Final Report
President’s Advisory Council on Financial Capability

January 29, 2013

Americans' ability to build a secure future for themselves and their families requires the navigation of an increasingly complex financial system. As we recover from the worst economic crisis in generations, it is more important than ever to be knowledgeable about the consequences of our financial decisions. … We recommit to improving financial literacy and ensuring all Americans have access to trustworthy financial services and products.

President Barack Obama
Presidential Proclamation – National Financial Literacy Month
March 31, 2011

Members of the President's Advisory Council on Financial Capability

John W. Rogers (Chair), Jr., Chairman, CEO, and Chief Investment Officer, Ariel Investments

Amy Rosen (Vice Chair), President and CEO, Network for Teaching Entrepreneurship (NFTE)

Roland Arteaga, President and CEO, Defense Credit Union Council (DCUC)

Janie Barrera, Founding President and Chief Executive Officer of ACCION Texas Inc.

Ted Beck, President and CEO, National Endowment for Financial Education (NEFE)

Sherry Salway Black, Director, Partnership for Tribal Governance, National Congress of American Indians

John Hope Bryant, Founder, Chairman and CEO, Operation HOPE

Samuel T. Jackson, Founder, Chairman, and CEO, Economic Empowerment Initiative, Inc.

Richard Ketchum, Chairman and CEO, Financial Industry Regulatory Authority (FINRA)

Beth Kobliner, Personal Finance Commentator, Journalist, and Author

Marc Morial, President and CEO, National Urban League

Addison Barry Rand, CEO, AARP

Carrie Schwab-Pomerantz, President, Charles Schwab Foundation

Eldar Shafir, William Stewart Tod Professor of Psychology and Public Affairs, Department of Psychology and Woodrow Wilson School for Public and International Affairs, Princeton University

Kenneth Wade, Senior Community Affairs Executive, Bank of America

President's Advisory Council on Financial Capability

January 29, 2013

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

The Honorable Neal Wolin
Acting Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

Dear Mr. President, Acting Secretary Wolin, and fellow citizens:

On January 29, 2010, President Barack Obama signed Executive Order 13530 creating the President's Advisory Council on Financial Capability. Our charge, to assist the American people in understanding financial matters and making informed financial decisions, remains a critical one at this particular time in our nation's history and for building a vibrant, informed citizenry.

I am pleased, on behalf of the Council, to present this final report, which provides our final recommendations. Solving the problem of financial capability is complex. Our Council hopes to help simplify the solution by highlighting just four key recommendations. Our hope is that this focus will encourage the federal government, state and local governments, tribal leaders, the private sector, and the non-profit sector to, in turn, focus their resources on ensuring real progress on this critical issue. In the interest of spurring action, for each major recommendation the Council has also used our ability, within our charter, to encourage action and begin development of tools that can be used to advance the recommendation.

The four major recommendations, along with the Council's other recommendations, share a common element: they acknowledge that financial capability is not a "stand-alone" topic to be isolated from the rest of our lives. Financial capability must be woven into the fabric of our lives—into our homes, our schools, our workplaces, our communities, even the design and regulation of the financial products and services we use.

The four major recommendations can be summarized as follows:

1. Financial education is a lifelong pursuit that needs to begin in the home with parents educating their children, continue in a child's pre-school years, continue throughout high school in preparation for post-secondary education and training, and then persist beyond. We call on experts, with the support of the federal government to encourage and support the introduction of financial literacy into homes and communities using accessible tools such as the Council's www.MoneyAsYouGrow.org, and into schools with the Council's www.MoneyAsYouLearn.org, an initiative to incorporate critical personal finance competencies into teaching of the Common Core State Standards for English and mathematics.

Many indicators, including the level of student loan debt the United States, illustrate the need and urgency of equipping our youth with the financial skills to plan for a successful future. To address this important national challenge, we encourage states and other partners to build on the www.MoneyAsYouLearn.org initiative and pursue and implement effective, evidence based strategies to integrate content within K-12 school curricula.

2. The workplace is a critical place to provide financial capability education and well-framed financial choices. Encourage the federal government and all employers to embrace an enhanced responsibility for the financial well-being of employees and share best practices in employee education and benefits, using tools such as the Council resource "Financial Capability at Work: A Strategic Framework to Guide Employers," to help employers succeed in this effort.

3. Financial capability can best be advanced in the community through the coordinated efforts of local governments, schools, post-secondary institutions, financial service providers, local business leaders and non-profits working together. Encourage the federal government to support and build upon the 110 state, local, and tribal financial capability councils to harness their resources and promote the financial well-being of their residents, especially the most economically challenged, by promoting the use of the Council's resource guide, "Creating Financially Capable Communities."

4. Financial capability can be viewed as a function of education, enlightened regulation and choice architecture. Without well-designed financial instruments, informed by an understanding of the kinds of mistakes people make, even the best-educated are likely to fail and thoughtful educational programs will be considered ineffective. Understanding what actually works will require research. Ensuring the availability of quality options and adequate protection will require appropriate regulation. Financial education researchers, behavioral economists and regulators should learn from and inform each other's work. Toward that end, the federal government should establish an online clearinghouse for research in the field of financial education and behavioral economics that is informed by rigorous research standards, like those used by the Doing What Works Clearinghouse in the Department of Education.

As we stated in our interim report, the financial crisis of 2008 shone a spotlight on the need for improved financial capability in the United States. The sub-prime lending crisis, excessive credit card and student loan debt, and the challenges facing many homeowners are often attributed to predatory practices, but they also result, in part, from both the lack of financial knowledge and inadequate access to responsibly-designed financial products and services. The Council believes that improved financial capability can help address these issues, but is even more fundamental to the challenges facing our country. A financially capable population is required for:

- restoring upward economic mobility and reducing the widening income and wealth gap;
- sparking entrepreneurship, which drives job growth; and
- having an informed civic dialogue on taxes, entitlements, government debt, and other critical issues facing our country.

The federal government should continue to spotlight, coordinate and be a leader in promoting financial capability, but it cannot do so alone. With the Council's term now concluded, we ask you to consider how the federal government can sustain and increase its focus on this important issue in a way that catalyzes the substantial efforts of the private sector, state, local, and tribal governments and the non-profit sector in addressing these issues.

We ask all those with an interest in these critical issues not only to consider these recommendations, but to use them as a springboard for action. The goal of a financially capable population is shared by all Americans, and the opportunity to help future generations make a better life than their parents is central to our values. We strongly believe that helping young Americans have the skills, knowledge and information to make smarter decisions throughout their lives will make our country stronger and more secure in the years ahead.

Sincerely,

John W. Rogers, Jr., Chair

Table of Contents

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Executive Summary

The President's Advisory Council on Financial Capability was created January 29, 2010, by Executive Order to advise the President and the Secretary of the Treasury on ways to empower Americans to better understand and address financial matters in order to improve their financial well-being.

FOCUS
The financial capability landscape is filled with numerous financial education choices, products and resources and yet lacks standards, measures of efficacy, and interventions with proven effectiveness. For these reasons, the Council focused on the three places financial education should be delivered to reach Americans throughout their life: school, home and community, and workplace. The Council recognized that educating people to make wise financial choices is necessary, but not wholly sufficient: an educated citizenry needs an environment with appropriate regulation and availability of quality options and tools to succeed. The Council specified as principles that its work would consolidate and boost existing efforts, leverage technology, and account for the needs of the underserved as well as the general population, while retaining a solid basis in research.

APPROACH
Conducting its work through four subcommittees –Youth, Underserved and Community Empowerment, Partnerships, and Research and Evaluation– the Council drew upon the expertise of its members and consulted frequently with outside experts from the financial education community, primary and secondary education community, private sector, all levels of government, and academia. Council members organized and participated in numerous listening sessions across the country and solicited input from the public to help guide its work. Subcommittees and individual Council members collaborated freely across formal lines to integrate their work. Membership of each is listed in Appendix A and Council member biographies are included in Appendix F.

MAJOR ACCOMPLISHMENTS
Council members benefited from more than 10 listening sessions and Council meetings on educational standards, innovative workplace financial education initiatives, behavioral economic and financial education research, and access issues for underserved populations; as well as sixty-two formally-submitted public comments on the Council's themes and principles. The Council also worked with the White House to host a Summit on Financial Capability and Empowerment. One outcome of this summit was a preliminary resource guide and toolkit entitled "Every American Financially Empowered," available at http://www.whitehouse.gov/sites/default/files/financial_capability_toolkit_5.10.2012.pdf.

The Council was pleased to listen, learn, and encourage the following actions:

Sparked Treasury's MyMoney App Up Challenge, an innovative contest to encourage development of ideas for mobile apps that promote financial capability and financial access.

Conceived www.MoneyAsYouGrow.org, an online tool that gives families a way to teach kids, from ages three to 23 and beyond, the essential money lessons they need to know as they grow. The website has received more than 500,000 visits since its launch at the White House Summit on Financial Capability and Empowerment.

Encouraged the United States' participation in the financial literacy modules of the 2012 and 2015 Programme for International Student Assessment (PISA).

Catalyzed the development of Money as You Learn (forthcoming at www.MoneyAsYouLearn.org), which provides concrete tools for educators showing how personal finance can provide appropriate context and content for mathematics and English language arts teaching.

Celebrated the nine inaugural winners of a newly created private-sector award program: Workplace Leaders in Financial Education (WLIFE), which recognizes employers that provide outstanding financial education to their employees.

Created and disseminated "Financial Capability at Work: A Strategic Framework to Guide Employers," (http://www.treasury.gov/resource-center/financialeducation/Documents/PACFC%20Financial%20Capability%20at%20Work.pdf) a resource guide for employers to help them provide quality financial capability opportunities in the workplace, including best practices, resources and supporting research.

Encouraged the formation of over 110 local financial capability councils and created a toolkit (http://www.treasury.gov/resource-center/financial-education/Documents/Local%20Guide%20-%20Creating%20Financially%20Capable%20Communities.pdf) to help community leaders create these councils and take immediate positive actions in their communities.

Compiled financial education and behavioral finance research studies and identified key knowledge gaps and national research priorities to the federal government's Financial Literacy and Education Commission.

RECOMMENDATIONS

Through its life, the full Council reviewed, discussed and unanimously approved 15 recommendations to the President and the Secretary of the Treasury. A brief summary of each of the recommendations is found in Appendix B (and more detailed explanations of each are elsewhere in this report), but we have highlighted four recommendations that stand above the rest. The recommendations share a common element: they acknowledge that financial capability is not a "stand-alone" topic to be isolated from the rest of our lives. Financial capability must be woven into the fabric of our lives—into our homes, our schools, our workplaces, our communities, even the design and regulation of the products we use.

