

Financial Literacy and Education Commission

Implementation Plan 2011
**Promoting Financial Success
in the United States:**

National Strategy for
Financial Literacy



Financial Literacy and Education Commission Members

Board of Governors of the Federal Reserve System

Bureau of Consumer Financial Protection

Commodity Futures Trading Commission

Department of Agriculture

Department of Defense

Department of Education

Department of Health and Human Services

Department of Housing and Urban Development

Department of Labor

Department of the Treasury

Department of Veterans Affairs

Federal Deposit Insurance Corporation

Federal Trade Commission

General Services Administration

National Credit Union Administration

Office of the Comptroller of the Currency

Office of Personnel Management

Securities and Exchange Commission

Small Business Administration

Social Security Administration

White House Office of Public Engagement

For more information on the Financial Literacy and Education Commission, visit www.mymoney.gov.

Table of Contents

I. Overview of the Creation of the Financial Literacy and Education Commission.....	2
II. Development and Overview of the National Strategy 2011	3
III. Responsibilities of the Financial Literacy and Education Commission as They Relate to the Implementation of the National Strategy 2011	5
IV. Implementation of the National Strategy 2011	5
V. Anticipated Accomplishments in 2011–2013	12
VI. Preliminary Measurements of Success.....	13

Promoting Financial Success in the United States: National Strategy for Financial Literacy 2011

The “Implementation Plan 2011” for Promoting Financial Success in the United States: National Strategy for Financial Literacy 2011 (the National Strategy 2011) sets forth the plans of the Financial Literacy and Education Commission (The Commission) and its member agencies to fulfill the goals and objectives of the strategy. The “Implementation Plan 2011” covers the primary focus and activities of the Commission during the first phase of implementation, for the three to five years of the National Strategy.

I. Overview of the Creation of the Financial Literacy and Education Commission

The Financial Literacy and Education Improvement Act—Title V of the Fair and Accurate Credit Transactions (FACT) Act of 2003 (PL 108–159)—was enacted on December 4, 2003, and established the Commission to improve the financial literacy and education of persons in the United States. The act named the Secretary of the Treasury as chairperson of the Commission and mandated the Commission’s composition to include the heads of 20 federal agencies: Office of the Comptroller of the Currency, Office of Thrift Supervision¹, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, Securities and Exchange Commission, Department of the Treasury, Department of Education, Department of Agriculture, Department of Defense, Department of Health and Human Services, Department of Housing and Urban Development, Department of Labor, Department of Veterans Affairs, Federal Trade Commission, General Services Administration, Small Business Administration, Social Security Administration, Commodity Futures Trading Commission, and Office of Personnel Management.

1 On July 21, 2011, in accordance with the Dodd–Frank Wall Street Reform and Consumer Protection Act (PL 111-203), the responsibility for regulating federal savings associations moved from the Office of Thrift Supervision (OTS) to the Office of the Comptroller of the Currency. OTS no longer exists as a federal agency.

In January 2010, the White House Office of Public Engagement joined the Commission. As directed by the Dodd–Frank Wall Street Reform and Consumer Protection Act, the Director of the Bureau of Consumer Financial Protection (CFPB)² serves as vice-chair of the Commission.

Treasury’s Office of Financial Education and Financial Access provides staff support for the Commission.

II. Development and Overview of the National Strategy 2011

The Commission’s purpose is to “improve the financial literacy and education of persons in the United States through development of a national strategy to promote financial literacy and education” (Title V, sec. 513). The Commission’s principal duties include

- encouraging government and private sector efforts to promote financial literacy;
- coordinating financial education efforts of the federal government;
- developing a national strategy to promote financial education;
- establishing a national financial education Web site to provide a coordinated point of entry for information about federal financial literacy and education programs and grants; and
- establishing a toll-free hotline available to members of the public seeking information about issues pertaining to financial literacy and education.

To comply with the directive to “develop a national strategy to promote basic financial literacy and education among all American consumers,” “coordinate federal efforts,” and “promote basic financial literacy and education,” the Treasury Department worked with the Commission members and, in 2006, issued *Taking Ownership of the Future: The National Strategy for Financial Literacy*. The strategy reviewed the progress toward financial literacy at that time and proposed calls to action, which were implemented between 2006 and 2009.

2 The Dodd–Frank Wall Street Reform and Consumer Protection Act created the Bureau of Consumer Financial Protection, which is often referred to as the Consumer Financial Protection Bureau or CFPB.

Implementation Plan 2011

In July 2009, the Treasury Department convened a special Commission meeting to review the Commission's approach to carrying out its purpose and role. As part of that process, Commission members set up the National Strategy Working Group (NSWG) to craft a new national strategy, *Promoting Financial Success in the United States: National Strategy for Financial Literacy 2011*.

