

UNITED STATES DEPARTMENT OF THE TREASURY

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PRESIDENT'S ADVISORY COUNCIL ON FINANCIAL
LITERACY

+ + + + +

FOURTH PUBLIC MEETING

+ + + + +

TUESDAY,
JULY 29, 2008

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The Advisory Council convened via teleconference at 2:00 p.m., Charles R. Schwab Chairman, presiding.

PRESENT:

- CHARLES R. SCHWAB, Charles Schwab Corporation,
Chairman
- JOHN BRYANT, Operation HOPE, Inc., Vice
Chairman
- DAN IANNICOLA, Executive Director of the
Committee
- TED BECK, National Endowment for Financial
Education
- THEODORE R. DANIELS, Society for Financial
Education and Professional Development
- VADM CUTLER DAWSON, Navy Federal Credit Union
- DR. ROBERT DUVALL, National Council on
Economic Education
- SHARON LECHTER, Lechter Development Group
- REV. DR. ROBERT LEE, FreshMinistries, Inc.
- LAURA LEVINE, Jump\$tart Coalition for Personal
Financial Literacy

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PRESENT - (Continued):

DAVID MANCL, Office of Financial Literacy of
the Wisconsin Department of Financial
Institutions

DON MCGRATH, Bancwest Corporation

JANET PARKER, Society of Human Resource
Management

IGNACIO SALAZAR, SER-Jobs for Progress
National, Inc.

MARY SCHAPIRO, Financial Industry Regulatory
Authority

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1 P-R-O-C-E-E-D-I-N-G-S

2 2:03 p.m.

3 MR. IANNICOLA: Thank you. Welcome
4 to everyone on the line. My name is Dan
5 Iannicola, the Deputy Assistant Secretary for
6 Financial Education here at Treasury, and the
7 Executive Director of the President's Advisory
8 Council on Financial Literacy.

9 Today on the phone is the
10 President's Council, and this is the fourth
11 meeting of the Council, our second by phone.
12 We would like to ask the Council members if
13 they'd place their phones on mute, unless you
14 are presenting or otherwise speaking, and
15 thank you for that.

16 As a reminder, all the proposals
17 and reports from today's calls are posted for
18 the public at treas.gov/ofe, that's
19 treas.gov/ofe, for Office of Financial
20 Education, just look under the link entitled
21 President's Advisory Council and then go to
22 the reference materials. Under reference

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1 materials you will find the documents for
2 today's meeting, so the public listening in
3 can have access to all the documents the
4 Council members have.

5 At this time, I'd like to turn over
6 the meeting to our Chair, Mr. Charles Schwab.

7 Mr. Chairman.

8 CHAIRMAN SCHWAB: Thank you, Dan,
9 and good morning to those on the West Coast,
10 and good afternoon for those on the East
11 Coast.

12 I would like to welcome also the
13 members of the public who are with us, and
14 Government officials and of course, welcome
15 our Council members.

16 I would like to begin the meeting
17 with a roll call of our Council members, and
18 as I mention your name just please indicate
19 that you are with us. Of course, if you are
20 not there I won't hear anything, so that will
21 be just fine.

22 So, I'd like to introduce first our

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1 Vice Chair, John Bryant of Operation Hope.

2 VICE CHAIRMAN BRYANT: Here.

3 CHAIRMAN SCHWAB: Ted Beck, with
4 the National Endowment for Financial
5 Education.

6 MR. BECK: Here.

7 CHAIRMAN SCHWAB: Ted Daniels, with
8 the Society for Financial Education and
9 Professional Development.

10 MR. DANIELS: Here.

11 CHAIRMAN SCHWAB: Vice Admiral
12 Cutler Dawson, with the Navy Federal Credit
13 Union.

14 VICE ADMIRAL DAWSON: Here.

15 CHAIRMAN SCHWAB: Dr. Bob Duvall,
16 with the National Council on Economic
17 Education.

18 DR. DUVALL: Here.

19 CHAIRMAN SCHWAB: Thank you.

20 Sharon Lechter, of Lechter
21 Development Group.

22 MS. LECHTER: Here.

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1 CHAIRMAN SCHWAB: Dr. Reverend
2 Robert Lee, with the FreshMinistries.

3 DR. LEE: Here.

4 CHAIRMAN SCHWAB: Laura Levine,
5 Jump Start Coalition for Personal Financial
6 Literacy.

7 MS. LEVINE: Here.

8 CHAIRMAN SCHWAB: David Mancl,
9 Office of Financial Literacy, of the
10 Wisconsin Department of Financial
11 Institutions.

12 MR. MANCL: Here.

13 CHAIRMAN SCHWAB: Don McGrath, with
14 the Bank of the West.

15 MR. McGRATH: Here.

16 CHAIRMAN SCHWAB: Janet Parker,
17 Society of Human Resource Management.

18 MS. PARKER: Here.

19 CHAIRMAN SCHWAB: Okay, thank you.
20 Ignacio Salazar, with the SER
21 National Group.

22 MR. SALAZAR: Here.

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1 CHAIRMAN SCHWAB: Mary Schapiro,
2 with the Financial Industry Regulatory
3 Authority.

4 MS. SCHAPIRO: I'm here.

5 CHAIRMAN SCHWAB: Good afternoon.

6 Anyway, thank you everyone who is
7 with us today, and I want to mention that
8 Council Member Dr. Hira, of Iowa State, and
9 Jack Kosakowski, are both out of the country
10 and could not join us today. So, let me pause
11 for one second here and make sure we have a
12 clear line.

13 Dan, do we think we need to call *0
14 to get some assistance on -- it seems like
15 there is someone --

16 MR. IANNICOLA: Yes, it does seem
17 like -- the individual who has been speaking,
18 you are on a conference call, if you could
19 please mute your phone. Let's try to soldier
20 on, and if it gets worse we'll pound out and
21 try to do that.

22 CHAIRMAN SCHWAB: Okay, *0 is what

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1 you need to dial.

2 MR. IANNICOLA: *0? Thank you.

3 CHAIRMAN SCHWAB: We have a lot of
4 ground to cover today, so let's get started
5 with it.

6 Dan, could you please cover our
7 format for today's meeting?

8 MR. IANNICOLA: Thank you.

9 All right. Thank you, Mr.
10 Chairman. Each of the Council's committees
11 will take up to ten minutes to report on its
12 work and offer any proposal for the Council's
13 consideration.

14 A quick comment for our
15 stenographer on the line, if at any time you
16 cannot understand a comment made by a Council
17 member, please let us know, and at the same
18 time to our Council members, we ask that you
19 please identify yourself each time you speak,
20 so our stenographer and the public can
21 correctly identify who the comment is being
22 made by.

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1 So, with those as our ground rules,
2 I will turn the floor back over to the
3 Chairman to get through our full agenda.