The Council's four major recommendations include a focus on:

- **YOUTH:** Integrate important aspects of personal finance into teaching of math and English language arts Common Core State Standards for K-12 education as well as other subjects.

  Status: The Money as You Learn initiative is underway through collaboration among developers and leaders of the Common Core State Standards, Jump$tart Coalition for Personal Financial Literacy, Council for Economic Education, teachers and other experts. A website, MoneyAsYouLearn.org, is currently in development.

  This approach has already been endorsed not only by the Council but also by leaders in the education and financial education communities including: Achieve, American Federation of Teachers, Council for Economic Education, Jump$tart Coalition for Personal Financial Literacy, National Education Association, National Endowment for Financial Education; National Urban League, Mitchell Chester (Massachusetts Commissioner of Education and Governing Board Chair of Partnership for Assessment of Readiness for College and Careers), Steven Grossman (Massachusetts Treasurer and Receiver General), and Cami Anderson (Superintendent Newark, NJ Public Schools).

The Financial Literacy and Education Commission, led by the Department of the Treasury, is considering how best to support this effort given resources available, and agency missions and authorities.

- **COMMUNITIES AND FAMILIES:** That the President and the Secretary of the Treasury encourage the creation of councils at the state, local and tribal level to help improve the financial capability of citizens.

  Status: An estimated 110 councils are being formed, according to the National Conference of Black Mayors, with more possible. The "Creating Financially Capable Communities" resource guide was developed to help localized efforts and is available at http://www.treasury.gov/resource-center/financial-education/Documents/Local%20Guide%20-%20Creating%20Financially%20Capable%20Communities.pdf. The Department of Treasury is reviewing and considering other ways to support implementation of this recommendation, given resources, mission and authorities.

- **WORKPLACE:** That the federal government encourage employers to improve the financial capability of their employees and support that effort by promoting and disseminating "Financial Capability at Work," a resource guide for employers that includes a framework of best practices, resources and supporting research to help employers create and enhance successful workplace financial capability programs.

  Status: The resource "Financial Capability at Work" is publicly available at http://www.treasury.gov/resource-center/financial-education/Documents/PACFC%20Financial%20Capability%20at%20Work.pdf. The Department of the Treasury is working with Department of Labor, Small Business Administration, and others to develop approaches to implement key aspects of the recommendation and that ensure necessary consumer protection in place to assure a healthy delivery system for financial decision assistance, consistent with their statutory missions and authorities, as well as their resource priorities.

- **RESEARCH & EVALUATION:** That the Department of the Treasury, in collaboration with the Financial Literacy and Education Commission, explore the possibility of building and sustaining a collaboration hub for research in the field of financial education and behavioral economics that is informed by the rigorous research standards used by the Doing What Works Clearinghouse in the Department of Education, subject to resources available to support such a website.

  Status: The Department of Treasury will consult with the Department of Education and other agencies to assess this recommendation consistent with their statutory missions and authorities as well as their resource priorities.

Financial Capability Challenges and Opportunities in the United States

Although there is general consensus that Americans should have the opportunity to learn and exercise sound personal finance practices, there are numerous indicators that many of us are not financially capable.

In one recent study, adults scored a grade of C in financial literacy, while high school students mainly received failing grades.[1] Add to this the real financial constraints imposed by a difficult economy and the results can be devastating. For example, another study cites that 49 percent of Americans indicated that it was somewhat or very difficult for them to cover their expenses and pay their bills in a typical month. Roughly half (51 percent) said they sometimes carried over a balance on their credit card(s) and were charged interest. And 12 percent reported that their spending in the past year exceeded their income. Additionally, the majority of Americans do not have a "rainy-day" fund for unanticipated financial emergencies and are not adequately preparing for their children's college education and their own retirement.[2]

While financial education cannot fix financial misfortune stemming from unemployment or high medical expenses, it can give Americans the resources, tools and encouragement to manage their money with greater confidence and help more Americans reach their financial goals.

Toward a Better Understanding

Many researchers now believe that financial capability has several critical components: at least a minimal understanding of financial issues needed to be able to function in an increasingly complex and demanding world; and a market context that allows for an average consumer – not to mention a less-advantaged person – to successfully navigate the many complexities given her newly acquired knowledge. For example, if you train people extremely well on financial matters, and then place them in an environment where the right products are nearly impossible to find, or where they need to sign a 60-page document in "legalese," with seemingly incomprehensible clauses, and without trusted advisors, their knowledge, no matter how sophisticated, is bound to fail.

Financial education, both formal and informal, is just one component of financial capability. Two additional areas of importance contribute to the nuanced interaction between human proclivities and the arena of financial decision making. This suggests that we recognize that financial capability is balanced upon three legs:

1) Financial education (formal and informal) that delivers the basic understanding;
2) Regulation and consumer protection that assure some minimal ability to rely on available products and services; and
3) Thoughtful design of options – what behavioral economics has come to call "choice architecture" – in a way that facilitates the successful application of what has been learned.

The three legs play a critical role in promoting financial capability—they each are strongest when used together and in isolation are more likely to fail. Financial capability relies on three key pillars that support informed and smart financial decision-making. Without consumer understanding, healthy market competition is unlikely to yield increased well-being, since consumers will simply fail to avail themselves of the choices that are best for them. On the other hand, in the absence of meaningful regulation and consumer protection, even the best-educated consumers will fail. And with good options available in the market, even informed consumers will fare better with sound regulatory protections in place.

Opportunities

Recent research has contributed much to our basic understanding of the potential for greater financial capability among American consumers. Now we have the opportunity to build upon this foundation with rigorous exploration of the components that are essential for success.

Financial education, if encouraged and made widely available, is the intervention most familiar to the average consumer. In fact, we are able to get numerous financial lessons through many different channels, and should look for evidence that those lessons are helpful. Beginning with teachable moments in the home, every parent, directly or by omission, is a financial educator to their children, and every child is a learner. Young people continuously absorb financial intelligence and put it into practice as soon as they decide how to spend their first coins. Those who eventually enter the financial system encounter increasingly complex financial instruments throughout their lives. As adults, we make increasingly complex decisions about what to do with our money, and appreciate familiarity with personal finance concepts through formal and informal financial education. Workplaces also provide numerous opportunities, particularly around "life events," such as adding family members, or retirement, for financial education provided by a trusted source, the employer, at key decision-making moments.

Challenges

Although it seems simple, then, to prescribe financial education as the primary means to achieve financial capability, the challenges are much more complex. During its term, the Council has consulted with experts and researchers to learn more about the barriers to financial capability.

Common Human Behaviors

Driven by biology and our psychological biases, human beings inherently face challenges in navigating a complex financial world mired by misinformation, bureaucratic processes, and short-term costs associated with discounted long-term gains. On average, human beings are prone to procrastination—putting off difficult decisions that cost time and money to deal with today, but if taken have the potential to reap major gains later in life.

In 2010, an extensive review of financial behavior research consolidated seminal findings from the past 30 years to explain many of the factors that hold people back when it comes to their finances.[3] This literature review found that:

People tend to favor short-term action and rewards sooner rather than later, and find it difficult to connect to their needs far into the future. The preference for a small reward now versus a large reward later ("delay discounting"), the ability to postpone or forego pleasures now for a future reward ("future orientation"), the inability to delay gratification, and self-control all impact decisions that weigh the present against the future.

Risk aversion and having more sensitivity to losses than gains ("negativity bias") impact the ability to commit to financial action, particularly, it appears, among women.

Overall confidence in one's self and confidence in one's ability to succeed at tasks (self-efficacy) have profound effects on financial decision making. Overconfidence can lead to riskier financial behaviors, such as investing in products that are not fully understood and reacting to economic news and market swings. Under-confidence can lead to excessive timidity (such as long-term "investing" in cash resulting in erosion through inflation) or dependence on advice that may leave the consumer financially vulnerable.

The ability to make dispassionate and objective financial decisions is affected by the tendency to use a specific value for an asset, such as the acquisition price ("framing" or "anchoring"), following the crowd (unconscious "herding"), and relying on information that confirms one's beliefs ("attribution bias"). Consequently, for example, people don't like to sell a stock or price a home for sale at a lower value than what they paid for it.

Procrastination, "choice overload" (an overwhelming number of and/or confusing choices lead to an inability to make any choice at all), and the propensity to plan affect when and how a person initiates financial plans and actions. Whereas starting to save earlier for retirement can result in greater outcomes, procrastination can cause detrimental shortfalls.

"Moral hazard" (taking more risk when resulting losses will be covered by somebody else) creates a climate in which individuals may do less research on financial products, or stretch themselves to take on excessive debt, because options such as bankruptcy are available to discharge their liabilities.

External Impacts

Not all shortcomings in the arena of financial capability can be attributed to psychology and personality. In 2010, researchers and experts examined many external factors and developments which impact Americans and their financial lives.[4]

"What creates the [financial literacy] crisis is not a sudden decline in financial knowledge, but the rapid expansion of what consumers need to know," the researchers stated. Consumers now need greater sophistication when choosing financial products due to the financial deregulation that started in the U.S. in the 1970s and 1980s, and the financial innovations of the past 30 years, such as adjustable rate loans, teaser rate loans, and low documentation loans. Debt securitized by these "imperfectly understood" offerings arose on the investment side as well.

During this time period, consumers have been forced to assume greater responsibility for retirement planning and risk assessment in both accumulation and decumulation (spending down) of assets. Social Security benefits replace a smaller portion of pre-retirement earnings than ever before, and the dramatic shift from defined benefit to defined contribution plans requires a higher level of management by individuals and their families.

Economic and technological trends have disrupted old rules of thumb, illustrating the need to keep financial awareness and knowledge up to date. For example, old advice about lowering income tax withholding in order to take advantage of the ability to save may be less useful to many taxpayers in a low-interest rate period. Similarly, the financial lessons someone may have learned in high school 20 years ago, may no longer be salient with today's financial products and services.

Barriers to Financial Education

Although the obstacles to financial capability are complex and daunting, Americans still need and benefit from financial education. However, this approach is beset with several possible barriers:

Clutter: The number of financial education resources to choose from is overwhelmingly large. At the same time, quality and efficacy indicators are sorely lacking and there is no clear relationship between the quality of a program and its availability. As a result, those who want to pick from the available pool may suffer choice overload. Research shows that when there are large numbers of choices people are less likely to make a choice.[6]

Lack of standards: There are no universal standards to evaluate the quality and effectiveness of financial education programs and resources. Evaluation practices are dependent on funding, time, human resources, and evaluation design and expertise. The inconsistency, inadequacy and mismatching of standards leads to incongruous results that cannot be used to rate programs.[7]

Persistent financial exclusion: Low- and moderate-income families, minority households, and certain persistently under-resourced communities are likely lacking resources, knowledge, experience and access for themselves and to share with the next generation. The challenges in such communities are great and multifaceted, and solutions must address complex needs. Additionally, many populations lack access to safe and affordable products to meet their needs. Approximately one-fourth (25.6 percent) of U.S. households are considered unbanked or underbanked, [8] These Americans may face more decisions about financial products and services that financial education and information would help address, in order to make choices that can help meet their financial needs and goals.

