

**President's Advisory Council on Financial Capability
Youth Subcommittee
Report—July 12, 2011**

Subcommittee Members:

Amy Rosen (Chair), Ted Beck, John Bryant, Samuel Jackson, Beth Kobliner,
John Rogers (ex-officio), Carrie Schwab-Pomerantz

Since our meeting in April, the PACFC Youth Subcommittee has been continuing its work to develop recommendations and tactics for increasing financial capability and access for our nation's youth.

Background:

PISA is an internationally standardized assessment administered to 15-year-olds in Organization for Economic Co-operation and Development (OECD) countries every three years. In 2009, the year of the most recent administration, 65 countries and education systems participated. Between 4,500 and 10,000 students in each country take PISA, providing policymakers and other stakeholders with a foundation for statistically valid comparisons of students' capabilities in mathematics, reading, and science literacy.

In 2012, PISA will offer an assessment of financial literacy as an optional add-on to the main assessment. PISA 2012 will be the first large-scale international study to assess the financial literacy of young people: another opportunity to gather data of this caliber will not emerge for at a decade or more. Participating OECD countries will be included in an international report comparing results cross-nationally, as well as a dataset that can be used for further analyses.

PACFC Youth Subcommittee members support the United States participation in the 2012 PISA financial literacy assessment as we believe the results would provide educators, curriculum and resource developers, researchers, policymakers and others with:

- information about gaps in financial knowledge among young people that can inform the development of more targeted programs and policies;
- an indication of the extent to which existing financial education in schools, where provided, is improving levels of financial literacy; and
- a means of comparing levels of financial literacy across countries.

Recommendation:

PACFC Youth Subcommittee members request that the full Council approve a recommendation to the Secretaries of Treasury and Education, and to the President, that the United States join other OECD countries in administering the 2012 PISA financial literacy assessment, and identify funding to support this implementation.

Updates:

Money Milestones

The Money Milestones concept would distill the multitude of financial guidelines that currently exist for children into essential, age-appropriate concepts. Jargon-free, written in clear, accessible language, the milestones will help families by providing parents with the financial knowledge children should be expected to master as they grow. Each Milestone is mapped to

existing standards, curricula, and competencies, including those from FLEC/Treasury's Core Competencies, Jump\$tart Coalition's National Standards, NFTE's Your Financial Future, and NEFE's High School Financial Planning Program. Experts in academia, education, and financial literacy have weighed in, and we continue to receive feedback on the Milestones, and on how to monitor their effectiveness through measurable benchmarks and behavioral changes. We have created preliminary sketches as examples of how the Milestones could be presented to the public, the goal being a multi-platform public awareness campaign analogous to the President's Challenge fitness program of the President's Council on Fitness, Sports, and Nutrition. We plan to present more details on the Money Milestones concept at the November Council meeting

Listening Tour

Listening sessions from coast to coast would provide an opportunity for educators, families, community leaders, and researchers to join in our discussion of how to create a stronger national culture around financial capability and access. Each listening session would focus on the challenges and opportunities relevant to a specific youth demographic. As we reach out to partners, identify sites, and define agendas and participants, we will share our plans with the full Council and invite members and their constituencies to join the conversation.