4 CHAIRMAN SCHWAB: Thank you, Dan.

5 As a reminder, at our June meeting
6 in Washington the Council heard a tremendous
7 amount of feedback that was recently received
8 from the general public, and this is critical
9 input and we take it very seriously, as well
10 as what we learn from experts we talk to as we
11 have meetings and other kinds of discussions,
12 personal sessions that we do. And, certainly
13 ideas help formulate the Council's annual
14 report, which we will be working on very
15 shortly, which we will be providing to the
16 President. I don't know what our due date is,
17 to the President, on the work that we've been
18 doing through this year.

19 The annual report to the President
20 is a requirement of our Charter, and, of
21 course, it will be a major area of focus for
22 the Council in the next three months. We will

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1 be putting in place a process to work on this
2 report, all our Council members. We are
3 putting in place a process to work on the
4 report right now. Ideally, we will have a
5 draft report for the Council to review and
6 discuss at our October meeting, after which it
7 certainly will be finalized and submissions
8 and revisions and so forth will be done by
9 members of the Council.

10 I know the Outreach Committee, one
11 of our key committees here in our Council's
12 work, has been thinking about ways to gather
13 more feedback from the public, to help our
14 thinking as we prepare this report, so I would
15 like to begin our meeting today by asking our
16 Outreach Committee Chair, Ted Beck, to tell us
17 more about their plans and anything else the
18 committee is up to.

19 Ted?

20 MR. BECK: Thank you, Mr. Chair.

21 First of all, I'd like to recognize
22 our committee members for their efforts in

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1 supporting the Council's activities. the
2 committee members include John Bryant, Laura
3 Levine, Dr. Robert Lee, and Sharon Lechter.

4 I'm going to report on four areas
5 of recent activity. Probably the most
6 interesting one and most important one is
7 following up on your comments, Mr. Chairman,
8 about the importance of listening sessions,
9 and that we continue to reach out to the
10 community to get their input on what the
11 President's Council should be focused on.

12 We have actually developed two
13 types of listening sessions, a general
14 listening session and also a town hall
15 meeting, and the committee has developed a
16 framework on how to document each of these
17 events, and how to go about holding them.

18 I'm also pleased to announce that
19 two of our Council members had actually
20 scheduled listening sessions. Dave Mancl will
21 be reporting out in a second on a session he
22 is holding -- we are sponsoring in Chicago on

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1 August 7th -- and also Ted Daniels is
2 sponsoring a session in Washington on October
3 8th.

4 David, if I could ask you to talk
5 about the meeting in Chicago.

6 MR. MANCL: Sure, thank you, Ted.

7 On August 7th, we'll hold the first
8 of these listening sessions at the Federal
9 Reserve Bank of Chicago. This will be held in
10 conjunction with the National Institute of
11 Financial and Economic Literacy, which is a
12 longstanding training program for educators.

13 So, we will have about 50 educators
14 from the Midwest and other regions of the
15 country participating, and an invitation that
16 has more details will be sent to the Council
17 members very soon, and I welcome and encourage
18 your participation.

19 I'd like to thank the Chicago Fed
20 and the organizers of the National Institute
21 of Financial and Economic Literacy for hosting
22 the event, and thank you to Dan, and to Ed at

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1 the Treasury, and to Ted and the Outreach
2 Committee for designing these listening
3 sessions, and really providing some engaging
4 questions. So, we really expect to learn a
5 lot from the session.

6 MR. BECK: Thank you, David.

7 Ted, could I ask you to talk about
8 the meeting in October?

9 MR. DANIELS: Okay, thank you, Ted.

10 We plan to have a Financial
11 Literacy Leadership Conference on the 8th of
12 October here in Washington, D.C., and also
13 celebrate our 10th anniversary.

14 As a part of that, we would have a
15 luncheon at 12:00 noon that day, and
16 following that luncheon we would have a
17 listening session, where we would like to have
18 members of the Council to be there to hear
19 from the public.

20 We anticipate about 150 persons,
21 that's what we want to try to gather for that
22 event. Once we finish the listening session,

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1 we are going to have some workshops covering
2 various aspects of financial literacy. One
3 will be, initially, the strategies to re-
4 energize home ownership. A second workshop
5 would be initiatives and strategies to provide
6 financial education to minority groups. The
7 third one would be initiatives and strategies
8 to increase savings and retirement plan
9 participation. And the fourth one would be
10 initiatives and strategies of the Federal,
11 state and local government entities, and their
12 involvement in financial education.

13 So, those are the workshops we are
14 going to have, the luncheon, and the listening
15 session. So, we are excited about it. It's
16 going to be at the Gaylord Convention Center,
17 Resort and Convention Center here in
18 Washington, D.C. We plan to send out
19 invitations to all the Council members and the
20 general public at large.

21 MR. BECK: Okay, thank you, Ted.

22 I'd also like to report that we

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1 have at least two other listening sessions
2 that are in the development stages right now,
3 then we'll let the Council members know about
4 it as they firm up a bit.

5 Procedurally, on listening sessions
6 or town hall meetings, which is the other
7 format that's been developed, just a couple of
8 comments. If any Council member is interested
9 in the outlines of how to put those programs
10 together, or suggestions that the Outreach
11 Committee has developed, please let me know, I
12 will be happy to get those to you.

13 In addition, anyone who is planning
14 a session like this, we would ask that you
15 coordinate information on dates and locations
16 with the Outreach Committee by contacting me.

17 We will make sure that we coordinate those
18 activities with Treasury, to make sure all
19 Council members are informed on the additional
20 scheduled events.

21 So, that's the update on listening
22 sessions and town hall. I have a couple of

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1 other quick comments.

2 We have also developed a program on
3 media outreach that we are putting the final
4 touches on now, and we'll keep the committee
5 informed, or the Council informed on going
6 forward.

7 As a portion of that, we are
8 working closely with the Chairman's office to
9 develop a process for distributing press
10 releases on Council activities and initiatives
11 that will be distributed in a timely and
12 organized fashion. Our goal is to make sure
13 that we make sure all Council members are
14 fully aware of press releases that might be
15 going out, and that we do that in a combined
16 effort.

17 We are also making sure that we try
18 to gather from different Council members
19 specific media context that you have. If you
20 have people that you would like to reach out
21 to on behalf of the Council, we would like to
22 get that information so that we can coordinate

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1 that, so any Council member that would like to
2 share those names of people they would be
3 willing to contact to promote Council
4 activities, if you could let us know. We've
5 actually developed a spreadsheet to gather
6 that information, and several Council members
7 have already provided us with that
8 information. We would ask that other Council
9 members that are interested give us that
10 information as soon as possible.

11 One other activity that the
12 Outreach Committee is very interested in is a
13 new activity that we have been discussing and
14 plan on reporting out to the Council in total
15 in the future, and that's the concept of
16 developing a financial check-up that would be
17 available to the entire public, and the idea
18 would be a short five to ten question check-up
19 that people could self-administer, and then if
20 they felt they were weak in any of those areas
21 there would be a series of back-up information
22 that could be provided to them from various

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1 other Council or government resources.

2 We feel that this could be an
3 exceptionally effective way to reach large
4 amounts of the American public, and we will be
5 working on that over the next several weeks.

