



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

November 25, 2008

Dear colleague,

For years the financial literacy movement has primarily focused on educating the individual on how to use basic concepts of personal finance to better manage his or her money. While progress has been made in raising awareness, establishing programs and building infrastructure, there is still much more to do. In particular, many of us are still working on increasing the effectiveness and impact of financial literacy programs. Some of these efforts involve advocating for more and better program evaluation as well as promoting more research in the field of personal finance education. While these are important efforts, they may prove to be missing an essential element. That is why I am writing to propose a fresh approach and to invite you to explore it with us.

Most financial education programs offer lessons focused on an individual consumer and on improving his or her ability to understand and apply financial concepts *as an individual*. The problem with this approach is that most American adults live in households of more than one. Therefore when the participant in the financial education program goes home to apply what he or she has learned, the lesson will frequently sound better in the seminar, brochure or web site than it will work in the home where other members of the family add their own priorities, thoughts and feelings about money and its management. The result is that this knowledge often doesn't get applied to the family finances and only goes to frustrate the knowledgeable member of the family who now *knows* better, but can't *do* better financially for his or her family.

Of course the consequences of this are not only financial. Not surprisingly, family conflict over money can and does flow directly from this situation, which undoubtedly lends credence to the widely held belief that money disputes are one of the leading contributors to divorce in the United States.

All of this is to support the following hypothesis: regardless of the technical soundness of the lessons we produce or how creatively we present them, financial education for most adult Americans may always be limited in its practical effectiveness because it forgets to address the family. The cost of this limitation is both financial and social, and potentially substantial on both measures. My years in this and related fields tell me both that this is an important issue and that there are a number of promising approaches to begin to address it. Through my work in this new field I have come to call it "relationship finance," but others may have different terms to address the same set of topics.

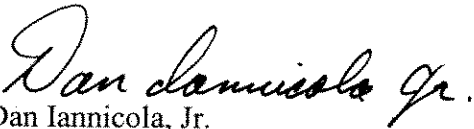
To advance the development of the field of relationship finance, we invite you to a special conference which will take place at the Department of Treasury in Washington, DC on Wednesday, January 14, 2009 from 10:00AM-4:00PM. A tentative agenda will

follow in early December, but we encourage you to save the date and make arrangements to attend soon.

To register please see the instructions below and respond by December 18, 2008. Early indications are that this event will be well attended and space is limited, so if you register and later find out you cannot make it, please let us know so we can give your seat to someone on the wait list. Please note the regular meeting of the Financial Literacy and Education Commission will take place the following day, Thursday, January 15 at 10:00 AM at Treasury, so please indicate if you would like to register for both events simultaneously.

Best wishes for a wonderful holiday season and we hope to see you in January.

Sincerely,



Dan Iannicola, Jr.  
Deputy Assistant Secretary for Financial Education  
US Department of Treasury

**Registration instructions:**

*Please provide the following information by December 18, 2008: full name, organization, phone number, Social Security number, date of birth and country of citizenship (if other than U.S.). Information may be submitted by email to [FinancialEd@do.treas.gov](mailto:FinancialEd@do.treas.gov) with subject line "Relationship Finance Summit." Please also indicate if you would like to attend the Financial Literacy and Education Commission meeting the following day. If you have further questions, please contact Tom Kurek at [thomas.kurek@do.treas.gov](mailto:thomas.kurek@do.treas.gov) or 202-622-0204.*