Over the ensuing months, the NSWG reviewed strategic documents from other nations and other agencies as well as received input from a wide range of stakeholders in the field of financial education.

As part of this process to develop the National Strategy 2011, the Treasury Department, on behalf of the Commission, published a request for comments in the *Federal Register* on September 3, 2010. There were 69 unique responses to the *Federal Register* notice, with responses coming from nonprofit organizations, private businesses, trade associations, private citizens, and the public sector—mostly from state-level officials. Representatives from three foreign nations also provided comments.

Comments showed significant support for the National Strategy 2011's vision, mission, goals, and objectives:

- Eighty-nine percent of the respondents agreed with the vision.
- Eighty-seven percent agreed with the mission.
- Eighty-one percent agreed with the goals.
- Ninety-four percent agreed with the objectives.

The NSWG considered all the comments and revised the National Strategy 2011 to enhance its clarity and usefulness.

The National Strategy 2011 provides a road map for organizations that offer financial education and sets goals to help organizations guide the nation toward greater financial well-being. The strategy helps ensure that financial education efforts support and advance the elements of the strategy.

The NSWG established four goals and objectives for the National Strategy 2011:

1. Increase awareness of and access to effective financial education

2. Determine and integrate core financial competencies
3. Improve financial education infrastructure
4. Identify, enhance, and share effective practices

The National Strategy 2011 can be found in its entirety in Appendix A and online at www.mymoney.gov/about-us.html.

III. Responsibilities of the Financial Literacy and Education Commission as They Relate to the Implementation of the National Strategy 2011

The Commission serves three key functions in the implementation of the National Strategy 2011:

1. Promote the National Strategy 2011 widely through a variety of means, such as events, speeches, and social media, in coordination with stakeholders from the private and public sectors.
2. Provide leadership for implementation of the National Strategy 2011 by encouraging Commission members to be the first to develop action plans, measures, and evaluation mechanisms that serve as models for other organizations and by assigning each of the National Strategy goals to a Commission working group.
3. Coordinate and catalog Commission-related financial literacy and education activities, and encourage enhancements and new opportunities.

IV. Implementation of the National Strategy 2011

The implementation of the National Strategy 2011 will be conducted by three sets of entities:

1. The Commission as a whole, including teams of member agencies focused on common outcomes.
2. Commission member entities individually.
3. Other entities, including federal agencies that are not

Implementation Plan 2011

Commission members; state, local and tribal governments; and nongovernmental entities (which include businesses, nonprofit organizations, associations, and educational institutions).

The following are details on implementing the National Strategy 2011, focusing principally on the Commission and the federal entities that compose it.

The Commission

During 2011-2012, the Commission will focus on taking actions that align with the three key functions mentioned in Section III of this document. These actions are designed to implement and coordinate financial literacy and education programs and activities on a federal level, consistent with the goals identified in the National Strategy 2011.

As part of its first function to promote the National Strategy 2011, the Commission will increase communication among federal agencies, improve strategic partnerships, and develop stronger collaborations with the President's Advisory Council on Financial Capability (PACFC) and the National Financial Education Network for State and Local Governments. Additionally, the Commission will work to identify and foster public-private partnerships that will help increase awareness of financial education issues and encourage the exchange of ideas and information between the two sectors. Through this effort, the Commission also hopes to promote the understanding and usage of the financial core competencies.

The Commission's second function is to provide leadership in implementing the National Strategy 2011 by encouraging its members to develop specific action plans and evaluation measures. The Commission will encourage the members to focus on activities that most closely align with their respective missions, constituencies, and expertise to best use limited federal resources.

The Commission will encourage members to use an evaluative approach that results in measurable outcomes and actions in the development of their respective implementation plans, such as the Quality Function Deployment (QFD) technique. Originally used in commercial settings,

the technique has been adapted for use in any type of planning process, including in government. The QFD technique assesses the relative priority of an outcome, the rate of improvement needed to achieve the desired target level, and the incremental public benefit that would occur if the outcome were achieved. Commission members are free to use alternative approaches to develop their plans but are encouraged to focus on measurable outcomes. The Treasury Department will organize workshops, as discussed in the next section, to help members create evaluative approaches.

The Commission believes that an evaluative approach, such as QFD, will benefit the National Strategy 2011 implementation process by

- enabling members to better focus on the outcomes of their financial literacy and education efforts that are best suited to their respective missions, priorities, and resources; find the best strategies to accomplish those outcomes; develop the proper mix of programs to execute the strategies; and ultimately measure the right things at the right time to accurately assess performance.
- facilitating common outcomes among members' financial literacy and education programs and activities that allow them to leverage the resources available to them in a more efficient manner and identifying opportunities for coordination at both the national and regional office levels.
- helping to assess whether financial literacy and education programs and activities actually change public awareness, knowledge, behavior, or other outcomes.