6 We have also made contact with the
7 Research Subcommittee, to make sure that we
8 coordinate efforts here. We think the concept
9 of an annual financial check up sponsored by
10 the Council could be a very effective tool,
11 and a significant resource to the public going
12 forward, and are quite excited to be working
13 on that concept. That is a new idea that we
14 are presenting today.

15 The last item I have is, in our
16 last discussion on June 18th, we put forward a
17 proposal to develop a website, and just
18 reporting to Treasury, we've had several
19 discussions with their website legal teams
20 that are currently evaluating next steps on
21 these discussions. As developments take place
22 there we will report back to the Council.

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1 That ends my report, unless there
2 are questions.

3 CHAIRMAN SCHWAB: Thank you, Ted.
4 That was very well received, I'm sure. I
5 particularly want to thank both David and Ted
6 Daniels for their notice here to everyone, the
7 public included, about their events that will
8 be in Washington as well as Chicago. I'm sure
9 our website will have those dates, and times,
10 and locations, so if someone wants to refer to
11 those and can attend those meetings, please do
12 so.

13 I particularly want to thank you,
14 Ted, for, I think this is a great idea, this
15 financial check-up thing. I know you are just
16 beginning work on that, but it sounds like a
17 pretty exciting way and it sounds like it's
18 going to be simple and straightforward. So,
19 any member of the public can take that, and
20 then, of course, if they come up with
21 questions that they are not completely
22 comfortable with, then probably direct them to

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1 ways that they can get further education or
2 literacy about the questions that they have
3 some questions about.

4 If there are no other questions for
5 Ted -- if there are, please -- are there
6 questions for the Outreach Committee? I would
7 entertain those questions now.

8 Being none, I will turn our
9 attention now to the Research Committee. As I
10 mentioned, Dr. Hira is out of the country, so
11 representing the committee today is our
12 Council member Don McGrath. Don, are you
13 available for that report?

14 MR. McGRATH: Thank you, Mr.
15 Chairman, and as you mentioned Dr. Hira is out
16 of the country. The committee is made up of
17 myself, Robert Duvall, Mary Schapiro. Lucky
18 for me, it's a relatively short report this
19 month.

20 Last time, we had a proposal, which
21 the Council accepted, and Dr. Hira has been
22 reaching out, both with committee members and

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1 the members of academia, trying to get more
2 information on the two components of that
3 proposal, which is the critical content and
4 research gap section.

5 Those comments were due back on
6 July 20th. She told me she is confident that
7 she would have them summarized and available
8 for our next meeting.

9 So, there are no proposals from the
10 Research Committee at this time, and that ends
11 the report.

12 CHAIRMAN SCHWAB: Okay.

13 MR. McGRATH: The only other thing
14 to comment on is the announcement, on July 7th
15 the Treasury would be working with Vera, I'm
16 sorry, on the survey which we've talked about
17 before, and we are all excited about the
18 prospect of the adult literacy -- that will be
19 forthcoming in early 2009.

20 CHAIRMAN SCHWAB: Terrific, well,
21 thank you, Don.

22 Are there any questions for Don or

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1 any part of the workings of the Research
2 Committee?

3 Well, hearing none right now, I
4 want to turn to our next report, to our
5 Council Vice Chair, Mr. John Bryant. John is
6 our Chair of the Underserved Committee, and I
7 know they've been up to a lot of work, and so
8 I'd like to give the speaker here to John to
9 give us an update on the activities of that
10 committee.

11 VICE CHAIRMAN BRYANT: Thank you,
12 Chairman Schwab.

13 Before I start, I want to commend
14 the Treasury's Office of Financial Education
15 staff, Dan and his team, on increasingly
16 making our work seamless, and moving the
17 workings of this agenda forward. We all know
18 the importance of having great team staff, and
19 we want to commend them for the work that they
20 oftentimes don't get credit for doing.

21 Jumping into the committee report,
22 I want to acknowledge the committee members as

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1 I call their names to provide a report, a
2 brief report out, they have done an
3 extraordinary job in an extraordinarily
4 limited amount of time. I also want to
5 acknowledge our advisors to the committee, the
6 great Carrie Schwab-Pomerantz who has been
7 with us since the beginning, very beginning,
8 and is here with us today, and the U.S.
9 Treasurer of the United States, Anna Cabral,
10 who has been an active participant.

11 I'd like to turn now with regard to
12 the model cities and model states proposal,
13 it's not in a proposal today, but it's
14 something we are working on. I'd like to turn
15 to Sharon Lechter, who we all know is the co-
16 author of the *Rich Dad, Poor Dad* series, and
17 is brilliant in many ways, and she's been very
18 effective in moving this forward.

19 After that, the Reverend Dr. Robert
20 Lee will report on model states, Sharon
21 Lechter on model cities.

22 MS. LECHTER: Well, thank you,

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1 John. Yes, this is Sharon Lechter, and we are
2 moving forward in creating a method to
3 acknowledge and recognize the city governments
4 that are taking on the charge of financial
5 education and financial literacy training for,
6 not only their citizens, but their employees
7 as well.

8 Obviously, we are in a time of
9 economic crisis at every level of our economy,
10 including state and local governments, and so
11 by encouraging them to take on the charge of
12 financial education, not only will they help
13 improve the lives of their citizens, but they
14 will also help improve the budgets of the
15 individual cities and states.

16 Reverend Lee and I are both working
17 hard on that initiative. I have been in
18 contact with the National League of Cities and
19 am very hopeful that we will have a
20 collaborative effort to recognize what the
21 National League of Cities is already
22 undertaking, and acknowledge them for their

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1 efforts in this area to collaborate with them
2 and create a way for us to recognize those
3 cities that are already involved in financial
4 education programs, and also encourage mayors
5 and city governments to take on the five
6 initiatives that the Council is currently
7 involved in, and helping us spread this word
8 and give us the tools to acknowledge them for
9 their efforts in that area, and hope that we
10 will actually have a plan of action that will
11 be a collaborative effort, public/private
12 partnership, that we can present in October
13 at our meeting.

14 VICE CHAIRMAN BRYANT: We have a
15 lot of interest in the National Council of
16 Black Mayors and others, who have expressed
17 strong interest here. So, we are grateful for
18 Sharon, good job there.

19 I'd like to turn now to the
20 Reverend Dr. Robert Lee, for his report on
21 model states.

22 DR. LEE: Thank you, John, and all

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1 of you, and greetings from Canterbury,
2 England, where I am at the moment. It's
3 beautiful over here.

4 But, we've -- as Sharon said, we've
5 been working hard both on model cities and
6 model states. I have been working in the
7 State of Florida with the governor and the
8 governor's office there. I've got a meeting
9 next month, excuse me, next week with them,
10 pulling everybody together to take a look at
11 the outline that we've created a little over a
12 month ago, I guess going on two months ago
13 now, see what they can add or take away.

14 We have also been in contact with
15 many of the states who have shown interest in
16 the President's Council for Financial
17 Literacy, and have actually started to receive
18 a lot of information back from them with
19 regard to what works, what doesn't work, and
20 suggestions that they may have. And,
21 following on some relationships that John
22 Bryant built with the National Governors

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1 Association, we have been in contact with the
2 NGA and will be meeting with them to try and
3 get five states to lead with the model state
4 program when we get this thing finally put to
5 bed and formalized.

