory interventions to improve financial capability.
- Progress report on National Financial Capability Study
  - Preparations for the FINRA Investor Education Foundation's 2012 National Financial Capability (NFCS) study are proceeding on schedule. An updated draft of the 2012 NFCS questionnaire will be sent out for comment in early April, and the FINRA Investor Education Foundation expects to begin data collection for both the state-by-state and military surveys in June. In addition, the foundation has scheduled a roundtable event on May 17 to gather input from academics and policy makers, and a meeting with military stakeholders on April 25 to discuss the military portion of the project.
- Central repository of standards, ratings, tools and resources
  - On March 12, FINRA Investor Education Foundation arranged for the Research and Evaluation subcommittee to meet with the National Center for Education Evaluation and Regional Assistance, a division of the Institute of Education Sciences (IES). Representatives from Treasury, the Consumer Financial Protection Bureau and the USDA/National Institute of Food and Agriculture also were present. IES is the research arm of the U.S. Department of Education responsible for the What Works Clearinghouse (WWC). The mission of IES is to provide rigorous and relevant evidence on which to ground education practice and policy and share this information broadly. By identifying what works, what doesn't, and why, IES aims to improve educational outcomes for all students, particularly those at risk of failure.

Many organizations and agencies are embracing the *What Works* approach, including the Departments of Justice and Health and Human Services, among others. The purpose of the meeting was to explore how the President's Advisory Council on Financial Capability might consider a recommendation of similar intent specific to financial capability.

The WWC develops and publishes standards for judging the credibility of evidence on the effectiveness of educational interventions, trains and certifies reviewers, conducts systematic searches for evidence on the effectiveness of interventions and applies standards to judge credibility of findings. In addition, the WWC also communicates key findings in an easy-to-understand fashion—for example, it synthesizes evidence of well-defined interventions, produces quick reviews, single study reviews, intervention reports and practice guides and maintains and shares its database of reviewed studies online at <http://ies.ed.gov/ncee/wwc/>. The approach has proven to influence both research and practice. Information on effectiveness informs decision makers and practitioners, resulting in evidence-based decisions that can yield improved student outcomes. Further, rigorous and public research standards have led to improvements in the quality of research conducted, strengthening the availability of information on effectiveness.

The subcommittee continues to analyze whether a recommendation to develop a *What Works* approach for financial capability is feasible and appropriate, in light of the considerable investments in time, personnel and cost that would be required.

In the short-term, we will focus on advancing our previous recommendations—including the development of a core set of financial capability outcome metrics and the development of program evaluation and research standards. In discussions with experts, subcommittee members understand that such developments are dependent upon, and must work with, the current state of readiness in the field. And while these recommendations are valuable in their own right, the output from them also could inform how best to structure a *What Works* clearinghouse in the field of financial capability.