

UNITED STATES OF AMERICA

+ + + + +

DEPARTMENT OF THE TREASURY

+ + + + +

PRESIDENT'S ADVISORY COMMITTEE ON FINANCIAL  
LITERACY

+ + + + +

TELECONFERENCE

+ + + + +

MONDAY  
MAY 5, 2008

+ + + + +

The Advisory Committee was convened telephonically at 1:00 p.m., Mr. Charles Schwab, Chairman, presiding.

COMMITTEE MEMBERS:

- CHARLES SCHWAB, Chair
- JOHN BRYANT, Vice Chair
- TED BECK
- TED DANIELS
- CUTLER DAWSON
- ROBERT DUVAL
- TAHIRA HIRA
- JACK KOSAKOWSKI
- REVEREND ROBERT LEE
- LAURA LEVINE
- DON McGRATH
- DAVID MANCL
- JANET PARKER
- IGNAZIO SALAZAR
- MARY SCHAPIRO

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

ALSO PRESENT:

DAN IANNICOLA  
KRISTEN THOMAS (on behalf of Member  
Sharon Lechter)

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

## T-A-B-L-E O-F C-O-N-T-E-N-T-S

Roll Call	9
Ms. Laura Levine	19
Vice Chairman Bryant	31
Ms. Janet Parker	42
Dr. Tahira Hira	46
Mr. Ted Beck	52
Mr. Dawson	60

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

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

2 1:03 p.m.

3 CHAIRMAN SCHWAB: Okay. Well good  
4 morning. Good afternoon Dan. I'll turn it  
5 over to you to make the opening welcome --

6 MR. IANNICOLA: Thank you.

7 CHAIRMAN SCHWAB: -- comments. And  
8 since we have an hour and a half, we'll just  
9 move right on trough and welcome to the public  
10 who are on the phone with us.

11 COURT REPORTER: Speakers, please  
12 identify yourselves.

13 MR. IANNICOLA: Okay.

14 CHAIRMAN SCHWAB: Dan Dan I would  
15 mention just, since you were on the phone, the  
16 recorder wants each person who speaks, to sort  
17 of give their name, so the recorder can have  
18 that for the record.

19 MR. IANNICOLA: Very good. Very  
20 good. This is Dan Iannicola. And I want to  
21 welcome everyone. I'm here as the Deputy  
22 Assistant Secretary for Financial Education

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 here at U.S. Treasury.

2 This is the first meeting, by  
3 phone, of the President's Advisory Council and  
4 the second business meeting of the Council.

5 Before I turn things over to our  
6 Chair, a few announcements. To the members  
7 and general public on the call, we thank you  
8 for joining us. And we appreciate your  
9 interest.

10 Please know you are on a listen-  
11 only line. However for the courtesy of the  
12 other listeners, we ask that you put your  
13 phones on mute so that you don't block their  
14 listening. The members of the Council, of  
15 course, can't hear you, if you were to speak,  
16 so, mute is the best option for all.

17 As Mr. Schwab mentioned, we do have  
18 a transcriptionist on line. So I would ask  
19 all the -- of the Council, as they speak, to  
20 remember to say their names, each time. So we  
21 get an accurate record which, of course, would  
22 be, in time, available to the public.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1           Now, I will ask if you would look at our  
2           agendas. And turn to the business of changes  
3           we have.

4           By way of background, the Council  
5           first met in Washington on February 13<sup>th</sup>, 2008,  
6           just a few weeks after a meeting with  
7           President Bush in the Oval Office.

8           To carry out some work during the  
9           February 13<sup>th</sup> meeting, the Council agreed to  
10          form five committees; The Committee on  
11          Financial Literacy for Youth, The Committee on  
12          Underserved Populations, The Committee on  
13          Financial Education in the Workplace, and the  
14          Committee on Financial Education Research,  
15          and finally the Committee on Outreach.

16          The -- also, the Chair designated  
17          two individuals to serve as liaisons for the  
18          Financial Literacy and Education Commission.

19          Today, we'll hear from each  
20          committee as well as receive an update from  
21          the Council's liaison to the Commission. And  
22          I understand that some members of the

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 Commission are on the line listening. So we  
2 appreciate them joining us, as well.