6 It's actually -- I will say that
7 it's heartening what we are getting. There are
8 a lot of states doing a lot of things, and
9 what we are doing is collecting the data,
10 seeing where there is crossover - and there is
11 quite a bit- and seeing where we can get new
12 ideas.

13 Also, we are working with the Pilot
14 Cities Program in Jacksonville, and the State
15 of Florida, to gather all the things that they
16 are doing and incorporate them back into our
17 proposed model state program, the bottom line
18 being that what we are doing is ascertaining
19 what works, what doesn't work, both city and
20 state level, seeing how we can incorporate it
21 into a model program that we can share
22 nationwide, both in the cities and in the

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1 states, relative to those things peculiar,
2 well, to their government level.

3 So, it's coming along. We are
4 actually very heartened by all this, and we
5 are hoping to have a full report and a
6 proposal by the next meeting.

7 VICE CHAIRMAN BRYANT: So, we
8 should be ready to move on something
9 specific, from what I'm hearing, before or by
10 the October meeting on both model cities and
11 model states. Is that correct, Sharon and
12 Reverend Lee?

13 DR. LEE: That's what we are
14 shooting for, John.

15 MS. LECHTER: Yes.

16 DR. LEE: And, we're starting to
17 get information in, and being able to collect
18 it.

19 Sharon, is that a fair statement?

20 MS. LECHTER: Absolutely. I think
21 it's a fair goal, and certainly we want to
22 take the time to make sure we properly engage

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1 both the cities and the state governments, and
2 I think that's happening, and as the process
3 moves forward I think we are going to gain
4 momentum.

5 VICE CHAIRMAN BRYANT: Fantastic,
6 thank you for your report.

7 I'd like to now turn to our member
8 Ignacio Salazar. Between he and I, we both --
9 we represent not only the -- well,
10 specifically, you know, of course, the African
11 American and Latino communities' interest, but
12 also together I can honestly say we represent
13 the Native Indian community as well.

14 Ignacio Salazar, will you report on
15 the SBA office initiative?

16 MR. SALAZAR: Yes, sir, thank you
17 very much.

18 Good afternoon to all, or good
19 morning to all, whatever the case may be.

20 As was reported at our last
21 meeting, in April we received a request from
22 the Associate Administrator for the U.S.

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1 Business Administration, Anoop Prakash, to
2 have a collaboration with the President's
3 Advisory Council on Financial Literacy, with
4 SBA.

5 They were in the process of
6 establishing an Office of Entrepreneur
7 Education, and wanted to make sure that there
8 was collaboration between the Office of
9 Financial Literacy and the Office of Financial
10 Education, I should say, and within the U.S.
11 Department, and their Office of
12 Entrepreneurship that they were developing.

13 I believe that we all understand
14 that the teaching of entrepreneurship and
15 financial literacy education in classrooms in
16 America goes hand in hand, and so we feel that
17 it was -- we felt that it was necessary to
18 make sure that we have good collaboration and
19 support for their efforts, and that we are
20 complimentary in what we do across America.

21 They obviously touch the lives of
22 many entrepreneurs and youth, and we want to

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1 make sure that what we do collectively is in
2 the best interest of the general public.

3 To that end, we were looking for a
4 joint statement that would support what they
5 are doing, and make sure that we are stating
6 that we are collaborating and have a good
7 seamless system in place.

8 I understand that there is a
9 statement and a press release that has just
10 recently been approved, and that will be, I'm
11 sure, provided to the full Council in the very
12 near future for their review.

13 But that's where we stand. We
14 wanted to make sure that we are collaborating
15 and supportive, and with that we are moving
16 forward.

17 VICE CHAIRMAN BRYANT: Ignacio,
18 thank you for that great report, and,
19 actually, you are more effective than you give
20 yourself credit for. I can confirm today, and
21 I believe the SBA is at least listening to
22 this call today, the SBA Acting Administrator

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1 Carranza, and the SBA this morning issued on
2 the wire services a press release announcing
3 formally the establishment of the SBA Office
4 of Entrepreneurship Education, and let me
5 just read you the headlines.

6 "SBA Broadens Office of Business
7 and Community Initiatives to Focus on
8 Financial Literacy and Entrepreneurship
9 Education," renaming that office, the SBA
10 Office of Entrepreneurship Education, and at
11 the center of that will be a focus on
12 financial literacy, particularly, with regard
13 to underserved communities. It is a big deal.

14 It is a first time, Chairman Schwab, that a
15 federal agency has acted on the President's
16 Executive Order, the first agency to act on
17 the President's Executive Order, and I believe
18 they deserve kudos and commendations. This is
19 a very quick turnaround for a federal agency,
20 and they should be commended for their early
21 strong leadership.

22 This is not a proposal, this office

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1 is -- we approved it at the last meeting of
2 the full Council, and within 30 days they
3 stood this office up, it is an operating
4 office.

5 CHAIRMAN SCHWAB: Well,
6 congratulations, John, and, certainly,
7 Ignacio, and the work that you have all done,
8 your whole committee, and certainly getting
9 your voice in helping and encouraging the SBA
10 to move this along.

11 I haven't read the report, but it's
12 just out on the wire right now, and I'll
13 certainly read it right after this meeting,
14 John. But, congratulations again on getting
15 that accomplished.

16 MR. SALAZAR: And, thank you, John,
17 this is Ignacio, thank you, John, for your
18 support and for your office to provide me and
19 the people that worked with me all the support
20 we needed in making this happen.

21 VICE CHAIRMAN BRYANT: Well, it is
22 something I think we can be very proud of.

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1 Moving on here, the next initiative
2 is an initiative we talked about before. In
3 early March or so, it appeared that this
4 subprime crisis was going to grow, and it
5 appeared that it was, basically, in three
6 buckets. Number one, make sure it never
7 happens again, which, obviously, the President
8 charged us with helping to ensure financial
9 literacy. Number two, people who were in the
10 soup, the economic soup, to try to help them
11 get out of the soup without rewarding
12 investors or speculators, capital providers,
13 et cetera. That's obviously not our mission,
14 and there are many initiatives underfoot
15 there. And, a third thing is, to help to
16 ensure that post this crisis, post subprime
17 crisis, that reasonable individuals have
18 access to capital, access to credit. And, I
19 think it is fair to state right now that that
20 is a real question, that it is a real question
21 whether when this crisis ends whether access
22 to credit will be impeded, and unless you have

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1 an 800 credit score and 25 percent down
2 payment it might be challenging for
3 individuals, not just the poor.

4 And so, we took this on as an
5 initiative at the Underserved Committee, as
6 everybody well knows, I'm not going to recover
7 this ground, it's all documented, on May 28th
8 we held a meeting at the U.S. Department of
9 the Treasury, with a range of 60 experts, a
10 happy meeting.