Reluctant venues (schools): Many primary and secondary schools may shy away from offering financial education classes due to lack of qualified teachers and lack of time and space in mandatory curricula. Only nine states have formal requirements to assess students' financial literacy.[9] Less than 20 percent of primary and secondary teachers believe they are adequately prepared to teach personal finance topics.[10]

Reluctant venues (workplace): Many employers fear liability issues if they provide financial education to their workforce and shelter themselves behind retirement-centric presentations by their 401(k) providers. Those willing to offer comprehensive financial education often are discouraged by material and human resource constraints.

Limited research: Impactful pedagogy is based on content- and audience-specific research, both of which are sparse in the emerging field of behavioral economics and financial education. Although the body of knowledge is growing, many significant gaps exist. Scant funding is available for researchers in this arena, especially for longitudinal research, slowing progress in developing research-based solutions.

Success in Financial Education

To successfully bring financial education to all who could benefit from it requires bold – but common sense – action to overcome these challenges. Attaining financial capability at any age is a continuous process comprising knowledge, behavior change, demonstration and action, standards and learning objectives.

Fortunately, we can build solutions based on what we have learned works, which means acknowledging learning and behavior change requires:

NOT JUST ONE, BUT MANY LESSONS: Financial education sticks better and is more likely to lead to action the more frequently one hears it, sees it, reads it.[11] Parents can start teaching children as young as 2 about money, and there is no age cutoff – financial education continues to be needed and relevant throughout all life stages.

CONNECTING LEARNING WITH DOING: Financial education is more effective when delivered as close in time to a financial decision as possible – the decision equivalent of "point of purchase" -- although financial educators advocate for access to financial information even further upstream. For example, when one seeks to buy a home, financial education at the time of initial consideration can help the consumer wisely choose the home's features (number of bedrooms, bathrooms, lot size, granite countertops, etc.) based on affordability, as opposed to selecting a specific house and then figuring out whether or not he can afford it.

CONVENIENT & ACCESSIBLE OPPORTUNITIES FOR ACTION: Financial education in the workplace makes sense – it is where people make their money and their decisions about financial benefits such as health care coverage and retirement savings. Employers who offer financial education may be able to mitigate increased health care costs, absences and lower productivity brought on by financial stress and worry.[12]

ENGAGING MATERIAL AND APPROACHES: Although adults can learn in classroom settings, financial education is better absorbed when it is delivered via different techniques to appeal to the many different learning styles of adults. Research shows greater success when instructors use learner experiences and engage learners in group discussions, and use stories built around diverse characters or drawn from educators' own lives.[13] Similarly, lessons for children should be enlivened with relevant topics, role playing, games, experiential learning techniques, peer discussion and technology-based information delivery to make the greatest impact.

COMMON-SENSE TIMING: The impact of a financial education lesson is magnified when it can be tied to an immediate decision (helping a child comparison shop with his allowance money) or a current situation (being affected by the national recession). For teens, work experience is a compelling teachable moment, tied with school-based financial education as the second greatest influence (after parents) on good financial attitudes and behaviors.[14]

USE SCHOOLS SMARTLY: Financial education in schools has been shown by research to be the second most important influencer of good financial management practices in young people, after parents.[15] Well-designed and well-funded state mandates, course requirements and testing requirements that weave financial education into standard curricula would insure that most children receive it at least once in grades kindergarten through 12. Critically, research shows that better-prepared teachers will make a positive difference in school-based delivery of financial education. Teachers are more likely to teach financial education if they are confident in their abilities to do so, and well-prepared teachers experience significant increases in their knowledge and behavior and are much more likely to teach the content.[16, 17]

FAMILY ENGAGEMENT IS CRITICAL: Research indicates that the number one influence on young people's financial behavior is their parents,[18] and that communities also play a vital role in helping to shape families' financial decisions. Parents and other adults influence children's behavior by serving as good role models, setting clear and positive expectations, and talking directly to kids about money. But many adults feel ill-equipped to teach kids and overwhelmed by the information around them.[19,20] They need resources and tools that use down-to-earth language and provide sound, clear principles to help them be the best role models and teachers they can be.

TECHNOLOGY INNOVATIONS: Technology-based tools hold promise to help Americans make more informed financial decisions and to address some of the barriers to financial education, including making it faster and more convenient to access information, obtain more in-depth advice and guidance, and to share financial goals among one's social networks.[21] In particular, the wide penetration of mobile phones presents a scalable way to deliver real-time, actionable financial information; helping families make wiser financial decisions in the immediate term and helping them achieve longer-term financial goals.[22]

Beyond Financial Education

Again we note that financial education, both formal and informal, is just one component of financial capability. Two additional areas of importance contribute to the nuanced interaction between human proclivities and the arena of financial decision making.

Regulatory and consumer protection oversight is needed to guarantee a minimal adherence to fair rules. Additionally, a decision context structured to allow for the flourishing of human capability also is important. Without adequately designed contexts and minimal protections, even the effectively educated might be observed to fail. In such contexts as these, effective educational programs may be unduly dismissed. Conversely, in well-designed decision contexts, where the "right" choices are easier to come by, even less thorough educational attainments may thrive.

A person well educated about consumer lending options, for example, may prefer a home equity loan to pay off debt, but have only less-appealing vehicles, such as a credit card or payday loan, available to him. When education and the right contextual environment coexist, however, consumers can achieve remarkably more successful results, despite their human proclivities. The weaknesses in building financial capability can – and needs to – be overcome. And that can be achieved by providing effective education in a product and decision context designed to help consumers choose the best financial options according to their goals and values.

This view of financial capability should be disseminated among researchers, practitioners and policy makers. A shared understanding of some of the main features underlying financial capability may lead to more successful implementation of research and evaluation, education, consumer protection, choice architecture and product defaults, and, eventually, to significant advances where they might matter to American citizens, especially those of lower income, the most.

There is extensive opportunity for government, particularly the federal government, to contribute to the advancement of regulatory and consumer protection oversight, as well as to the thoughtful design of options within a healthy financial decision context. Each financial "touchpoint" that the federal government has with citizens presents an opportunity to consider how all three elements necessary for success are incorporated into the delivery mechanism of the financial assistance or product. Is adequate education included? Are the necessary consumer protections in place? And is the choice architecture appropriately structured?

Themes and Principles

The Council's assessment of these challenges and opportunities led us to adopt a set of principles which guided our recommendations, as well as a set of themes to focus our efforts. The themes and principles were published for public comment in the Federal Register.[23]

PRINCIPLES

The Council believes that its recommendations must embody several principles if they are to succeed in affecting financial behaviors. Specifically, our recommendations should:

Be focused, impactful, executable and have measureable outcomes. The Secretary and President deserve recommendations that can be practically, and quickly, implemented and judged for their effectiveness in changing behavior.

Align with, consolidate and boost, rather than supplant, existing efforts of the private, for-profit, non-profit, and governmental sectors. There are countless extraordinary financial capability efforts underway, many of which simply need help achieving better awareness and broader distribution.

Be consistent with the latest findings in financial education and behavioral economics. Literacy for its own sake is not the goal; financial capability means knowledge-based *action.*

Address issues related to the entire population, and where appropriate, take into account the particular needs of traditionally underserved populations (e.g., women, minorities, low and moderate income consumers, and the elderly). Recommendations should account for the different needs of different segments of our population.

Leverage the use of technology to engage, inform, and impact behavior. Technology can help us provide content and coaching closely associated with "teachable moments" in financial capability, as well as scalable, personalized information and advice.

Sixty-two comments were received from individuals, nonprofit organizations, financial institutions, government, associations and academia. The principles were received with great enthusiasm and the majority of the commenters declared them "right on target". Some of the points highlighted by the commenters include: the need for more research to determine effective approaches that deliver positive outcomes; and the need to raise public awareness of the need for financial. In addition, integration was emphasized many times, for example, integrating financial education into existing adult programs such as social services or other government touch points, integrating financial education into existing K-12 curricula. The positive role that technology can play, and how to provide teachers with the appropriate training were also common areas of comment.

THEMES

Based on a review of the research, the Council decided to concentrate its final recommendations into three "venues" where our citizens are likely to be receptive to effective financial capability education and improved access. (In all three cases, we considered the particular needs of traditionally underserved populations). These three venues, or themes, are:

Theme I. Financial education should take its rightful place in American schools.

Rationale: Financial illiteracy is widespread in the United States and Americans, including students, are worse off because of this. Low levels of financial literacy appear to be tied to higher rates of being "unbanked," higher levels of indebtedness, lower rates of wealth accumulation, and lower rates of retirement planning.[24] Eighty-two percent of Americans[25] and eighty-nine percent of teachers[26] think personal finance should be taught to all students at least as early as high school. In particular, navigating whether and how to pursue higher education and how to finance this investment is critical, but many students appear unprepared to do it. Two million enrolled college students eligible for Pell Grants did not apply for federal aid, leaving money on the table;[27] two-thirds of students taking private loans did not exhaust more affordable, flexible federal aid first;[28] and at a time when student loan debt now exceeds credit card debt in America, student loan defaults are on the rise. Students need to be provided with effective financial education *before* they enter into financial contracts, yet:

Financial education and debt management programs aimed at students receiving federal student loans are unevenly administered and rarely evaluated.

While there are many financial literacy programs aimed at America's students from pre-kindergarten through college and beyond, there is a dearth of research on the effectiveness of these programs and their impact on subsequent behavior.

Theme II. We should build a financially capable workforce and retiree community, which is necessary for a stable and globally competitive economy.

Rationale: Delivering financial education and access in the workplace – and providing employers with cost-effective models of high-quality financial guidance and related benefits – has the potential to positively impact 134 million Americans.[29] Encouraging workplace financial education and access can drive positive behavioral change during the life stages at which most adults make critical decisions regarding savings, retirement planning, insurance and other benefits.

What American adults actually know about personal finance and math is sharply lower than what they think they know. Almost half (48 percent) who gave themselves the highest score in math were not able to do two calculations involving interest rates and inflation.[30]

Seventy-six percent of Americans say they are stressed about money.[31]

Over two-thirds of employers say that financial stress contributes to health costs at their company. Fifty-eight percent say that financial "illness" contributes to employee absences at their companies, and 78 percent also agree that employees are less productive at work when worrying about personal financial problems.[32]

Employee Assistance Program providers have seen an 88 percent increase in requests for help with financial matters since the economic downturn began.[33]

Theme III. Americans should also learn the core concepts of personal finance at the heart of their lives— in their families and in their communities.