3 In the short order of this, this  
4 Council is really has pulled together. And  
5 gelled well. And formed committees. And it's  
6 really starting to set about the business of  
7 the President challenged them to do, which is  
8 help raise the level of financial literacy in  
9 America.

10 So I am going to turn things over  
11 to our Chair, who is leading this this charge.

12 And start our meeting. So Mr. Chairman.

13 CHAIRMAN SCHWAB: Okay. Thank you  
14 Dan. This is Charles Schwab. I'll probably  
15 use the shorthand of Chuck as I go on through.

16 So that's for the reporter to understand.

17 I know we thank you very much. And  
18 we welcome the public to the meeting of our  
19 May meeting here on the President's Advisory  
20 Council on Financial Literacy.

21 I would also like to congratulate  
22 you Dan for your appointment as our Executive

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 Director of this Council. And I, speaking for  
2 all members of our Council, we thank you and  
3 your staff at Treasury for the extraordinary  
4 work you are doing and will continue to do.  
5 We are very pleased with that. So thank you  
6 for that.

7 MR. IANNICOLA: I appreciate it.  
8 Thank you.

9 CHAIRMAN SCHWAB: I first want to,  
10 thank the members of our Council for getting  
11 together today, for today's call. And welcome  
12 to the many guests that are listening in,  
13 including members of the Federal Financial  
14 Literacy and Education Commission, who is a  
15 group that we certainly want to coordinate  
16 very extensively with. And we'll here a  
17 report about that later.

18 To finally begin the meeting today,  
19 let me conduct a roll call of the Council  
20 members. And I'm going to just call your name  
21 out. And you just say present or something of  
22 that nature. And then we'll try to get

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 through it quickly.

2 So, Ted Beck of the National  
3 Endowment for Financial Education.

4 MR. BECK: Present.

5 CHAIRMAN SCHWAB: John Bryant,  
6 Operation Hope.

7 VICE CHAIRMAN BRYANT: Here.

8 CHAIRMAN SCHWAB: Yes, I knew you  
9 are here.

10 Theodore Daniels, The Society for  
11 Financial Education and Professional  
12 Development.

13 MR. DANIELS: Here.

14 CHAIRMAN SCHWAB: Vice Admiral  
15 Retired Cutler Dawson, now with the Navy  
16 Federal Credit Union.

17 MR. DAWSON: Present.

18 CHAIRMAN SCHWAB: Bob -- Robert  
19 Duvall, National Council on Economic  
20 Education.

21 MR. DUVALL: Present.

22 CHAIRMAN SCHWAB: Thank you.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 Dr. Tahira Hira, Iowa State  
2 University.

3 DR. HIRA: Here.

4 CHAIRMAN SCHWAB: Mrs. Sharon  
5 Lechter of Lechter Development Group.

6 (No reply.)

7 Sharon's not with us today. Okay.

8 Dr. Robert Lee, of FreshMinistries.

9 DR. LEE: I'm here.

10 CHAIRMAN SCHWAB: Thank you. Laura  
11 Levine, Jumpstart Coalition for Personal  
12 Financial Literacy.

13 MS. LEVINE: I'm here.

14 CHAIRMAN SCHWAB: Thank you. David  
15 Mancl of the Office of Financial Literacy for  
16 the Wisconsin Department of Financial  
17 Institutions.

18 MR. MANCL: Present.

19 CHAIRMAN SCHWAB: Don McGrath, Bank  
20 of the West.

21 MR. McGRATH: Here.

22 CHAIRMAN SCHWAB: Janet Parker,

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 Society of the Human Resources Management  
2 Group.

3 MS. PARKER: Present.

4 CHAIRMAN SCHWAB: Ignazio Salazar  
5 SER National.

6 MR. SALAZAR: Present.

7 CHAIRMAN SCHWAB: And Mary Shapiro,  
8 Financial Industry Regulatory Authority.

9 MS. SCHAPIRO: Here.

10 CHAIRMAN SCHWAB: Thank you.

11 VICE CHAIRMAN BRYANT: Chairman  
12 Schwab, just so you know that Sharon did send  
13 a note Friday indicating she was heartbroken  
14 she couldn't be on the call. She had  
15 something that was absolutely unavoidable.  
16 And wanted it to be known that, if she had any  
17 flexibility over her schedule at all, she  
18 would be here. And she wanted you to know  
19 that in particular.