11 On July 8th, FDIC Chair Sheila Bair
12 held a conference on this same topic, where I
13 spoke on behalf of the committee. And, at
14 that day some of the best practices that we
15 found on the 28th were covered, and on that
16 day endorsements were released of the
17 committee's work, which included Wells Fargo,
18 the first bank to endorse the work and to
19 commit to incorporate financial literacy into
20 the future responsible subprime lending.

21 We also wanted to send a message,
22 Chairman Schwab, that all subprime lending was

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1 not bad, that responsible subprime lending had
2 a place in the marketplace.

3 Banco Popular then followed. The
4 U.S. Bank just this week has issued an
5 endorsement, statement of support, including
6 the Housing Policy Council of the Financial
7 Services Roundtable, which is all the
8 financial services providers, the mortgage
9 industry, the Comptroller of the Currency,
10 Comptroller Dugan, I know they are on the
11 phone listening, and we appreciate their
12 support. The Office of Thrift Supervision,
13 which regulates thrift and loans, and FDIC
14 Chair, Sheila Bair, to send a letter of
15 support.

16 That said, we thought the report
17 was important for industry leaders to help to
18 send the message that lending should continue
19 on some reasonable basis, with financial
20 literacy at its root, and to fuse financial
21 literacy into the future in the lending
22 process, possibly if financial literacy was

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1 there in the beginning we wouldn't have such a
2 crisis.

3 That said, we didn't think the
4 report was an appropriate vehicle for a policy
5 statement. It's a good vehicle for other
6 purposes, and so Chairman Schwab and I agreed
7 there needed to be a broader focus with
8 respect to a potential policy statement, and
9 there has been significant work in that
10 regard, and that particular focus is the focus
11 of our initiative today, and I'll turn to
12 Chairman Schwab now with respect to that
13 specific recommendation.

14 CHAIRMAN SCHWAB: Well, thank you,
15 John, and I want to thank the Committee on the
16 Underserved for the incredible amount of work
17 that you've all put together, as we all have,
18 certainly, a mission here, to literacy,
19 financial literacy, we are hopeful that
20 everyone who starts out in life with maybe a
21 subprime and gets to the level of prime, and
22 that's really one of our key missions here, I

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1 think, in the work that you are doing, John.

2 So, we do have a proposal that I
3 think has been submitted to everyone here,
4 which essentially sets forth the principles
5 that we think revolve around best practices
6 with respect to subprime. It's all about --
7 an essential part of the process, we think,
8 has to be financial literacy, not only each
9 vendor, and anyone involved in that business,
10 needs to bring their clients, or prospective
11 clients, up to speed in terms of what they may
12 be getting into, the responsibilities that
13 they are facing, and we ourselves as a Council
14 certainly will be looking at various
15 educational -- the best practices, and so
16 forth, which we've sort of talked about
17 already here, whether it's in the workplace,
18 or in the high schools, or wherever it might
19 be.

20 So, today we have a recommendation
21 to you all on the principles, and I think the
22 process will be, if you all approve it today,

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1 I think then it will become a public statement
2 following that.

3 So, I would like to ask if there
4 are any objections, frankly, to the work
5 there, and I'll just give a second for you to
6 object. If I don't hear any objections, I'm
7 going to consider it approved by the
8 Committee. Does anyone object to the report
9 itself and the recommendation?

10 Hearing no objections, I will
11 consider it approved by our Council, and
12 again, I want to thank John and your committee
13 for the great work on putting forth that
14 report.

15 VICE CHAIRMAN BRYANT: Thank you,
16 Chairman Schwab.

17 I'd like to acknowledge Barry
18 Wides, the Deputy Comptroller, Bob Mooney of
19 the FDIC, and, frankly, Michael Townsend of
20 your team, for their deep and substantive
21 background work.

22 Finally on this, before we move on,

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1 we have a town hall session that we have
2 connected to do with Congresswoman Sheila
3 Jackson Lee in Texas, focusing on these
4 important topics. We're getting several
5 individuals contacting us at this point,
6 wanting to amplify this.

7 And finally, HUD Secretary Preston,
8 Steve Preston, has scheduled -- sorry,
9 proposed a roundtable on this topic in
10 September.

11 Let's move on now to the community
12 financial access pilot. The Reverend Robert
13 Lee is the first Council member to take action
14 on the financial access pilot, working with
15 Treasury.

16 Reverend Lee, do you want to
17 comment on this initiative?

18 DR. LEE: Yes, can you hear me,
19 John?

20 VICE CHAIRMAN BRYANT: I can.

21 DR. LEE: Okay. That is moving
22 ahead well. We've gathered together 30 some

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1 odd organizations that work regionally and in
2 cities, putting together financial literacy
3 programs that range from cored to the
4 neighborhood programs, to just basic programs
5 that go across the school system in the
6 region.

7 Sonya and Dan's group has been
8 working with some folks on the ground down in
9 Jacksonville, and it's coming together nicely.

10 Not only is it really organizing and bringing
11 out the best of those things in Jacksonville,
12 but bringing a new program to the forefront of
13 what's going on in the region broad from
14 Treasury, and some of the other agencies like
15 the Fed into the region.

16 And, I think what's going to come
17 out of that is, along with some of the other
18 cities, the other seven cities in the country,
19 are some really strong models that really
20 will travel to other cities and other regions.

21 Dan, do you have things you want to
22 add to that?

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1 MR. IANNICOLA: No, I think you've
2 covered it for a city-by-city update. Of
3 course, the Council can turn to their
4 materials, as can the public.

5 VICE CHAIRMAN BRYANT: But, I also
6 commend Louisa on your team down there in the
7 partnership with regard to this initiative.

8 We will now move forward. We are
9 just getting to the end of our report,
10 Chairman Schwab. There are only two remaining
11 items. The financial literacy volunteer
12 initiative is something that we teed up in
13 February with the USA Freedom Corps,
14 basically, an opportunity wherever you are in
15 America, if you want to volunteer to help
16 teach children financial literacy, adult
17 financial education, or even help with the
18 mortgage subprime crisis with counseling, you
19 can log on to volunteer.gov, input your
20 information and your zip code, and volunteer
21 anywhere in America, or conversely get a
22 volunteer anywhere in America, for free.

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1 And, Junior Achievement - one of
2 our Council members has already promoted this
3 initiative himself. We have then moved to
4 formally adopt-- as the Outreach Committee
5 Chairman Ted Beck teed this up at our last
6 meeting -- for formal adoption by the
7 President's Council. I am proud to say that
8 it is now called the President's Council on
9 Financial Literacy, Financial Literacy Corps.

10 It's available at www.volunteer.gov to all
11 Americans, and Chairman Beck will be working
12 with Treasury soon to issue a public release
13 in this regard.

14 And finally, Money Math and the
15 National Financial Literacy Challenge, which I
16 want to commend you, Chairman Schwab, and your
17 team on the challenge, which we profiled the
18 last meeting, we believe that the Money Math
19 curriculum by Treasury is key to making sure
20 that -- pushing the envelope of volunteer
21 financial literacy empowerment in the middle
22 schools, so we are going to -- Chairman Schwab

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1 and I are going to send a letter, working with
2 the Youth Committee, Laura Levine, we are
3 going to send a letter to all the school
4 superintendents in America encouraging them to
5 voluntarily adopt the Money Math curriculum.
6 That should happen well before the next
7 meeting, and we are very encouraged by that
8 already. Already we have many of the school
9 districts who have just expressed interest.