Rationale: Families and the communities in which they live are the core social and economic units of American society -- the key environments within which financial capability can be taught and learned with long-lasting effectiveness. Responsibility for modeling and teaching financial capability begins in the family and extends to the local community of businesses, financial institutions, schools, non-profits, and even places of worship. Parents need to start the conversation (e.g., "talk to your kids about money"), and we need to provide the public, especially low and moderate income families, the learning tools and the financial access to become financially capable.

Even if parents do not model positive financial behaviors in front of their children, they influence positive financial behaviors through their expectations for their children. Also, they influence their children through direct teaching.[34]

In addition, a growing body of research has been coalescing around the notion that young children can grasp rudimentary financial concepts.[35]

Among youth who expected to graduate from a four-year college, those with a savings account in their name were approximately six times more likely to attend college than those with no account.[36]

"Communities are an important entry point for social change.…" They affect individual and family well-being and their influences are amenable to change.[37]

The financial crisis of 2008, in part, demonstrated the lack of understanding of basic financial management information and skills, and the lack of access to fair, affordable, and appropriate financial products and services, which was costly to society and disproportionately impacted America's low- and middle-income earners. Our country loses valuable human capital as Americans, who struggle for daily financial survival, are unable to pursue higher education or focus their talents on innovation, entrepreneurship and intellectual contributions to the nation's progress.

With respect to the themes, the public comments were very supportive as well. A significant number of commenters agree that theme one is very important and they thought financial education in schools should be mandatory. Many also agreed that schools and teachers are not provided adequate resources to fulfill the theme's goals. Most commenters believe that schools must be provided with more funding and teachers must receive training in order to fulfill the goal of this theme. Regarding theme two, many commenters agreed that an effective way to provide financial capability to adults is by encouraging employers to incorporate financial capability in the work environment. A few commenters recommended that employers should be given incentives to start financial education initiatives such as tax credits or company recognition. Lastly, theme three had numerous commenters express support because they believed that financial capability activities in families and communities will help create a long-lasting effect. Commenters also emphasized that interpersonal interactions to communicate about finances can be very effective.

The public comments were helpful in confirming that the Council was on the right track, was generally very supportive of the principles and themes, did not suggest that the principles or themes should be altered, and were used to further focus our final recommendations.

Recommendations and Accomplishments
Youth Subcommittee

Purpose
The Youth Subcommittee focused on recommendations to improve the financial capability of our nation's young people to better prepare future generations to understand the complex everyday financial decisions that they face. Research reveals that parents are the single biggest influence on a child's financial capability. Moreover, with young Americans facing a record $1 trillion in student loan debt, the Youth Subcommittee recognizes that financial literacy is essential to boosting college completion rates and sending young people into the workforce with a manageable debt load. As a result, our efforts have targeted the role that homes and families, as well as schools and communities, can play in engaging our nation's youth.

Accomplishments

Money as You Learn. The Council has set a path towards exposing more students to essential personal finance skills by integrating personal finance knowledge into classes where our young people are learning to read, write and do math. This approach is timely. Forty-five states and the District of Columbia recently banded together to adopt the Common Core State Standards in K-12 mathematics and English Language Arts designed to prepare students for success in college and careers. As a result, educators are working hard to ensure that teaching and learning reflect these new standards for academic knowledge and skills and provide students the opportunity to apply their knowledge in real world contexts. While personal finance classes will remain (and hopefully grow) as elective offerings, by connecting personal finance to what students are learning in their core classes, we can strengthen both the teaching of personal finance and the teaching of the Common Core State Standards.

The Council has identified key next steps on the path towards this goal. These include: immediately mapping how essential personal finance knowledge and skills can be integrated into teaching of the Common Core State Standards and, over time, coalescing around one set of personal finance standards for the field; developing a robust, web-based set of high quality and easily accessible tools and materials, including mathematical tasks and identification of non-fiction texts and close reading exemplars; aligning existing personal finance programs with the demands of the Common Core State Standards; and investing in research and evaluation on the teaching of financial literacy. Collaboration among Council members, developers and leaders of the Common Core State Standards, financial education experts and teachers has already led to an initial mapping showing where essential personal finance concepts and skills can appropriately be integrated into teaching of the standards as well as to the development of mathematical tasks and identification of non-fiction texts. A new website, www.MoneyAsYouLearn.org, will offer guidance to teachers and school districts by offering lesson plans, problem sets, nonfiction texts and other resources that elucidate the topic of personal finance within the context of the Common Core.

This *Money as You Learn* approach has already been endorsed not only by the Council but also by leaders in the education and financial education communities including: Achieve, American Federation of Teachers, Council for Economic Education, Jump$tart Coalition for Personal Financial Literacy, National Education Association; National Endowment for Financial Education, National Urban League; Mitchell Chester (Massachusetts Commissioner of Education and Governing Board Chair, Partnership for Assessment of Readiness for College and Careers), Steven Grossman (Massachusetts Treasurer and Receiver General), and Cami Anderson (Superintendent Newark Public Schools)

The Council recommends that the President champion this *Money as You Learn* approach and instruct the Financial Literacy and Education Commission, and its member agencies, to take all possible steps to advance it. The Council also calls on national financial literacy organizations and their state and local partners to embrace *Money as You Learn* and to build an enduring initiative that will improve the financial capability of our young people for years to come.

Money As You Learn materials are included as Appendix C.

Money as You Grow. In early 2011, the Council's Youth Subcommittee began a 16-month effort to distill the dozens of existing guidelines, standards, and research into one document with age-appropriate concepts written in clear, accessible language. The result is MoneyAsYouGrow.org, an online, interactive tool for families that presents 20 milestones kids need to know as they grow, along with behavior-changing activities designed with the best research and information available. At its April 9, 2012, meeting the Council unanimously approved a recommendation that the President encourage federal agencies to promote and utilize *Money as You Grow* as one tool to improve the financial capability of America's youth. The initiative was launched at the May 10, 2012, White House Summit on Financial Capability and Empowerment.

MoneyAsYouGrow.org has had no advertising budget, and yet as of December 30, 2012, a total of 524,897 individuals had visited the site, driven primarily through word of mouth on social media websites. More than half of all visitors arrive at MoneyAsYouGrow.org via Pinterest.com, a site popular among women, especially mothers. More than 100 media outlets have reported on MoneyAsYouGrow.org, including *Time*, *U.S. News and World Report*, and the *Washington Post*. The initiative earned the praise of National Economic Council Director Gene Sperling, Domestic Policy Council Director Cecilia Munoz, and Secretary of Education Arne Duncan. Thousands of *Money as You Grow* posters have been distributed to or downloaded by the general public.

The breadth and depth of response to *Money as You Grow* has been overwhelming—from a Volunteer Income Tax Assistance (VITA) site in Minnesota; to the Fort McCoy Army Community Service network in Wisconsin; to a group of elementary schools in the Sharon, Pennsylvania, school district; to an education program in Poland that wants to adapt the materials for use there. Nearly two dozen partners, with a collective reach in excess of 50 million members, have signed on to promote *Money as You Grow*, including the Federal Reserve Bank of Chicago, the American Library Association, the National Association of Elementary School Principals, the National PTA, and Junior Achievement. In September, the American Library Association's Association for Library Service to Children selected MoneyAsYouGrow.org as one of its Great Websites for Kids.

Money As You Grow materials can be found online at http://www.treasury.gov/resource-center/financial-education/Documents/Money%20as%20You%20Grow.pdf

PISA Financial Capability Module Implemented. In 2011 the Council approved the Youth Subcommittee's recommendation that the United States participate in the financial literacy test given by the 2012 Programme for International Student Assessment (PISA). In 2012, the Department of Education, at the Council's urging, took the lead and agreed to fund this important assessment. The results of the first ever PISA examination of high school students' financial literacy will be released in 2014, and we anticipate the findings will give us a clear understanding of young Americans' financial knowledge, both as a cohort and in comparison to 15-year-olds from other countries.

Summaries of the full recommendations are found in Appendix B.

Recommendations and Accomplishments
Partnerships Subcommittee

Purpose
The Partnerships Subcommittee was charged with strengthening and enhancing coordination between public and private-sector financial capability resources to better equip consumers with critical financial skills. Subcommittee members have focused on two overarching goals:

Supporting leadership, coordination and role clarity among federal, tribal, state and local agencies on the issues of financial education, access and empowerment. More than 20 federal agencies provide financial education and/or support for such programs, and while the Financial Literacy and Education Commission has in recent years made significant progress in addressing overlap and promoting the sharing of best practices, more can be done. At the same time, an ever-increasing number of tribal, state and local governments seem to be recognizing the importance of financial capability in their communities. The subcommittee believes that the development of cross-sector groups to coordinate on both the strategy for and the delivery of financial education has the potential to be an enormously important component of a successful long-term effort at improving the financial capability of communities.

Encouraging employers in the government, private and non-profit sectors to become a primary delivery point for financial education. Such an effort has the potential to reach more than 134 million working Americans[38] at a time when financial matters are extremely relevant. Employers tend to be trusted deliverers of key financial skills, and have an increasing incentive to ensure employees are free of financial stress at the workplace. But there has been, to date, little coordinated effort to provide financial capability materials and resources to employers that want to embrace this role. The Subcommittee seized on the opportunity to for the federal government to lead by example, the development of a more robust employer-centered financial capability effort.

Accomplishments

Workplace Financial Education Initiative. A central focus of the Subcommittee has been improving the financial capability of the American workforce by using the employer as a delivery mechanism for financial capability resources to employees. To help employers in this goal, the Subcommittee developed a guide, "Financial Capability at Work: A Strategic Framework to Guide Employers." This document encourages employers to become leaders and role models by voluntarily providing information and programs to employees in five fundamental areas, and working toward advanced features. The guide includes details on the five fundamentals, examples of the types of advanced features that companies should aspire to, and numerous vetted resources, programs and information that employers can use to educate employees.

The information gathered is the result of collaboration with and input from more than 75 companies, trade and professional associations, and nonprofit organizations that provided valuable perspective about how best to set achievable goals and produce landscape-changing results. The Council approved a recommendation to designate the Department of Labor and the Small Business Administration as the federal government's lead agencies in the effort to expand workplace financial education and to dedicate staff and resources to the promotion and dissemination of the guide. Of course, any initiative these agencies undertake in this area must be consistent with their statutory mission and authority as well as their resource priorities. In addition, to address concerns expressed by some companies in their comments, the recommendation encourages the President to direct the Department of Labor as part of its current retirement plan participant protection regulatory projects to review a 1996 Interpretive Bulletin on investment education for employees responsible for directing investments in their

401(k) and similar retirement accounts, with the objective of contributing to the advancement of financial decision assistance with necessary consumer protections in place to ensure healthy delivery mechanisms.