Another strategy that the Commission will employ to implement the National Strategy 2011 at the federal level is assigning each of the National Strategy 2011 goals to a Commission working group. For each goal, the responsible working group will develop a plan of federal action, along with corresponding metrics. Working groups are expected to consult with one another or with the full Commission to ensure that these plans are inclusive and realistic. Following is a list of the Commission working groups, their missions, and the National Strategy 2011 goal(s) for which they will be responsible:

Implementation Plan 2011

- The **Outreach and Communications Working Group**'s mission is to manage and promote the Commission's communications, including the MyMoney.gov Web site, and it is best positioned to identify specific steps to disseminate and promote the National Strategy 2011 among federal and nonfederal stakeholders. This working group is responsible for developing a plan for federal action on goal one: increase awareness of and access to effective financial education.
- The **Core Competency Working Group**'s mission is to provide national leadership for the development of financial core competencies, which are a basic set of knowledge and skills that people need at various ages and life events in order to make informed financial decisions. This working group is responsible for developing a plan for federal action on goal two: determine and integrate core financial competencies.
- The **Research and Evaluation Working Group**'s mission is to encourage multidisciplinary research and evaluation to improve financial literacy and education. This working group is responsible for developing a plan for federal action on goal four: identify, enhance, and share effective practices.
- The **National Strategy Working Group**'s mission is to direct the development and implementation of the strategy for financial literacy. As part of the implementation plan, the name of the current National Strategy Working Group will become the National Strategy Implementation Working Group, with responsibility for coordinating the efforts of all the working groups in support of the National Strategy implementation.
- The **Financial Access Working Group**'s mission is to integrate financial access efforts³ into existing federal financial education efforts and other federal programs that serve low- and moderate-income individuals as well as coordinate and maximize federal

3 Financial access is the availability and use of fair, safe, and affordable basic transaction and savings accounts and related basic financial services to help low- and moderate-income individuals reduce expenses and build assets.

efforts to promote financial access for unbanked and underbanked individuals. This working group is responsible for developing a plan for federal action on goal three: improve financial education infrastructure.

If needed, the Commission may form additional working groups to assist in the implementation of the National Strategy.

The Commission's third function is to catalog Commission-related financial literacy and education activities and encourage coordination and new opportunities. The Commission will assess the range of federal financial literacy and education programs, activities, and resources and group them in ways that are easy to understand and accessible by the general public. This process will help the Commission identify possible areas of duplication, fragmentation, and gaps. The basis for this assessment will be the 2011 *Strategy for Assuring Financial Empowerment* (SAFE) report, submitted to Congress on April 12, 2011, and the *Federal Financial and Economic Literacy Programs, 2009* report produced by the Rand Corporation for the Treasury Department. These reports were compiled by surveying Commission members during the past two years.

To stay current, the Commission intends to produce similar reports in years to come. Future surveys of Commission members will request that they describe their financial literacy and education programs and how they relate to one or more of the National Strategy 2011 goals. Emphasis will be placed on the Commission members' identification of goals, outcomes, performance measures, and any evaluative activities for those programs. The resulting inventory of Commission members' financial literacy and education programs will be updated at least once a year and will be made available on the Commission's Web site, www.MyMoney.gov.

The Commission will also establish a clear, standardized definition of what constitutes a federal financial literacy and education program that facilitates consistency across agencies in future Commission inventories.

In addition, the Commission will work on establishing a mechanism in which organizations can report the implementation of financial literacy and education initiatives related to the National Strategy 2011 and share accomplishments and best practices.

The Entities That Compose the Commission

The Commission recognizes that its members conduct a variety of financial literacy and education programs and activities that depend on the nature of their respective missions, constituencies, and resources.

The Commission will ask the members to develop their own agency-specific action plans for the implementation of the National Strategy 2011. Although there may be different approaches to implementing the National Strategy based on agencies' resources and levels of engagement, the Commission believes that an evaluative approach, such as the QFD technique mentioned earlier, would be effective in transforming actions into measurable results.

The Departments of Treasury and Education are taking the lead in developing implementation plans using the QFD technique. For example, the Treasury Department has organized a series of workshops including its bureaus and other relevant divisions to collectively brainstorm and determine outcomes, strategies, and measures based on one or more goals in the National Strategy 2011. Once the Treasury Department develops its plan, it will share the plan with the Commission members as an example. Additionally, to facilitate this process, the Treasury Department will help member agencies to develop activities and plans that support the National Strategy (for example, one-on-one discussions, planned workshops, and facilitated sessions on developing activities that involve multiple agencies). The Treasury Department will be organizing workshops on action plan development for Commission members beginning in the fourth quarter of 2011.