10 With that, Chairman Schwab, I'm
11 sure you are shocked and surprised at my
12 committee report.

13 CHAIRMAN SCHWAB: Thank you, John,
14 extensive work going on there. We certainly
15 can't thank you enough for the momentum and
16 the output, it's pretty incredible given the
17 short time you have had to do this.

18 So, I'd like to move on now to the
19 report on our Committee on Financial Education
20 in the Workplace. And Janet Parker, if you'd
21 care to give us a report.

22 MS. PARKER: I am, thank you,

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1 Chairman Schwab.

2 Can everyone hear me?

3 ALL: We can.

4 MS. PARKER: Great. It is
5 wonderful when technology works.

6 First of all, I'd like to start off
7 by thanking the Treasury staff, Dan and Tom,
8 who have been so supportive of our committee,
9 and then our committee members, Tahira Hira,
10 David Mancl, Mary Schapiro, Ignacio Salazar,
11 Cutler Dawson, Chuck Schwab, and others
12 associated with Chuck, Carrie Schwab-
13 Pomerantz, Michael Townsend, and then my
14 support from the Society for Human Resource
15 Management, Nancy Hammer.

16 At our meeting last month, on June
17 18th, we reported out that our committee was
18 very close to a proposal for an honor roll for
19 the workplace, to recognize efforts in the
20 workplace on financial literacy.

21 The committee has worked very
22 diligently since June 18th, and I'm very

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1 pleased to say that we are ready to talk to
2 you about our proposal.

3 As we were looking at the
4 opportunities in the workplace, we really kind
5 of looked backwards and said, gosh, there is
6 so much momentum that's being done with the
7 youth as a result of tremendous efforts
8 through Jump Start, Junior Achievement, but we
9 all know that it doesn't stop after someone
10 gets out of school. This is a lifelong
11 journey.

12 And, there is no other place that
13 could continue this journey as well as
14 probably the workplace. We've done some
15 research, we found that while many employers
16 recognized the importance, they really aren't
17 very certain as to where to start. There are
18 some other organizations that are very
19 leading-edge with their efforts. They've said
20 we are going to go there, we are going to
21 teach our employees, you know, what financial
22 literacy looks like.

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1 So, our proposal is really to
2 recognize those organizations who really take
3 the lead with financial literacy, and they
4 have put into place a successful financial
5 literacy program for their employees.

6 The honor roll program that we are
7 recommending would basically evaluate an
8 employer on the breadth of their financial
9 education, the access to comprehensive
10 benefits, program outreach to employees, and
11 then measurable results.

12 We've provided you with, actually,
13 how the program will work on the evaluation,
14 the award presentation, and the recognition.
15 You can find that in your background material.

16 So, in conclusion, what we would
17 like to recommend to the Council today is to
18 consider our request for approval to actually
19 create an honor roll program that would be
20 intended to recognize those organizations who
21 have a very successful financial literacy
22 program, but also to provide encouragement and

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1 a template to those employees who are saying,
2 gosh, we'd like to do this but not certain
3 where to start.

4 So, at this time I would like to
5 turn it over to Chairman Schwab to present
6 this proposal to the Council, and then to also
7 ask if approved that we'd like to go ahead and
8 work with the Treasury Department to get this
9 implemented.

10 CHAIRMAN SCHWAB: Well, thank you,
11 Janet, thank you for your leadership on this
12 honor roll proposal. I know we all have
13 copies of some of the work output there
14 already in our binders, and so I have to say
15 it's quite complete, and I'm certainly
16 prepared to recommend it to the other members
17 of the Council.

18 There might be some questions here
19 for Council members, or any objections, or any
20 other things you might want to put forth, this
21 would be a good time to do that. But, I think
22 the work there is innovative. I think for

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1 sure the biggest part of our journey, I think,
2 as human beings, is in the workplace, and
3 that's what we are going to learn a whole lot
4 of relevant stuff that will impact our
5 financial lives, and it's really through and
6 under the auspice of our employer. It's a
7 great initiative.

8 So, any -- I hear no objections, so
9 it's been approved by the Council, and so,
10 Janet, thank you very much for your proposal,
11 and I know you will move forward on the
12 marketing of it, and other initiatives to make
13 it much more known throughout all of the
14 workplace in America.

15 MS. PARKER: Thank you, Chairman
16 Schwab.

17 CHAIRMAN SCHWAB: So, let us move
18 now on to our fifth working group, and that is
19 the Youth Committee, and Laura Levine is our
20 Chair. Laura, would you please give us your
21 report?

22 MS. LEVINE: I will, thank you, Mr.

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1 Chairman.

2 At our last meeting, we were a
3 little bit tight on time, so I didn't get to
4 acknowledge my entire committee individually,
5 and I'd like to do that now, and thank Ted
6 Beck from BEFE, Ted Daniels from the Society
7 for Financial Education and Professional
8 Development, Bob Duvall from the NCEE, Jack
9 Kosakowski from Junior Achievement, and Dave
10 Mancl from the Wisconsin Department of
11 Financial Institutions, and I would like to
12 add my thanks, as many others have, to the
13 entire Office of Financial Education at
14 Treasury, and especially to Elise DeLeon, who
15 continues to provide the Youth Committee and
16 me with her ongoing support, and to Dubis
17 Correal, who really jumped in and helped to
18 take care of the committee while Elise had
19 some well-deserved time off. So, thank you,
20 especially, to both of you.

21 And then on behalf of the entire
22 Youth Committee, I would like to thank the

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1 members of the Underserved Committee for their
2 support of Money Math and the National
3 Financial Literacy Challenge, as John Bryant
4 mentioned in his report.

5 What I'd like to do is turn to the
6 National Financial Literacy Challenge and talk
7 about a few of the things that are currently
8 underway to help us prepare for the fall
9 challenge, and to make this an even stronger
10 program.

11 As some of you know, Treasury
12 released some state-by-state data for the
13 results of the Spring 2008 Challenge. And when
14 we did that it sort of triggered feedback,
15 including some concerns about security
16 measures and questions about the steps we were
17 taking to ensure authentic challenge results
18 in the future. And, I don't think that there
19 is any question that the results of the Spring
20 '08 Challenge were authentic, but rather that
21 as these programs become more popular and
22 gain a higher profile that we have to have

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1 extra steps in place to be sure that the
2 participants have taken the Challenge test
3 fairly, and that the awards are also given
4 out, you know, fairly among the participants.

5 The Treasury staff has reported a
6 couple of steps that they are going to be
7 taking -- introducing with the Fall Challenge.

