

Connecting Financial Education to Consumers

Panel 2: Reaching the Financially Disadvantaged



Networks Financial Institute and
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The Big Picture

Choices

- The market place is increasing the number of choices

Knowledge and Understanding

- Need to catch up

Our Choices Have Outpaced Our Knowledge and Understanding

Treasury's Office of Financial Education

- **Treasury's mission includes promoting the nation's economic prosperity, financial security, and enhancing the financial literacy of all Americans.**
- Office created in 2002 to promote access to financial education to help all Americans obtain knowledge and skills to make informed financial choices throughout their lives.

Activities include:

- Public outreach and awareness
- Share standards and good practices
- Provide technical assistance and broker partnerships
- Coordinate the federal interagency Financial Literacy and Education Commission
- Support the private-sector President's Advisory Council on Financial Literacy

Achievements of the Financial Literacy and Education Commission



National Financial Education Network

NATIONAL FINANCIAL EDUCATION NETWORK DATABASE FOR STATE & LOCAL GOVERNMENTS

mymoney **NAGDCA** **FINANCIAL LITERACY AND EDUCATION COMMISSION**

HOME **A WEB SITE DEVELOPED BY NAGDCA IN CONSULTATION WITH THE FINANCIAL LITERACY AND EDUCATION COMMISSION**

SEARCH

BROWSE

SUBMISSIONS

GUIDELINES

ABOUT US

FEEDBACK

Quick Search
Keywords:

Topics Addressed:

- Consumer Protection
- Credit
- General Saving
- Homeownership
- Insurance
- Investor Protection
- Program Evaluation
- Retirement
- Taxes and Budget

Welcome!

The National Financial Education Network Database for State and Local Governments Web site was developed by the [National Association of Government Defined Contribution Administrators \(NAGDCA\)](#) in consultation with the [Financial Literacy and Education Commission's National Financial Education Network \(Network\)](#).

The Web site is comprised of materials submitted by the members of the Network to provide resources on financial literacy to the general public. [Click here for a list of Network members.](#)

The database provides links to resources which are hosted on other organization's Web sites. Please note that by clicking on the link of a resource you will be leaving the Network Web site.

Thank you for visiting our Web site!

www.flecnationalnetwork.org

Public Service Announcement Campaign

- “Don’t Let Your Credit Put You in a Bad Place”
- www.controlyourcredit.gov
- TV and radio spots
- Geared at teaching 18-24 year olds about the impact of a credit history

www.ControlYourCredit.gov



Go to ControlYourCredit.gov



Treasury's 8 Elements of a Successful Financial Education Program

Content:

- focuses on **basic savings, credit management, home ownership** and/or retirement planning.
- is **tailored to its target audience**, taking into account its language, culture, age and experience.

Delivery:

- is offered through a **local distribution channel** that makes effective use of community resources and contacts.
- **follows up with participants to reinforce the message and ensure that participants** are able to apply the skills taught.

Impact:

- **establishes specific program goals** and uses performance measures to track progress toward meeting those goals
- **demonstrates a positive impact on participants' attitudes, knowledge or behavior** through testing, surveys or other objective evaluation.

Sustainability:

- **can be easily replicated** on a local, regional or national basis so as to have broad impact and sustainability.
- is **built to last** as evidenced by factors such as continuing financial support, legislative backing or integration into an established course of instruction.

Why is the Treasury Department interested in financial access?

Challenges of being “unbanked” and “underbanked”:

- Greater risk for theft and robbery due to keeping or carrying cash
- May pay more for basic financial services
- Harder to save for emergencies or for the future
- Harder to build positive credit history and access credit
- Not fully participating in local and national economy

