

## **Research Committee Proposal Financial Literacy Program Content Standard**

### **Background**

Members of the Research Committee have discussed the need to establish standards for the content of a sound financial education program. Today we use the term “Financial Literacy” to define a financial education program without knowing exactly what educational topics the program covers. There are no established standards to describe/measure the content of a financial education program. Programs that focus on just one aspect of financial literacy, such as retirement planning or investment education, and programs that take a comprehensive approach and provide education on multiple topics such as cash flow management, credit cards, personal loans, and risk management, are both loosely called financial literacy programs. While the U.S. Treasury Department has developed eight elements of a successful financial education program, its description of content is broad (i.e., basic savings, credit management, home ownership and/or retirement planning). The financial education community, therefore, uses a term that does not allow for comparison of “apples to apples”. This is not satisfactory for many parties engaged in financial literacy work. By developing and offering a standard measure of a financial literacy program, this Council can serve a critical need for the field.

### **Proposal**

That the Research Committee make the development of a standard to measure the content of an ideal financial literacy program a priority item for further analysis.

### **Action Item**

That the Council indicate its support for the Research Committee’s efforts in this general direction and that individual Council members provide their input to the Committee by June 30. The Committee intends to submit to the Council its final proposal for a financial literacy program content standard at a future meeting for consideration.