8 One will be that additional questions will be
9 added to the Fall Challenge, and the new
10 questions will be mixed in with the existing
11 questions, so that each student who takes the
12 Fall Challenge will get a different scramble
13 of questions, even though any two students may
14 have some questions that are the same, or some
15 similar questions, they won't necessarily have
16 all of them the same, and they won't be in the
17 same order. And so, it will make it very
18 difficult to share answers and to, perhaps,
19 cheat. I hate to use that word, but, you know,
20 we are being practical, you know, so that
21 there won't be any inappropriate activity on
22 the part of the students.

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1 We have talked with the Treasury
2 about their plans to include notices on the
3 Challenge website that will remind both
4 teachers and students of the consequences for
5 providing inaccurate or false information
6 about themselves in order to register, or
7 register more than once, or anything like
8 that, or register as someone else.

9 The Treasury staff has met with,
10 you know, other parts of Treasury and the
11 technology vendor, and talking about building
12 additional security mechanisms into the online
13 test. For example, I know one of the items
14 that they had talked about was the mechanism
15 to prevent students from taking the test
16 twice.

17 The Youth Committee has continued
18 to discuss the promotional effort for the
19 challenge, and, you know, one of the questions
20 that has come up is, you know, how do we make
21 teachers feel more comfortable with the
22 challenge, and how do we get them engaged so

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1 that they want to bring their students to
2 participate.

3 Some teachers have asked if they
4 could see the test questions in advance,
5 thinking that, you know, familiarity with what
6 the challenge questions are, you know, would
7 make them more inclined to want to
8 participate, but we have discussed not
9 releasing the actual questions but, perhaps,
10 considering giving the teacher a
11 representative sample of questions that they
12 could preview so they could see the type of
13 questions that will be asked, but not the
14 actual questions.

15 The Youth Committee has talked
16 about creating a banner, a downloadable
17 graphic banner that schools with a certain
18 amount of participation in the Challenge would
19 be able to post to indicate not the score
20 level of their students, but the amount of
21 participation that their school had in the
22 challenge, and that that would help generate

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1 excitement and interest in participating.

2 And, we know that the Treasury
3 staff is working on documenting all of the
4 operational and technology procedures related
5 to conducting the challenge, so that as
6 Treasury staff transitions -- and you know,
7 unfortunately, if there is ever a case of any
8 kind of unforeseen attempts, where we have an
9 emergency or something like that -- that new
10 personnel, or personnel, you know, that would
11 be, you know, pinch hitting for the regular
12 staff, would have good, clear guidance on how
13 to carry out the program in writing. So that,
14 you know, they would have a document that they
15 could just refer to, and we could move, you
16 know, on into the next challenge without
17 missing a beat, even if we couldn't reach the
18 key players for some reason.

19 We have been talking with Mr.
20 Schwab's team, and I do want to take this time
21 to recognize Mr. Schwab, certainly for his
22 leadership, and, particularly, with regard to

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1 the National Financial Literacy Challenge, but
2 I also want to thank Carrie Schwab-Pomerantz
3 and her whole team, and you've heard a lot of
4 these names-- these people have been doing
5 some great things, Mr. Schwab. Mike Townsend,
6 Jeff Brown and others from the Schwab
7 organization, for their incredible commitment
8 to not just the scholarship prizes, but to the
9 entire National Financial Literacy Challenge.

10 CHAIRMAN SCHWAB: Well, thank you,
11 Laura. That's awfully kind of you. I know
12 our people here are really, really interested
13 in financial fitness, frankly, for all
14 Americans, and any way we can push that
15 agenda ahead to help people, that's what we
16 want to do.

17 MS. LEVINE: Thank you, and we
18 certainly appreciate it.

19 Let me now just turn real quickly
20 to the post secondary honor roll, which is the
21 proposal that the Youth Committee has brought
22 before you today, and it appears in your

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1 binder.

2 And, what I want to do is call your
3 attention to two clarifications that I need to
4 make to the printed proposal. The proposal is
5 in Section 2E of your binder, for Council
6 members, and the second paragraph, it refers
7 to a questionnaire that is attached. But if
8 you have reviewed the binder you'll notice
9 that there was no questionnaire attached, and
10 that is because that questionnaire is
11 currently being developed to coincide with the
12 honor roll guidelines that we are presenting
13 today. So, I just wanted to be sure that you
14 understood that you are not missing a
15 document, it wasn't in there, and that was
16 just -- that was something that should have
17 been cleaned up in the proposal language.

18 The questionnaire will be finalized
19 by the committee based on the guidelines as
20 proposed.

21 The second thing that I need to
22 clarify is, in the fourth paragraph of the

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1 proposal, you see reference to an honorable
2 mention category that in addition to this
3 honor roll that we are proposing for post
4 secondary institutions, that we are proposing
5 the ability to create an honorable mentions
6 category for those schools and those programs
7 that are particularly innovative or effective
8 but may not meet all the broad criteria across
9 the 11 categories, and that we would have the
10 opportunity to recognize these programs as
11 well.

12 The clarification pertains to the
13 fact that we mentioned seven of the 11
14 categories, but that's not mentioned anyplace
15 else, and the actual proposal for the honor
16 roll is that to be listed on the honor roll-
17 a program which has to qualify against the
18 broad criteria, but we didn't specify that it
19 had to be in seven categories. And so, I just
20 wanted to mention that and clarify that we are
21 in fact still recommending both the honor roll
22 and the honorable mention categories for

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1 recognition.

2 And I want to point out finally,
3 that in addition to the Youth Committee
4 criteria for the honor roll was developed with
5 feedback from members of the National
6 Endowment for Financial Education Academic
7 Advisory Group, so thank you to Ted Beck for
8 providing the services of the academic Team,
9 and a financial industry practitioner who was
10 recommended by Ted Daniels, and so we had a
11 lot of additional input on developing the
12 criteria.

13 So, what I would like to do is, and
14 I guess turn this back to Mr. Schwab, our
15 proposal is to recommend that the Council
16 recommend to the Treasury's Office of
17 Financial Education, to establish this honor
18 roll to recognize post secondary institutions
19 for their outstanding programs in financial
20 education, according to the guidelines that
21 are presented in the background section of the
22 book, and that we additionally establish an

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1 honorable mention category to recognize
2 particularly innovative programs that may be
3 outstanding in one or two of the categories,
4 but may not have otherwise qualified for the
5 honor roll.

6 CHAIRMAN SCHWAB: Well, thank you,
7 Laura, thank you for your report and all the
8 great work that your committee has been doing,
9 and I will commend you for sure, give you
10 honorable mention, and maybe even more than
11 that.

12 I think we are all highly
13 enthusiastic about your proposal here, and I
14 would submit it for approval. If I could have
15 maybe -- if I hear no objections I think we
16 will move ahead and consider the post
17 secondary honor roll consideration approved.

18 I hear no objection, and it is so
19 approved.

20 So, thank you again, Laura, for
21 your work, and thank you, frankly, to all of
22 our committees who have reported today, and

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1 the great work that you are all doing.

2 At this time, I'd like to ask our
3 alternate liaison to the Financial Literacy
4 and Education Commission, Mr. Ted Daniels, if
5 he would give us a report on the Commission's
6 activities.