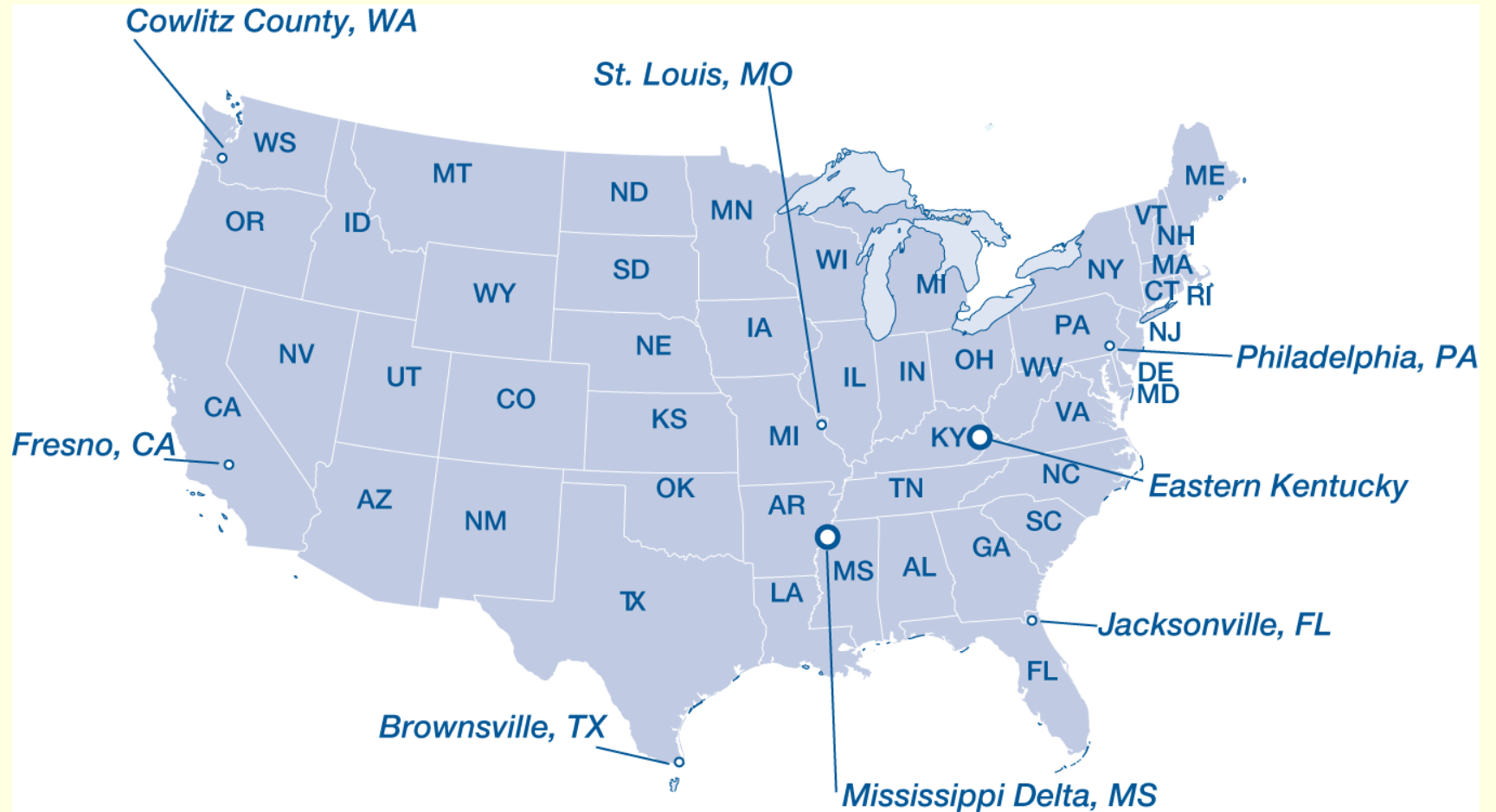
Benefits of Financial Access:

- Safe savings vehicle which may earn interest
- Easier, safer, less expensive transactions
- Build relationship with financial institution
- Ability to access asset-building credit
- “On-ramp” to individual, family and community wealth building

Community Financial Access Pilot

- 18 month pilot to increase access to financial services and financial education for low- and moderate-income individuals.
- Demonstrate effective ways to build sustainable community-based approaches to expand access to financial education and financial services for low- and moderate-income Americans.
- Best practices, advice, referrals, and research will be shared with participating communities. Help will be provided to strengthen local networks, identify existing resources, and fill any gaps.
- The Treasury Department will make available information from the pilots, so that other communities may develop their own strategies. Information and tools will be made publicly available on the webpage: www.treas.gov/cfap.

Community Financial Access Pilot Sites



What have we learned so far about what works?

- Partnerships!
- Build on strengths
 - each partner should do what they do well
 - you don't need to do everything
- Sustainability
 - be in it for the long term
- Make it a core business
 - serving the underserved as a long-term value proposition
 - rather than a “special project”
- Make it easy and compelling
 - provide financial education and services in conjunction with other desired or required services
 - Be “just in time” and find “teachable moments”
- Strong links are crucial
 - finding and keeping the right partners may take effort

Where do we go from here?

- Encourage more experiments
- Learn and adapt as we go
- Share findings--what works and what doesn't

- What's the end result?
 - Help people make the most of their money
 - better use of benefits and asset building opportunities
 - Expanded financial opportunities and choices
 - More families are better able to meet their financial hopes and dreams

Treasury Department Resources

- Office of Financial Education information resources at www.treas.gov/financialeducation
- Technical Assistance Center via the website or (202) 622-9372
- www.MyMoney.gov
- **Contact us:**
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