Federal Government Workplace Financial Education Initiative. The Subcommittee believes that the federal government should be modeling best practices for the private and non-profit sectors by providing outstanding financial capability resources to the approximately 2 million federal employees. The Council concurred with a Subcommittee recommendation calling on the President to direct federal agencies to improve the financial capability of their employees. After consulting with the Office of Personnel Management (OPM), the Subcommittee encouraged such elements of this approach include the creation of a centralized repository of financial capability resources at OPM and use of such resources by federal agency human resources leaders to enhance the financial capability of each agency's employees. OPM plans to develop the database, including a speakers' bureau of experts from around the federal government who are willing to speak at employee education events at other agencies. The database will be included on a new financial capability resources web page on the OPM's HR University web site and is expected to be operational in early 2013.

State and Local Councils Initiative. A recommendation was approved by the Council to call upon the President and the Secretary of the Treasury encourage the creation of Financial Capability Councils, modeled on the President's Advisory Council, at the state, local and tribal level. The Subcommittee believes strongly that these local councils can help communities pull together to address the specific financial capability needs and challenges particular to their community. Working closely with the Underserved and Community Empowerment Subcommittee, the Partnerships Subcommittee developed a guide on how to launch a local Financial Capability Council, which also included a set of "best practices" – steps that can be taken quickly and easily by a local council to have an immediate impact in the community. The guide answers such questions as who should be on a council and what steps they should take to create change in their community. The guide can be found on the Treasury website at http://www.treasury.gov/resource-center/financial-education/Documents/Local%20Guide%20-%20Creating%20Financially%20Capable%20Communities.pdf.

Workplace Leaders in Financial Education Award. The Council approved a recommendation by the Partnerships Subcommittee recommending that the Treasury Department support the Workplace Leaders in Financial Education Award, administered by the American Institute of Certified Public Accountants (AICPA) and the Society for Human Resources Management (SHRM). This award was launched in 2011, based upon a recommendation of the President's Council on Financial Literacy in 2008. More than 300 applications were received and nine organizations were named winners by the panel of judges. Winners were recognized during the January 2012 meeting of the President's Advisory Council on Financial Capability. The application period for the 2013 awards open in December 2012, and winners will be announced later in 2013.

Summaries of the full recommendations are found in Appendix B.

Recommendations and Accomplishments
Underserved and Community Empowerment Subcommittee

Purpose

Those who felt the recent economic recession the hardest were those from underserved communities, made vulnerable by a lack financial education and stability. The Subcommittee on the Underserved and Community Empowerment focused on improving the financial capability of individuals from low to moderate income environments. The ideas advanced by the Subcommittee were informed by members' expertise, as well as numerous consultations with community leaders, innovators, and families, in town halls and listening sessions around the country.[*]

Accomplishments

Encouraging Local Financial Capability Councils. The chief accomplishment of the Underserved and Community Empowerment Subcommittee has been to inspire and encourage local financial capability councils across the country. These councils are designed to coordinate the financial education programs provided by both the public and private sector. Typically led by mayors, these councils run at low-or no-cost and appoint local stakeholders with an interest in financial capability. These stakeholders are typically "C-Suite" leaders from financial institutions, schools, faith-based organizations, and the local government. They come together to identify what works, what doesn't, and what needs to be expanded upon to increase the financial capability of their community. To date, 110 communities have expressed a written commitment to create such a council and most estimate a timeline of completion around three months. For example, in the District of Columbia the Local Financial Literacy Council is already operational and held a Town Hall on November 28, 2012. As a result of this Town Hall, that same day, the DC State Board of Education voted unanimously to require all public high school students to take a financial literacy course before graduation.

The Subcommittee would not have been able to assist the efforts of these mayors had it not been for the work of the Partnership Subcommittee, which prepared a resource guide that has provided structural guidance to those developing councils.

Acknowledging the importance of financial capability in emergency preparedness and recovery. A second key accomplishment of the Subcommittee was recommending to the President that the Federal Emergency Management Agency be integrated into the Financial Literacy Education Commission. In the face of a disaster, financial preparedness is of paramount importance. The foresight to integrate these efforts came from the Chairman of the Subcommittee prior to the tragic events of Hurricane Sandy. Since making the recommendation, the importance of this integration has become self-evident.

[*] Subcommittee members hosted or participated in listening sessions, town hall meetings, and other gatherings, including the following: Federal Reserve Bank of Chicago Financial Literacy and Education Summit, Chicago, IL; Indianapolis Campaign for Financial Fitness, Indianapolis, IN; Center for Financial Services Innovation; Society for Financial Education and Professional Development's 4th Annual Financial Literacy Leadership Conference, Washington, DC; listening sessions in Atlanta, GA; Oxon Hill, MD; Minneapolis, MN, and San Antonio, TX; Federal Reserve Bank of St Louis' Innovations in Savings and Financial Education Forum, St. Louis, MO; Step-Up Savannah, Savannah, GA; Cities for Financial Empowerment Coalition, Los Angeles, CA; Council for Native Hawaiian Advancement, Honolulu, Hawaii; and National Congress of American Indians, Sacramento, CA.

Promoting existing resources on student aid to more Americans. The third major accomplishment of the Subcommittee was its recommendation that the federal government establish an awareness campaign, that leads the American people to www.studentaid.gov as the one stop resource for students and families to increase college affordability and reduce student loan debt.

Summaries of the full recommendations are found in Appendix B.

Recommendations and Accomplishments
Research and Evaluation Subcommittee

Purpose

Ongoing and rigorous financial education and financial access research and evaluation will lead to better understanding of the barriers to widespread financial capability, and of the effectiveness of interventions that aim to address them. This Subcommittee focused on learning about the findings of existing research, identifying research gaps, articulating needs within the program evaluation framework, and providing a foundation of understanding for those interested in financial capability education, policy, regulation and context. In building upon what is known, the Subcommittee substantiated the need going forward to continually test the ideas with greatest potential to accompany ongoing research. The Subcommittee also provided insight and guidance to the other Subcommittees to ensure that their recommendations were research-based and incorporate appropriate success metrics.

Accomplishments

Research-Based Framework. The Subcommittee crystallized the wisdom and findings of researchers, practitioners and policy-makers into the framework for financial capability supported by the three legs of financial education, regulation and consumer protection, and thoughtful design of options (choice architecture).

Data Collection and Sharing. The subcommittee encouraged and supported the second wave of the FINRA Investor Education Foundation's extensive National Financial Capability Survey; and U.S. participation in the international benchmarking Programme for International Student Assessment study of the financial capability of 15-year-olds globally.

Research Gaps. Based on its extensive review of existing research and the inventory of research priorities as reported through Subcommittee discussions, the Subcommittee identified topics of potential relevance to people's financial capability for future research and testing. In the area of context and delivery, more study is needed on the use of technology, employer engagement, integration of financial products and education, the role of social learning and how to influence people's social networks, the role of cognitive load and attention limitations, and the role of diminished capacity (such as, as a function of depletion). Additional research and testing is recommended for areas related to personalization, such as gender, age and other relevant demographics, and personal characteristics such as the propensity to plan , confidence, and access to unbiased information.

National Research Priorities. Subcommittee members joined the Financial Literacy and Education Commission working group in September 2011 to discuss national research priorities, resulting in identification of three areas of focus: delivery and access; evaluation; and risk. The Commission's resulting report, 2012 Research Priorities and Research Questions, which was endorsed by the full Council, is intended to broadly guide research and research funding in the field in nine key areas:

- **Evaluate Successful Financial Education Delivery:** Evaluate the delivery of financial education for youth and adults in order to identify effective approaches, delivery channels, and other factors (such as the interaction of knowledge, products, and behaviors) that enhance effectiveness.
- **Identify Optimal Strategy Combinations**: Identify optimal combinations of financial information, advice, regulation, disclosure, and delivery mechanisms, including default options, and their impact on starting and maintaining positive financial habits.
- **Conduct Longitudinal Assessments**: Employ longitudinal data to evaluate the effectiveness of core competencies on behavior and financial well-being over time.

- **Identify Key Measures of Success**: Identify, evaluate, and build consensus on "key metrics" for financial education/capability, including measures of knowledge, behavior, and well-being.
- **Evaluate Interactions between Education and Product Design**: Identify and evaluate the relationship between financial education and access to and design of high quality financial products.
- **Assess the Impact of Business Cycles**: Assess the role of business cycles and economic and financial context in individuals' financial decision making.
- **Explore the Impacts of Risk and Financial Shocks**: Ascertain how risk and uncertainty, including economic and other shocks, alter risk exposure and risk management choices both at the consumer and community levels.
- **Identify Local, State, and Federal "Scalable" Opportunities**: Identify opportunities and roles for local, state, and federal governments as scalable platforms for financial capability.
- **Leverage Synergies with Other Subject Areas**: Identify and evaluate potential synergies between educational programs targeting financial capability and those targeting physical and mental health.

Summaries of the full recommendations are found in Appendix B.