7 MR. DANIELS: Okay, thank you,
8 Chairman Schwab.

9 Well, on the 16th of July, I
10 represented the Council at a National
11 Financial Education Network meeting, hosted
12 at the U.S. Treasury Department. It was
13 coordinated by the Office of Financial
14 Education, which always does an outstanding
15 job in coordinating all the work of the
16 Financial Literacy and Education Commission's
17 work.

18 The Network, as many of you know,
19 was established in April of 2007. There have
20 been two meetings, and one conference call
21 with representatives of the Network. The
22 Network includes individuals and

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1 representatives from Federal, state and local
2 organizations.

3 I participated in both of the
4 meetings, one held in Seattle and one held
5 here recently, as I mentioned before, in
6 Washington, D.C.

7 As stated in the report in your
8 book, you'll notice that the meetings that are
9 held by the Network allows representatives to
10 come together to discuss and collaborate on
11 projects and ideas to enhance the level of
12 financial literacy in our country, and they do
13 a very good job in doing that.

14 At the July 16th meeting, there was
15 a general session, where four Federal agencies
16 provided Federal grant updates. We had a
17 representative from the Department of Housing
18 and Urban Development, SBA, Department of
19 Health and Human Resources, the U.S.
20 Department of Treasury's Community Development
21 Financial Institution's Fund. They all talked
22 about available funding and advanced funding

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1 that would be coming down the line perhaps
2 that could support financial education work
3 throughout the country.

4 After the general session, there
5 were excellent breakout sessions addressing
6 three topics. The first topic was promoting
7 financial education in the workplace, and each
8 person chose which breakout session they would
9 like to attend. We had another session on
10 foreclosure prevention and asset preservation.

11 The next one, and the last one, was the pros
12 and cons of mandating financial education in
13 school curricula.

14 Since I serve as a member of the
15 Council's Youth Committee, I participated in
16 the pros and cons of mandating financial
17 education in school curricula. There was a
18 very robust discussion on this topic. All
19 participants, however, agreed that financial
20 education should be mandatory in schools.

21 However, there were three major
22 challenges to mandating financial education in

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1 the schools. One was funding, having the
2 funding to support financial education in the
3 schools. The second was localization of
4 education, and teacher training, and we
5 discussed those at length, you know.

6 But, I thought it was very exciting
7 that we had not one person in the room reject
8 the idea of having financial education as a
9 mandatory course, or integrated somehow in the
10 school's curricula.

11 Now, when I spoke about -- spoke to
12 the representatives about the current and
13 proposed work of the Council, they were very
14 excited about our work and the momentum that
15 we continue to maintain since we established
16 the Council. I think all of us should be
17 happy about what we have accomplished since
18 the Council was established in January.

19 Also as noted in the report, I also
20 talked to them about, I gave them an update on
21 some of the things we've implemented, some of
22 the things we've already talked about: Money

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1 Math, the National Financial Literacy
2 Challenge, the Community Financial Assets
3 Pilot, I talked about the cities where we have
4 those pilots in place. We talked about -- I
5 also talked to them about the upcoming
6 workplace and post secondary honor rolls, and
7 they were excited about that, should we have a
8 baseline survey of financial literacy, and how
9 we would try to make some determinations as to
10 what level of financial literacy was in this
11 country.

12 And, I also, lastly, I talked to
13 them about the statement of principles
14 regarding subprime lending, and the response
15 to that was very great. They saw the need for
16 it, and that being in place would definitely
17 serve as guidelines as we move forward to make
18 subprime lending available, but also make sure
19 that the potential borrowers understood
20 exactly the nature of the transactions that
21 they were involved in.

22 So, it was a good meeting, and I'm

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1 sure we have another one in the fall, and
2 we'll continue to update the Council as things
3 unfold.

4 But, I wanted to -- I just want to
5 say again, the people are very excited about
6 the work that the Council is doing, and the
7 momentum that we are maintaining.

8 CHAIRMAN SCHWAB: Well, Ted, thank
9 you very much.

10 John, you wanted to say something?

11 VICE CHAIRMAN BRYANT: Yes, I just
12 want to, Chairman Schwab, to make sure we've
13 got a comment on Ted Daniel's report, I
14 thought it was outstanding. But, I just
15 wanted to say that the leadership should be
16 acknowledged, and there's a gentleman on the
17 phone, on our Council, who is not on our
18 committee of the Underserved, who for about 30
19 days, 40 days, was on the phone with me every
20 day, sometimes a couple times day, who has
21 served as a role model and a mentor to the
22 committee, and I think as a role model for

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1 private industry. His name is Don McGrath,
2 he's Chairman of Bank of the West, one of the
3 most prestigious institutions in this country.
4 And he's quiet, he's understated, and he won't
5 brag on himself, but let me just say that he
6 played a critical role in the work of the
7 underserved, and really serving as a bridge
8 and liaison to many in the private sector to
9 encourage them to do well and do good, and to
10 be a role model as you are, Chairman Schwab,
11 for responsible corporate leadership.

12 So, I just wanted to commend the
13 Council member, Don McGrath.

14 CHAIRMAN SCHWAB: Well, thank you
15 very much, John, and it is sure is good to
16 have Don on our committee here and on our
17 Council.

18 MR. McGRATH: Thank you, John.

19 CHAIRMAN SCHWAB: We get a lot of
20 your work on a continuous basis.

21 So anyway, Ted, I'd like to thank
22 you again for giving your report, and, of

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1 course, attending the July 16th meeting, and
2 providing the leadership there that you have.

3 I also would like to thank all
4 officials from the different Federal agencies
5 making up the Financial Literacy and Education
6 Commission, for their work, and also for many
7 of you who have joined us on this call today.

8 So, this concludes the reports. I
9 would ask the question, does any Council
10 member have anything else to bring up at this
11 point in time? Otherwise, we will conclude
12 our official meeting, and I'll turn it over to
13 Dan Iannicola for any administrative items.

14 I'll turn it over to you, Dan,
15 since we are running along in time here. I
16 know we'll look forward to our robust meeting
17 in October.

18 MR. IANNICOLA: Okay, and I just
19 wanted to let the public know that, as you
20 mentioned, the documents people referenced are
21 available on the website that I mentioned
22 before, and any revisions made to proposals

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1 that might have been mentioned by the Council
2 members, those revisions will be on the
3 website in short order as well.

4 I want to thank the Council members
5 and I'll turn it back to Mr. Schwab for any
6 details about our next meeting, because I
7 believe you have a suggestion as to when that
8 should be, and I also want to thank the public
9 for listening in today.

10 CHAIRMAN SCHWAB: Thank you, Dan,
11 and thanks to all the members of your group at
12 Treasury that supports us so well. We
13 couldn't do this work without your support for
14 sure.

15 I will mention that we are looking
16 forward to being in Washington, D.C., all of
17 us. The next Council meeting will be held on
18 October 14th, at 2:00 p.m., and we'll let you
19 know the exact location where that will be.

20 But, thank you, and all have a
21 great day.

22 (Whereupon, the above-entitled

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1 matter was concluded at 3:11 p.m.)

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