20 CHAIRMAN SCHWAB: Thank you very  
21 much.

22 MR. KOSAKOWSKI: And Mr. Schwab,

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 this is Jack Kosakowski with Junior  
2 Achievement. You didn't call my name. But I  
3 am on the line.

4 CHAIRMAN SCHWAB: Oh, I am really  
5 sorry about that. And is there anyone else on  
6 the line, I didn't -- I apologize for that.

7 Well anyway, thank you. It's  
8 really an honor to be Chairing this group of  
9 talented and dedicated individuals who are  
10 truly committed to improving financial  
11 literacy for all Americans. With today's  
12 economic situation certainly this couldn't be  
13 more timely. Financial literacy is more  
14 needed now than ever in our history.

15 When the President gathered us at  
16 The White House in January to announce the  
17 formation of this Council, he charged us with  
18 going out and making tangible strides to  
19 combat this problem. It is a big deep hole we  
20 all know. And it's just an awful lot of work  
21 has to be done. And, but I know we are all  
22 taking it very seriously.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1           And I think we are making some  
2 strides. Getting some momentum built up here.

3           And we feel pretty good that we've  
4 accomplished a few tangible things in the  
5 first three months. And thank you for that.  
6 There's a pretty exciting pipeline in front of  
7 us.

8           And of course, there's no shortage  
9 of ideas among the council members, I'm sure,  
10 as well as, the public out there, too, which  
11 we always encourage you to let us know. And  
12 the best way to do that is to go right in  
13 through the Treasury's website, which I'll  
14 announce at a later time in this meeting.

15           I also want to note that we have  
16 just concluded Financial Literacy Month,  
17 which provided a great platform for providing  
18 the importance of financial literacy. And we  
19 are truly grateful for the leadership of  
20 members of Congress, involving the Financial  
21 and Economic Literacy Caucus who's led by  
22 Reuben Hinojosa, of Texas actually. And

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 Congresswoman Judy Biggert of Illinois who  
2 really rallied around this concept. And in  
3 Washington. And rallied around the National  
4 Financial Literacy Month.

5 And I just can't thank you enough  
6 for that support. It sure makes us feel  
7 better when we get support from any place,  
8 but, in particular, Congress.

9 I also want to mention the help and  
10 the attention that Barney Frank of the House  
11 Financial Service Committee, Chairman there.  
12 He's put together a hearing on financial  
13 literacy.

14 And one of our members, Robert  
15 Duvall of the National Council on Economic  
16 Education, testified in. And we'll hear, in a  
17 few moments, about that.

18 Also, I want to thank and  
19 acknowledge the long time leadership of  
20 Senator Daniel Akaka of Hawaii, who was one of  
21 the hosts of the annual Financial Literacy  
22 Fair on Capitol Hill last week. And we look

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 forward to working with him and other members  
2 of Congress to help get the message out, that  
3 financial education is crucial. It is  
4 critical of importance to, for our youth and  
5 for the long term development of our nation's  
6 economy and our future.

7 As Dan noted, today's call will act  
8 as a as a progress report. And what we're  
9 doing here, we will be focusing on reports  
10 from each of our five committees which have  
11 begun meeting to put their ideas into action,  
12 as well as, our liaison to the Financial  
13 Literacy and Education Commission. These  
14 updates should prepare us for our next in-  
15 person meeting which would take place on June  
16 18<sup>th</sup>, I think it's at 10 a.m., in the morning.

17 And we'll have a dinner the night before for  
18 you all who are coming in the night before.

19 Before that, we -- before we move  
20 into our agenda I wanted to give John Bryant,  
21 the Vice Chair, a few moments to give a  
22 comment or two.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1                   VICE CHAIRMAN BRYANT:    Thank you  
2 Chairman Schwab.    I don't have -- you might  
3 find this hard to believe, I don't have much  
4 to say.