Appendix A: Council Subcommittees Membership as of December 2012

Underserved and Community Empowerment
Chair: John Bryant

Members:
Ted Beck
Arty Arteaga
Janie Barrera
Sherry Salway Black
Samuel Jackson
Marc Morial
Carrie Schwab-Pomerantz
Eldar Shafir
John Rogers (ex-officio member)
Ken Wade

Research and Evaluation
Chair: Ted Beck

Members:
Rick Ketchum
John Rogers (ex-officio member)
Eldar Shafir
Ken Wade

Partnerships
Chair: Carrie Schwab-Pomerantz

Members:
Arty Arteaga
John Bryant
Rick Ketchum
Barry Rand
John Rogers (ex-officio member)
Amy Rosen

Youth
Chair: Amy Rosen

Members:
Ted Beck
Sherry Salway Black
John Bryant
Samuel Jackson
Beth Kobliner
John Rogers (ex-officio member)

Appendix B. Recommendations as approved by the Council and Status as of January 29, 2013

Theme	Recommendation	Status
Youth	That the President champion this *Money as You Learn* approach and instruct the Financial Literacy and Education Commission, and its member agencies, to take all possible steps to advance it. The Council also calls on national financial literacy organizations and their state and local partners to embrace *Money as You Learn* and to build an enduring initiative that will improve the financial capability of our young people for years to come.	Money as You Learn initiative underway in the private sector through collaboration with developers and leaders of the Common Core State Standards, Jump$tart, Council for Economic Education, teachers and other experts. A website, www.MoneyAsYouLearn.org, is currently in development. The Financial Literacy and Education Commission, led by the Department of the Treasury, is considering how best to support this effort given resources available, and agency missions and authorities.
Youth, Communities and Families	That the President encourage federal agencies, through Executive Order, to promote and utilize Money as You Grow as one tool to improve the financial capability of America's youth.	To date, more than 500,000 people have visited www.MoneyAsYouGrow.org, and the site continues to attract approximately 10,000 new visitors each week. The Department of the Treasury will consult with Department of Education and other agencies, along with outside stakeholders, to determine best approach to implement given resources available, and agency missions and authorities.
Youth	That the United States participate in the financial literacy module of the Program for International Student Assessment (PISA) that measures 15-year-old students' reading, mathematics, and science literacy and other competencies.	The PISA Financial Literacy Module was implemented in 2012.
Youth	That the Department of Education, in collaboration with the Department of Treasury and the Financial Literacy and Education Commission, actively participate in the international PISA study through the 2015 cycle.	The Department of Education is planning to implement this recommendation.
Communities and Families	That the federal government encourage the creation of operational councils at the state, local and tribal level to help improve the financial capability of citizens.	An estimated 110 councils are being formed, according to the National Conference of Black Mayors, with more possible. The "Creating Financially Capable Communities" resource guide was developed to help localized efforts and is available at http://www.treasury.gov/resource-

		center/financial-education/Documents/Local%20Guide%20-%20Creating%20Financially%20Capable%20Communities.pdf The Department of the Treasury is reviewing and considering other ways to support implementation of this recommendation, given resources, mission and authorities.
Communities and Families, Youth	That the President direct the appropriate federal agencies led by the U.S. Department of Education's Federal Student Aid Office, to launch an awareness campaign that leads the American people to www.studentaid.gov as the one stop resource for students and families to increase college affordability and reduce student loan debt, which may be entitled Know Before You Apply.	The Department of Education, will consult with other members of the Financial Literacy and Education Commission and other partners regarding implementing this recommendation.
Communities and Families	That the Department of the Treasury evaluate the merit of the Roth at Birth concept, intended to encourage families to begin early savings for their children, and consider whether legislation to allow children to use their immediate families' earned income to start a savings program would be advisable.	The Department of the Treasury will consider as part of a larger assessment of tax policy.
Communities and Families	That the President and the Secretary of the Treasury integrate the field of emergency financial and economic disaster preparedness response and recovery into the broader financial capability efforts of the federal government, and invite the Federal Emergency Management Administration to be a part of the Financial Literacy and Education Commission.	The Department of the Treasury is working with the White House to implement the recommendation.
Communities and Families	That the Department of the Treasury hold a challenge to the private sector to create applications for mobile devices that promote financial capability and financial	The Department of the Treasury implemented the MyMoney App Up Challenge, in partnership with two national non-profit organizations. The top five app design finalists were selected to receive $25,000 in prizes. These five submissions were

	access.	selected as winners from more than 300 ideas submitted.
Workplace	That the President encourage private sector, nonprofit and state/tribal/local government employers to make it a priority to improve the financial capability of their employees, and that the President support that effort by: 1) Designating the Department of Labor and the Small Business Administration as the federal government's lead agencies in the effort to expand workplace financial education; 2) Directing the Department of Labor and the Small Business Administration to dedicate staff and resources to the dissemination and promotion of "Financial Capability at Work: A Strategic Framework to Guide Employers," a PACFC-produced guide and resource document to help employers provide quality financial capability information and programs to their employees; and 3) Directing the Department of Labor to revisit Interpretive Bulletin 96-1 ("Participant Investment Education") to provide more clarity to employers on the range of financial education topics and activities that are permissible under the Employee Retirement Income Security Act (ERISA) of 1974.	The resource "Financial Capability at Work" was developed and is publicly available at http://www.treasury.gov/resource-center/financial-education/Documents/PACFC%20Financial%20Capability%20at%20Work.pdf. The Department of the Treasury is working with the Department of Labor, the Small Business Administration, and others to develop approaches to implementing key aspects of the recommendation and that ensure necessary consumer protections in place, consistent with their statutory mission and authority as well as their resource priorities
Workplace	That the Department of the Treasury support a newly-created private-sector award program, the Workplace Leaders in Financial Education (WLIFE) Awards, which recognizes employers that provide outstanding financial education to their employees.	The Department of the Treasury recognized the 2011 winners of the WLIFE award at an event in January 2012.
Workplace	That the federal government develop tools to increase financial	The Office of Personnel Management is working on enhanced tools and resources to promote the

	capability resources for federal employees, such as bringing financial advisors to the workplace for use by employees. Those tools will then be used to set an example for the private sector and other employers to adopt mechanisms that encourage financial capability among their own employees.	financial capability of federal employees.
Research and Evaluation	That the Department of Treasury in collaboration with Financial Literacy and Education Commission explore the possibility of building and sustaining a Doing What Works website for financial capability that is modeled after the Department of Education's Doing What Works initiative, subject to the resources available to support such a website.	The Department of Treasury will consult with the Department of Education and other agencies to assess this recommendation.
Research and Evaluation	That the Department of the Treasury and other relevant agencies consult on the development, fielding and dissemination of data from a second wave of the National Financial Capability Study (conducted by the FINRA Investor Education Foundation) to be conducted 2012.	The Department of the Treasury, along with other federal agencies worked with the FINRA Investor Education Foundation in its 2012 implementation of the National Financial Capability Study.
Research and Evaluation	That the federal government support development and dissemination of universal outcome metrics, program evaluation standards and financial education research standards to improve the quality and effectiveness of programs and research and help educators choose programs best suited for their learners’ objectives.	The Financial Literacy and Education Commission released a set of Research Priorities and Questions and is continuing to work individually and together on promoting research and evaluation in the financial capability field.

Appendix C: Money As You Learn

The President's Advisory Council on Financial Capability calls for a new initiative – *Money as You Learn* -- to integrate important aspects personal finance into English language arts and mathematics teaching as well as into other classes and afterschool programs, in order to reach more students throughout their schooling. This approach can strengthen learning of those subjects as well as expose all students to knowledge and skills they need to become financially capable young adults. At the same time, the Council continues to urge states and school districts to also provide high quality personal finance classes for their students.

The Council recommends that the President champion this *Money as You Learn* approach and instruct the Financial Literacy and Education Commission, and its member agencies, to take all possible steps to advance it. The Council also calls on national financial literacy organizations and their state and local partners to embrace *Money as You Learn* and to build an enduring initiative that will improve the financial capability of our young people for years to come.

This call is timely. Forty-five states and the District of Columbia have recently adopted the Common Core State Standards in mathematics and English language arts. These new standards, whose development was led by the States, provide a consistent, clear understanding of the academic knowledge and skills students are expected to learn in order to be prepared for success in college and careers. The transition to the Common Core State Standards provides a once-in-a-generation opportunity to effectively integrate personal finance into the K-12 curriculum in ways that provide students with essential personal finance understanding and skills. In addition, teaching of the Common Core is strengthened by providing real-world, practical contexts and applications that are relevant, engaging and meaningful to students.

Educators across the nation are eager for Common Core-aligned curriculum materials that capture the key shifts embedded in the standards. The time is therefore ripe for identifying texts, creating mathematical tasks, and designing lessons that inform students at all grade levels about key ideas regarding personal finance that are grounded in the Common Core standards. There is also the opportunity for states to model the value of this approach by routinely including items in their assessments that take advantage of core personal finance concepts and contexts.

Supporting educators in making this a reality requires the following actions: (1) map where essential personal finance knowledge and skills can be integrated into the Common Core State Standards; (2) develop tools for educators to integrate personal finance into teaching of the Common Core State Standards; (3) align existing personal finance programs with the Common Core State Standards; and (4) invest in research and evaluation on effective teaching and learning of personal finance. As described below, collaboration among the Council, developers and leaders of the Common Core State Standards, financial education experts, and extraordinary teachers has already spurred progress on the first two action items leading to the forthcoming website, www.moneyasyoulearn.org, with tools for educators.

Mapping how essential personal finance knowledge and skills can be integrated into the Common Core State Standards

The President's Council has catalyzed a mapping between essential personal finance concepts and skills and the Common Core State Standards that will show where personal finance can provide appropriate context and content for mathematics and English language arts teaching. The Council urges the financial literacy field to look towards this forthcoming mapping as a resource for action. A sample of the mathematics mapping is in text box A.

Text Box A

Mapping of Financial Literacy Big Ideas and the Common Core Mathematics Standards at Grade 6

The *horizontal column* identifies critical aspects in the area of personal finance that are elements of foundational understanding that would lead students to an action or a higher level of function. For example, understanding compound interest leads to saving, understanding the importance of starting early, and more effective debt management. Similarly, understanding inflation leads to the ability to mitigate its effects with respect to investments, assumption of debt, and purchasing decisions. The *vertical column* identifies the Grade 6 Common Core Mathematics Standards where financial literacy concepts and skills can provide appropriate context and content for teaching the standard. Eventually, each square of the grid will contain mathematical tasks and other materials. At www.moneyasyougrow.org, educators will be able to search by grade, by mathematics and English standards, and by financial literacy content for tasks, texts, lesson plans and other tools.

	Financial Literacy Big Ideas										
Common Core Math Cluster/ Standard for Grade 6	Compound Interest	Oppor-tunity Cost	Value of Education	What is Money	Cost/ Benefit Analysis	Debt	Risk	Setting Goals	Delayed Gratification	Scarcity	Inflation
6.RP.3 Use ratio and rate reasoning to solve real-world problems											
6.NS.5 Positive/negative #s											
6.EE.1 Write/evaluate using whole # exponents											
6.EE.2 Write, read, evaluate expressions where letters stand for #s											
6.EE.9 Use variables to represent 2 qty, ind./dep. Variables											
6.SP Stat and Prob.											

Of course, not all important personal finance content can be appropriately integrated into the Common Core, and vice versa. Thus, this mapping will not cover the full scope of existing personal finance standards and the Council urges states and school districts to also provide high quality personal finance classes for their students.

Moreover, as the Council considered the important personal finance concepts that can be integrated into the Common Core, the effort has revealed an underlying challenge – the multiple personal finance standards that have been promulgated by national organizations as well as by various states. Developing high quality programs and curriculum materials, engaging teachers in professional learning to enhance the teaching of personal finance, and evaluating the effectiveness of financial literacy initiatives are all more difficult when there are multiple sets of standards with differences in content, terminology, sequencing and focus. The field will benefit from personal finance experts coalescing around one set of standards grounded in the best available evidence on what young adults need to know to be able to effectively manage their own financial lives. The Council urges leaders in the financial literacy field to take the necessary steps in this direction.

