

CFE **Cities for Financial Empowerment**

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September 19, 2010

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Public Comment Re: Financial Education National Strategy and Core Competencies

Too many Americans do not have the basic financial skills necessary to navigate the complex financial marketplace. In establishing the Financial Literacy and Education Commission ("FLEC") in 2003, Congress recognized the importance—for the health of the U.S. economy as well as the personal financial well being of individuals and families—of increasing Americans' overall financial capability.¹ Significantly, it recognized that a patchwork approach had been and would continue to be insufficient to address the alarming deficiency in financial skills. Improving the financial health of U.S. citizens would require a national strategy.

Collectively, the members of the Cities for Financial Empowerment ("CFE") Coalition have as their mission to improve the financial health of their residents. The CFE Coalition believes strongly in the importance of a cohesive, focused national strategy, and it applauds the leadership of FLEC and the U.S. Department of Treasury, its leader, in evaluating the 2006 national strategy and issuing the revised Draft National Strategy for Financial Literacy for 2010 (the "National Strategy"). CFE members in fact represent much of the pioneering, large scale work that is happening in the field; and it is from this perspective that we offer input on the National Strategy.

As drafted, our concern is that the goals the National Strategy sets forth miss the real opportunity at hand. FLEC's major value added is not merely to consolidate a set of shared values and competencies. Instead, it lies in its unique ability to provide for the actual delivery of quality financial education and counseling services to Americans. FLEC itself includes the agencies running the programs and disbursing the necessary funds for the benefit of those whom the National Strategy is designed to reach. To transform the financial literacy landscape, the National Strategy must include concrete, actionable steps to increase the provision of quality financial education and counseling.

The National Strategy should describe the plan for FLEC agencies to incorporate financial education in their work, in particular where the agencies disburse federal dollars to states, cities, organizations and individuals. And it should require these agencies to develop their own financial education integration plans to leverage the benefits and maximize the impact of financial education on their own program missions.

¹ U.S. Government Accountability Office. *Financial Literacy and Education Commission; Further Progress Needed to Ensure an Effective National Strategy*, GAO-07-100. Washington, DC: Government Accountability Office, 2006. <http://www.gao.gov/new.items/d07100.pdf> (accessed September 19, 2010).

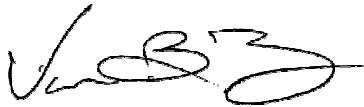
To be clear, the CFE Coalition does not suggest that the federal government should get into the business of doing one-on-one counseling across America. Federal agencies should, however, provide the resources and directives to make the recipients of federal funding—cities, nonprofits, community-based organizations—the financial education “boots on the ground.”

In addition, the National Strategy misses an opportunity by not tying directly to groundbreaking financial access initiatives already underway at the federal level, such as the Bank on USA initiative at Treasury and the Federal Deposit Insurance Corporation’s account template pilot.

With regard to the “core competencies” in particular, the CFE Coalition supports the creation of a framework of easily identified, universally understood and widely disseminated financial concepts. The framework advanced, however, does not sufficiently draw upon the opportunities presented by federal access-to-banking initiatives and the new Consumer Financial Protection Bureau. Also, as written, the categories do not appear to be responsive to the highly fluid and increasingly complex financial landscape Americans are expected to navigate. Further, at times the categories are overly wordy while in other instances fail to home in on key concepts such as managing debt. Once appropriate standards are developed, FLEC should establish and articulate a process through which it will regularly fine tune them with input from stakeholders so that the competencies remain culturally relevant and do not become stale.

The CFE Coalition applauds the initiative of both FLEC and Treasury in promulgating a list of core competencies and a revised national strategy. CFE looks forward to ongoing dialogue with Treasury and FLEC, and we’re happy to elaborate upon our views on how to create a national strategy that will have the greatest positive impact on the financial health of U.S. residents.

Respectfully,



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