5                   I want to just, I want to commend  
6 actually first and foremost Chairman Schwab,  
7 who not only has provided his credibility, his  
8 name, and reputation to this Council, but he  
9 provided his personal energy and personal  
10 involvement, rolling up his sleeves.    You'll  
11 hear later in the call, he has made a very,  
12 and the company, and the Foundation has made a  
13 very substantive and substantial commitment to  
14 advancing not only financial literacy in  
15 general, but specifically, initiatives that  
16 are tied to the Executive Order and tied to  
17 this Council.    And he didn't have to do it.  
18 So I want to commend him for that.    And his,  
19 and with that, I want to commend his team.  
20 Chairman Schwab has been very engaged and it's  
21 a time process.    And that's a real benefit to  
22 have a leader like that.    And his team has

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 supported him in every way.

2 As I mentioned earlier, before the  
3 call started, I want to, finally, commend the  
4 members of this Council who I personally had  
5 the opportunity, Chairman Schwab, to see in  
6 action since February. I think people were  
7 concerned that we would not get off the dime  
8 quickly and move quickly. I don't think that  
9 anybody would have that concern if they knew  
10 of even some of the efforts of this group.  
11 And I won't give any name, to calling names,  
12 when I should say that two thirds of this  
13 group have been personally engaged in  
14 advancing this mission, under your leadership.

15 And finally, the Treasury team,  
16 under the theory that they're, sort of, a dog  
17 that didn't bark, the, they don't get a lot of  
18 credit for things that go right. People  
19 expect them to go right. They get blamed when  
20 things don't go right. I want to personally  
21 commend them for working diligently on all of  
22 these initiatives advancing the town hall

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 meetings in Oakland, which we participated in.  
2 McGrath, yourself and myself. The meeting  
3 with Reverend Lee, the Unbanked Initiative  
4 which we will hear about. The Schwab effort  
5 which we will hear about. The Financial  
6 Literacy Corp. Public Comments. And the  
7 range of other things that they've advanced  
8 since February.

9 So that concludes my remarks.

10 CHAIRMAN SCHWAB: Thank you John.

11 Let's move forward here since we do  
12 have only an hour and a half to be with all of  
13 you. As we move into the agenda, our first  
14 meeting, the Council recommended that the  
15 Treasury Department implements several  
16 initiatives. Each of those initiatives have  
17 been assigned to a committee, as I mentioned,  
18 which will support those initiatives. And  
19 will monitor closely and make additional  
20 recommendations as we move along.

21 Each of the committees also will be  
22 generating their own ideas and formulating

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 those for possible consideration by the full  
2 Council.

3 So what I would like to do now is  
4 invite each committee Chair to present a  
5 report on their committee's work. If you  
6 could limit to five minutes of presentation.  
7 I know they'll be a number of questions, that  
8 five minutes for Q&A, that would really help  
9 out.

10 So let me call on first our Chair  
11 of the Committee on Financial Literacy for  
12 Youth, headed up by Laura Levine. Laura.

13 MS. LEVINE: Thank you Mr.  
14 Chairman. And good afternoon everyone. If  
15 you are listening from out west, good morning.

16 For the court reporter, I'm Laura Levine,  
17 Executive Director of the Jumpstart Coalition.

18 And I serve, as Mr. Schwab said, I serve as  
19 Chairman of the Youth Committee.

20 Let me begin by quickly introducing  
21 the members of my committee. Ted Beck. Ted  
22 Daniels. Bob Duvall. Jack Kosakowski. And

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 Dave Mancl. I just -- they've all been  
2 introduced previously, so I just went with  
3 their names.

4 But I wanted to say that I am so  
5 very honored to be working with all of these  
6 gentlemen who, I think, as you all know, are  
7 leaders in this industry. And I am just so  
8 delighted also to think of them all as  
9 friends.

10 I'd like to echo some earlier  
11 comments to thank Dan Iannicola and his staff  
12 for all that they do. And especially, I'd  
13 like to thank Elise DeLeon who supports me and  
14 who supports the work this committee.