Tools for Educators

Educators will benefit from concrete guidance and tools to support their work of appropriately integrating financial literacy and the Common Core. The Council has encouraged the development of mathematics tasks and identification of non-fiction texts that enhance the teaching of the Common Core through important, real-world personal finance applications, skills and issues. Collaboration among developers and leaders of the Common Core State Standards, Jump$tart Coalition for Personal Financial Literacy, Council for Economic Education, and *Money as You Grow*, as well as classroom teachers and other experts from around the nation, will ensure that these instructional materials reflect the rigor and important shifts of the new standards as well as financial literacy content that all students should master. For example, mathematical tasks may call for students to apply their mathematical knowledge in important, real world contexts such as budgeting, understanding compound interest, or assessing risk. Similarly, non-fiction texts such as a pay stub or cell phone bill or writing on topics such as the value of setting financial goals or the roots of the mortgage crisis can be tools for deepening student ability to understand and use complex texts in English language arts lessons.

Text Box B

Example Mathematics Task

This task addresses the second grade mathematics standard addressing solving word problems with monetary units and the important financial literacy concept of opportunity cost.

Susan wanted to make a birthday card for her best friend but needed some art supplies. She emptied her piggy bank and found 1 quarter, 5 dimes, 3 nickels, and 8 pennies.

How much money did Susan find in her piggy bank? Show or explain how you know.

Susan went to the store with her mother and saw a pack of stickers for 35¢ and a glitter pen for 60¢. Does Susan have enough money to buy both items to make her birthday card? Show or explain how you know.

While Susan was at the store, she saw a ring that she would like to have herself. The ring costs 45¢. Can she still buy one or both of the other items?

Commentary:

The purpose of this task is to address the concept of opportunity cost through a real world context involving money. In economics, resources are limited, but our wants are unlimited. Therefore, choices must be made. Every choice involves a cost. Your **opportunity cost** is the value of the next best alternative you gave up, or did not choose, when making a decision. To learn more about opportunity cost, visit www.econedLink.org.

Prior to this task, it would be helpful for students to have a basic understanding of decision making. The teacher can hold a discussion with students regarding opportunity cost by asking them what Susan is giving up if she buys the ring. Responses might include 45¢, the glitter pen, the stickers, or even the ability to make the card the way she wanted to. At this point, a grade-appropriate definition/explanation of opportunity cost could be discussed.

Second graders are ready to think about the ideas presented by the task, but depending on their reading level, the questions might be best presented verbally by the teacher before students are asked to work independently or in groups. Note that the numbers were carefully chosen so that the addition and subtraction they do is within 100 (2.OA.1) and the steps shown in finding these sums and differences reflect strategies based on place value and properties of operations (2.NBT.5). Also, students in second grade are asked to skip-count by 5's, 10's, and 100's (see 2.NBT.2) but have not yet formalized these ideas in terms of the concept of multiplication. As a result, the solution given shows a skip-counting approach; if this task were given to third graders, they would be more likely to naturally formulate the solution in terms of multiplication.

This task is part of a set collaboratively developed by *Money as You Learn* and Illustrative Mathematics, which provides guidance to states, assessment consortia, testing companies, and curriculum developers by illustrating the range and types of mathematical work that students experience in a faithful implementation of the Common Core State Standards, and by publishing other tools that support implementation of the standards. The task (and accompanying solutions) is available at www.illustrativemathematics.org as well as the forthcoming www.moneyasyoulearn.org.

While initial work has begun, much more remains to be done to develop and identify outstanding materials and lessons and provide supports for teachers to enable them to effectively integrate financial literacy into their teaching. The Council calls on leaders of the financial literacy community -- including but not limited to Jump$tart Coalition for Personal Financial Literacy, Council for Economic Education, and members of the Financial Literacy and Education Commission -- to expand on this *Money as You Learn* effort and develop effective guidance and instructional materials, and an easy-to-use, high quality national website for personal finance resources linked to the Common Core that is shared with educators nationwide.

Align existing personal finance programs with the demands of Common Core State Standards
Leaders in the financial literacy field will benefit from moving quickly to review and where appropriate revise existing personal finance programs so that they are consistent with and support attainment of the Common Core. This review should be done by state and local education leaders responsible for personal finance programs, financial literacy organizations that implement programs, and by the federal agencies that comprise the Financial Literacy and Education Commission and provide financial literacy resources. This review and appropriate updating of programs and curriculum should be done for personal finance and entrepreneurship classes, for other classes such as economics, social studies, career and technical education, and for after-school programs.

Given the distance many of our nation's students need to travel to be fully prepared for college and careers, it is critically important that every minute of instruction is well used. The more personal finance programs can demonstrably support students attaining the mathematical and literacy competencies called for in the Common Core, as well as the skills of problem-solving, research and careful reading and analysis that cut across all subject areas, the more likely it is that there will be time in the school day and after-school for students to have access to high quality personal finance content – as well as the quantitative and literacy skills they will need to be financially capable adults.

Investment in research and evaluation
Consistent with the Council's research recommendations, in the area of financial education the Council urges the President to direct federal investment in research and evaluation in order to identify the most effective ways to help young people build the knowledge, skills and dispositions needed to be financially capable adults. While it is essential to act now based on what we know today, it is also essential to invest more in research on financial education to better understand instructional approaches that have impact on student's personal finance knowledge and behaviors.

Several types of research are needed. First, using insights developed in the field of financial education and behavioral economics, more basic research needs to be done to identify the types of school-based learning experiences that impact later financial decisions, and then work needs to be done to embed those findings into school programs and test out their efficacy. Second, the work described above to integrate the teaching of personal finance into the Common Core should be tested and evaluated and improved over time. Third, more evaluations of existing, large-scale personal finance programs should be conducted and the results made widely accessible. Most importantly, those who develop personal finance programs and those who carry them out in schools should demand and hold themselves accountable to evidence – independent evaluations of what works, program data on growth in student knowledge and skills, and longitudinal data on student financial decision-making.

Doing high quality research and evaluation and building the capacity of organizations to better use evidence and data, requires resources of many sorts, including significant funding. Private and non-profit organizations supporting personal finance should increase their investment in research and use of evidence. However, it is critical that the federal government commit to a significant and long-term program of funding in this area that allows for the development and aggregation of knowledge over multiple studies, in multiple contexts, in multiple areas of research and evaluation. The federal government is best positioned to make this essential sustained investment and this is a high leverage role for the federal government since increased knowledge about what works can inform and enrich the future actions of all those who seek to increase our young people’s financial capability. Research on financial literacy proposed by the Financial Literacy and Education Commission should reflect the funding and research recommendations of the Council.

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Jon	Dauphine	AARP
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Nan	Morrison	Council of Economic Education
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Lois	Vitt	Institute for Socio-Financial Studies
Wes	Hall	Institute for Student Empowerment
Tahira	Hira	Iowa State University
Jim	Hedemark	Jump$tart Coalition of Rhode Island
Laura	Levine	JumpStart Coalition for Personal Financial Literacy
Jack	Kosakowski	Junior Achievement USA
Ruben	Fernandez	LadderUp
Luis	Pastor	Latino Community Credit Union
Paul	Cloutier	Levanto Financial
Jeanine	Moore	Long Neck Elementary
Luke	Rhine	Maryland Department of Education
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Appendix E: Endnotes

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Additional Resources Providing Information on Financial Literacy Research:

- "2012 Research Priorities and Research Questions," Financial Literacy and Education Commission (: http://www.treasury.gov/resource-center/financial-education/Documents/2012%20Research%20Priorities%20-%20May%2012.pdf
- Center for Financial Security, University of Wisconsin-Madison: http://www.cfs.wisc.edu/
- The Federal Reserve Board Economic Research and Data, Board of Governors of the Federal Reserve System: http://www.federalreserve.gov/econresdata/default.htm
- Financial Literacy Center/NEFE Financial Literacy Research Library: http://flresearch.org
- Financial Security Project at Boston College: http://fsp.bc.edu/
- FINRA National Financial Capability Survey: http://usfinancialcapability.org
- "From Financial Literacy to Financial Action," McGraw-Hill Research Foundation: http://bit.ly/Financial_Literacy
- Hira, T.K.,"Promoting sustainable financial behavior: implications for education and research," International Journal of Consumer Studies, pp.502-507: http://onlinelibrary.wiley.com/doi/10.1111/j.1470-6431.2012.01115.x/full
- NEFE Quarter Century Project: http://www.nefe.org/what-we-provide/primary-research/the-quarter-century-project-25-years-of-research.aspx
- RAND Financial Literacy Center: www.rand.org/labor/centers/financial-literacy.html

This list of resources is not intended to be exhaustive.

Other Resources Referenced in Report:

Every American Financially Empowered
http://www.whitehouse.gov/sites/default/files/financial_capability_toolkit_5.10.2012.pdf

Money As You Grow
http://www.treasury.gov/resource-center/financial-education/Documents/Money%20as%20You%20Grow.pdf

Financial Capability at Work: A Strategic Framework to Guide Employers
http://www.treasury.gov/resource-center/financial-education/Documents/PACFC%20Financial%20Capability%20at%20Work.pdf

Creating Financially Capable Communities: A Resource Guide
http://www.treasury.gov/resource-center/financial-education/Documents/Local%20Guide%20-%20Creating%20Financially%20Capable%20Communities.pdf

Appendix F: Council Member Biographies

John W. Rogers, Jr. (Chair)–Chairman, CEO, and Chief Investment Officer, Ariel Investments
John W. Rogers, Jr. is the Chairman, CEO, and Chief Investment Officer of Ariel Investments, a firm he founded in 1983 to focus on undervalued small and medium-sized companies. Mr. Rogers currently serves as a board member of Aon Corporation, Exelon Corporation and McDonald's Corporation. Additionally, he is chairman of the Economic Club of Chicago, a director of the Chicago Urban League, a trustee of the University of Chicago, chairman of the board of trustees for the University of Chicago's Laboratory School, and a member of the board of the John S. and James L. Knight Foundation, where he chairs the investment committee. Mr. Rogers served as a co-chair for the 2008 Obama-Biden Presidential Inaugural Committee. In 2008, Mr. Rogers was awarded Princeton University's highest honor, the Woodrow Wilson Award, presented each year to the alumni whose career embodies a commitment to national service. In 2010, he was named an Outstanding Director by the Outstanding Directors Exchange for his leadership on governance, management and diversity in the boardroom.