Non - Commission Entities

It is the hope of the Commission that other entities—federal entities that are not members of the Commission; state, local and tribal governments; private businesses; nonprofit organizations; and educational institutions—will do their part to implement the National Strategy 2011. The Commission recognizes that these groups vary in the nature and scope of their financial literacy and education programs and activities. In the early years of implementation of the National Strategy 2011, the Commission's focus with non-Commission entities will be to share information and best practices.

As noted above, the Commission and its members intend to promote the National Strategy 2011 among these entities and partner with them when possible and appropriate. Two critical links between the Commission and the field are PACFC and the National Financial Education Network of State and Local Governments. Another point of interaction with non-Commission entities will be with those that perform financial literacy activities with funding from the U.S. government.

In particular, Commission member agencies should encourage their partners and grantees, including state, local, and tribal governments and nonprofit organizations, to develop implementation plans that relate to the National Strategy 2011 for their own activities or otherwise implement portions of the National Strategy. For example, institutions of higher education can develop approaches to promote best practices in financial education through community partnerships (goal 3: improve financial education infrastructure) as well as conduct research into effective approaches (goal 4: identify, enhance, and share effective practices).

Finally, as mentioned above, the Commission is working to develop mechanisms and venues to help facilitate the sharing of information and local collaborations among non-Commission entities.

Below are a few examples of how non-Commission entities could implement the National Strategy 2011. These examples are not exclusive to nonfederal entities; similar opportunities may exist for Commission members as well.

Implementation Plan 2011

- A nonprofit organization provides financial education classes reviews its curriculum and makes revisions based on the core competencies.
- A foundation supports a local university to evaluate the impact of a private financial education provider's program.
- A bank establishes a school savings and financial education program in a predominantly low- and moderate-income neighborhood.
- A company provides easy-to-use resources, tools, and Web links for employees about benefits and financial education.
- A Volunteer Income Tax Assistance (VITA) site provider includes savings education and encourages taxpayers to take advantage of the savings bond option on their tax returns.

V. Anticipated Accomplishments in 2011–2013

The Commission will

- establish a clear, standardized definition of what constitutes a federal financial literacy and education program and what constitutes an activity that supports or promotes financial literacy and education.
- complete preliminary plans for federal action on the four goals in the National Strategy 2011, post those plans on MyMoney.gov, and report progress to the public.
- hold one or more action plan development workshops for Commission members. As plans are released by members, the Commission will highlight them at public Commission meetings and post them on MyMoney.gov.
- develop action steps for improving coordination of activities among member agencies and establish a centralized inventory of the Commission members' financial literacy and education resources dedicated to those programs, program performance goals

and measures toward achieving those goals, related research and evaluations, and agency-related expertise.

- develop plans for facilitating information-sharing and collaborations among nonmember entities.
- outline implementation strategies for subsequent years.

VI. Preliminary Measurements of Success

The Commission strongly believes that it is important to set goals for financial literacy and education programs and develop and track measures toward achieving those goals. Given the various missions and approaches of member agencies and the non-Commission entities, these goals will vary and may focus on awareness, satisfaction, knowledge, behaviors, and financial outcomes. Further, the member agencies and non-Commission entities may focus on one goal or several goals depending on the nature of their respective missions, constituencies, expertise, and resources. The Commission will work to recommend consistent measures for federal financial literacy and education activities and programs that are similar in nature and scope.

As part of the individual agency action plans, the Commission member agencies will develop measurable goals and evaluate and track progress toward those goals. The Commission is aware that goals and measures will vary and that it may take time to demonstrate measurable outcomes of some programs and activities.

In 2011–2013 the Commission will measure success based on the following:

- The number of Commission members that develop an action plan for the implementation of the National Strategy 2011. For example, the target may be that at least 10 member agencies will develop action plans by the end of 2012.
- The number of state, local, and tribal governmental entities that develop and share their implementation plans with the Commission based on one or more goals of the National Strategy 2011.

Implementation Plan 2011

- The number of nonprofit organizations, private businesses, educational institutions, and other entities that develop and share with the Commission an implementation plan based on one or more goals of the National Strategy 2011.
- The number of federal financial literacy and education programs, activities, and resources (meeting the new definition) that have clear and measurable goals and measures and processes for evaluation.⁴
- The number of coordinated financial literacy and education program and activities conducted by a partnership of Commission members and others.
- The number of federal financial literacy and education programs, activities, and resources that have been catalogued on MyMoney.gov.

The Commission will report on goals and performance measures reported by members in their respective implementation plans. Additional measures may be added in subsequent years as more detailed plans are developed and implemented at the level of the Commission, the members of the Commission, and nonfederal governmental entities.

⁴ While the Commission does not make programmatic decisions, it will encourage evaluation at the program level.



Financial Literacy and Education Commission
www.mymoney.gov