Amy Rosen (Vice Chair)–President and CEO, the Network for Teaching Entrepreneurship (NFTE)
Amy Rosen is President and CEO of the Network for Teaching Entrepreneurship (NFTE), a global non-profit organization which provides programs designed to inspire young people from low income communities to succeed in school and in life by seizing educational opportunities and starting their own businesses. For over a decade, Rosen has worked on issues confronting the United States public education system as a Fellow at the Broad Urban Superintendents Academy and as the Chief Operating Officer for New Visions for Public Schools. Rosen also served as a Presidential Appointee to the Amtrak Board of Directors, Vice Chairman of the NJ Transit Board of Directors, Deputy Commissioner of the NJ Department of Transportation, and Senior Vice President of Lockheed Martin Information Management Services. Rosen currently Chairs the Board of TEAM SCHOOLS, the network of KIPP Charter Schools in Newark, NJ.

Janie Barrera–Founding President and Chief Executive Officer of ACCION Texas Inc.
Janie Barrera is the founding president and Chief Executive Officer of ACCION Texas Inc. Created in 1994, ACCION Texas Inc. provides small loans and management training to individuals and small businesses in Texas and Louisiana. San Antonio Business Journal listed Ms. Barrera as one of "Twenty Defining Players: People Who Have Helped Shape the City." She also has served on many national, state and local boards, including the Federal Reserve Board's National Consumer Advisory Council. Ms. Barrera received a B.S. from Corpus Christi State University in Corpus Christi, Texas and an M.B.A. from the University of the Incarnate Word in San Antonio, Texas.

Roland Arteaga–President and CEO, Defense Credit Union Council (DCUC)
Roland Arteaga is the President and CEO of the Defense Credit Union Council (DCUC), a position he has held since 2000. In this capacity, he represents the interest of credit unions operating on military bases worldwide, serving as their primary liaison and conduit to the Pentagon. Prior to joining DCUC, Mr. Arteaga served in the United States Army from 1971 to 1999. Among his key assignments while on active duty were his battalion level command of the 230th Finance Support Unit, his deployment to Desert Shield/Desert Storm, his selection as the Senior Military Assistant and Executive Officer to the Assistant Secretary of the Army for Financial Management, and Comptroller and Commander of the United States Army Finance Command at the Pentagon. An ex-officio member of the Defense Credit Union Council's Executive Committee and ex-officio board member and Treasurer of the Armed Forces Financial Network, Arteaga serves on the National Partners Coordinating Committee for the Military Saves campaign and is also a member of the American Society Military Comptrollers.

Ted Beck–President and CEO, National Endowment for Financial Education (NEFE)
Ted Beck is the President and CEO of the National Endowment for Financial Education (NEFE). He is a former member of the President's Advisory Council on Financial Literacy, and currently serves on the FDIC Advisory Committee on Economic Inclusion. He is chairman of the board of the national JumpStart Coalition for Personal Financial Literacy. Prior to his appointment at NEFE, Mr. Beck served as Associate Dean of Executive Education and Corporate Relations at the University of Wisconsin-Madison School of Business, and previously spent more than 20 years in senior management positions for Citibank/Citigroup. Beck currently is an independent trustee of Driehaus Mutual Funds and recently served on the board of the Wisconsin Alumni Association. He previously served as Chairman of the Advisory Board of Directors of Gammex, Inc., and served on the boards of Keylab, Madison Committee on Foreign Relations, International University Consortium for Executive Education, the Graduate School of Banking, the Wisconsin Public Utility Institute, Citicorp Securities, Inc., and the Cleveland Playhouse.

Sherry Salway Black–Director of the Partnership for Tribal Governance, National Congress of American Indians
Sherry Salway Black is the Director of the Partnership for Tribal Governance at the National Congress of American Indians. She is the former Senior Vice President of First Nations Development Institute, a Native-led nonprofit organization that works to improve the economic condition of Native Americans through promoting business development and financial literacy. Ms. Black is a member of the Honoring Nations Board of Governors, a program established by the Harvard Project on American Indian Economic Development to celebrate, document, and disseminate outstanding success stories in governance among American Indian nations. She also serves on the boards of First Peoples Fund and the Johnson Scholarship Foundation. Ms. Black is a member of the Oglala Lakota Nation in Pine Ridge, South Dakota. Ms. Black earned her B.S. from East Stroudsburg University and her M.B.A. from the University of Pennsylvania's Wharton School of Business.

John Hope Bryant–Founder, Chairman and CEO, Operation HOPE
John Hope Bryant is the founder, Chairman and CEO of Operation HOPE, a nonprofit founded in 1992 that focuses on financial literacy and providing financial services for the underbanked in 70 U.S. communities and South Africa. He is also the co-founder of Global Dignity and a member of the Forum of Young Global Leaders for the World Economic Forum and the Global Agenda Council for the World Economic Forum. Mr. Bryant served as the vice chair of the President's Advisory Council on Financial Literacy (PACFL) and as the chairman of PACFL's Committee on the Underserved. He is also the author of *Love Leadership: The New Way to Lead in a Fear-Based World*. Mr. Bryant has received numerous awards and citations for his work to empower low-wealth communities including the Use Your Life Award from Oprah Winfrey and a 1994 selection by *Time* magazine as one of America's 50 Most Promising Leaders of the Future.

Samuel T. Jackson–Founder, Chairman, and CEO, Economic Empowerment Initiative, Inc.
Samuel T. Jackson is the Founder, Chairman, and CEO of the Economic Empowerment Initiative, Inc., founded in 2001. He is a member of the Board of Directors for the Southern Regional Council, National Association of African-Americans in Human Resources-Atlanta Chapter, Ryan Cameron Foundation, and Georgia Council on Economic Education. Mr. Jackson was honored with the Martin Luther King, Jr. Community Service Award by Emory University's Goizueta Business School and Rollins School of Public Health for excellence in community innovation and change.

Richard Ketchum–Chairman and CEO, Financial Industry Regulatory Authority (FINRA)
Richard Ketchum is the Chairman and CEO of the Financial Industry Regulatory Authority (FINRA). Prior to joining FINRA, he was CEO of NYSE Regulation, Chief Regulatory Officer of the New York

Stock Exchange and General Counsel of the Corporate and Investment Bank of Citigroup, Inc. Previously, he spent 12 years at the National Association of Securities Dealers and the NASDAQ Stock Market, Inc., where he served as president of both organizations. He also worked at the Securities and Exchange Commission for 14 years, with eight of those years as Director of the Division of Market Regulation. He currently sits on the Board of Directors of Appleseed, a non-profit network of 16 public interest justice centers in the United States and Mexico.

Beth Kobliner–Personal Finance Commentator, Journalist, and Author
Beth Kobliner is a personal finance commentator, journalist, and author of the *New York Times* bestseller *Get a Financial Life: Personal Finance in Your Twenties and Thirties*. She has written on a broad range of personal finance topics for publications including *Money* magazine, *The New York Times*, *Reader's Digest*, and *Glamour*, and she has regular columns on *The Huffington Post*, Mint.com, and in *Redbook* magazine. She has been a frequent commentator on NBC's *Today* show, ABC's *Good Morning America*, CBS's *Early Show*, and the national public radio shows *The Takeaway* and *Marketplace*. Ms. Kobliner served as a content advisor and on-air financial expert to Elmo for Sesame Workshop's first-ever financial education initiative, a bilingual outreach program. She is a regular lecturer on financial literacy for children of all ages at schools including the Children's Storefront in Harlem, the New Jersey Institute of Technology, and Yale University.

Marc H. Morial-- President and CEO of the National Urban League
Marc H. Morial is President and CEO of the National Urban League. Mr. Morial served as Mayor of New Orleans, Louisiana from 1994 until 2002. During that time, he was President of the U.S. Conference of Mayors. From 1992 to 1994, he served in the Louisiana State Senate. Earlier in his career, Mr. Morial practiced law from 1985 until 1994 and was an adjunct law professor at Xavier University of Louisiana from 1986 to 1990. Mr. Morial has a B.A. in Economics from the University of Pennsylvania and a J.D. from Georgetown University.

Addison Barry Rand–CEO, AARP
Addison Barry Rand is Chief Executive Officer of AARP, a nonprofit, nonpartisan organization with a membership that helps people 50+ have independence, choices and control in ways that are beneficial and affordable to them and society as a whole. He has served as Chairman and Chief Executive Officer of Avis Group Holdings, Chief Executive Officer of Equitant Ltd., and Executive Vice President for Worldwide Operations at Xerox Corporation. Mr. Rand has served as the Chairman of the Board of Trustees at Howard University since 2006 and has also served on the boards of the Urban Family Institute, the Congressional Black Caucus Foundation and the Garth Fagan Dance Theatre. In 1993 he was inducted into the National Sales and Marketing Hall of Fame and is a recipient of the NAACP Image Award.

Carrie Schwab-Pomerantz–President, Charles Schwab Foundation
Carrie Schwab-Pomerantz is president of the Charles Schwab Foundation, a private, nonprofit organization funded by The Charles Schwab Corporation, whose mission is to create positive change through financial education, philanthropy, and volunteerism. Schwab-Pomerantz writes extensively about personal finance; her work includes a weekly educational column distributed through schwab.com and Creators News Service as well as a book on family finance entitled *It Pays to Talk: How to Have the Essential Conversations with your Family about Money and Investing*. In her efforts to advance financial literacy, Schwab-Pomerantz has spearheaded several programs, including Money Matters: Make It Count, a national program for teens, created in collaboration with the Boys & Girls Clubs of America.

Eldar Shafir -- William Stewart Tod Professor of Psychology and Public Affairs, Department of Psychology and Woodrow Wilson School for Public and International Affairs, Princeton University

Eldar Shafir is 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. Dr. Shafir's research focuses on descriptive analyses of decision making, and on issues related to behavioral economics, with a focus on decision making in the context of poverty and on the application of behavioral research to policy. He is Past President of the Society for Judgment and Decision Making, a member of the Russell Sage Foundation Behavioral Economics Roundtable, Research Affiliate of Innovations for Poverty Action, and Fellow of the Filene Research Institute, the Canadian Institute for Advanced Research, and the Institute for Quantitative Social Science at Harvard University. He is co-founder and director of Ideas42, a social science research and development lab. Dr. Shafir received his B.A. from Brown University and a Ph.D. in Cognitive Science from MIT.

Kenneth Wade–Senior Community Affairs Executive of Global Marketing & Corporate Affairs, Bank of America

Kenneth Wade is a Senior Community Affairs Executive of Global Marketing & Corporate Affairs for Bank of America; in that role he is responsible for enhancing the bank's relationships with key organizations in consumer affairs and community development. Mr. Wade joined Bank of America on January 1, 2011. Prior to his role at Bank of America, Mr. Wade was CEO for NeighborWorks America, a national non-profit organization that provides training, technical and financial assistance to more than 3,000 community development nonprofits throughout the U.S. focused on affordable housing, foreclosure mitigation and neighborhood stabilization initiatives. Mr. Wade has more than 35 years of experience in community development in a variety of organizations.