15 The Youth Committee held its  
16 initial meeting last week. And although we're  
17 really just getting started, it feels like  
18 we've already got a lot underway. Of the five  
19 initiatives presented to, and endorsed by the  
20 Council, by the full Council back in February,  
21 half of them are directed by -- directed for  
22 youth and therefore, will fall under the

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 auspices of this committee. And so, those  
2 initiatives, of course, are the Money Math,  
3 the Financial Literacy Challenge. And part of  
4 the Honor Roll Program. And the part of it,  
5 especially, that deals with college campuses.

6 I know a lot of you are familiar  
7 with these initiatives, but what I'd like to  
8 do today is give you a very brief update.

9 Money Math: Lessons for Life is a  
10 four lesson curriculum that uses real life  
11 examples from personal finance to teach middle  
12 school math concepts. The 2008 revision of  
13 this product was funded by Citi, it was  
14 produced by Jumpstart, and it was altered by  
15 the University of Missouri-St. Louis, all on  
16 behalf of the Treasury Department.

17 Treasury's Bureau of Public Debt  
18 distributes the print copies of this book.  
19 And it is distributed at no cost to the  
20 public. And it's also available online at the  
21 Office of Financial Education's website,  
22 where teachers and others of the general

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 public can download it for free.

2           And since February 27<sup>th</sup>, which is  
3 when Money Math was unveiled, so between  
4 February 27<sup>th</sup> and today, Money Math has been  
5 downloaded 39,692 times. And so in just a  
6 little over two months, I think this is really  
7 exciting, because it shows such a dramatic  
8 shift from our previous reliance on print  
9 based educational products. And I think  
10 really gives us an indication of how we'll be  
11 able to reach and support teachers with  
12 financial education products in the future.

13           And the next item as most of you  
14 have heard by now, the National Financial  
15 Literacy Challenge is currently underway. And  
16 I have statistics from Friday. And if anyone  
17 from Dan's staff has something more updated  
18 and you want to jump in, please do. But as of  
19 Friday, 1,899 teachers have registered to  
20 administer the challenge. And 6,143 students  
21 have actually completed the test.

22           Now you might note that the number

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 of teachers and students is still a little out  
2 of sync because many of these teachers who  
3 have pre-registered have not yet administered  
4 the test to their classes. So, even though  
5 teachers will be able to continue to find out,  
6 all the way through May 16<sup>th</sup>, the number that  
7 we really expect to see grow is the number of  
8 students who have taken the test.

9 And so, a lot of these almost 1900  
10 teachers of, you know, will then bring their  
11 students into actually take the test between  
12 now and May 16<sup>th</sup>. And so we'll see the number  
13 of students grow exponentially.

14 But, of course, you know, as a  
15 reminder and especially as a reminder to the  
16 public audience, teachers can still, new  
17 teachers can still come in and sign up. And  
18 have their students take the test.

19 Of the students who have taken the  
20 test so far, the average score is hovering  
21 right at about 57, which isn't particularly  
22 good, but it's not unexpected. But the

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 exciting news, I think, is that, we already  
2 have a few of these, just over 6,000 kids who  
3 have taken it, there are a few perfect scores  
4 in the mix. And so this is going to be very  
5 exciting.

6 Because the other wonderful element  
7 of this new program, and John alluded to  
8 earlier on, is that Mr. Schwab and the Charles  
9 Schwab Foundation has really stepped up to the  
10 plate and has volunteered to sponsor prizes  
11 for this challenge. So, in June, ten of the  
12 top scoring students from ten different  
13 regions in the country will be brought here to  
14 Washington, D.C., courtesy of the Charles  
15 Schwab Foundation and they will be presented  
16 with a \$2500 scholarship for their own use at  
17 the post-secondary institution of their  
18 choice. So, it will be the trip, as well as  
19 the \$2500 scholarship, for each of the ten top  
20 scoring students.

21 These students will also be  
22 recognized with a \$1,000 contribution made in

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 their name to the educational institution, to  
2 the school or the program, that delivered  
3 their financial education. So this is a  
4 wonderful way of supporting education. And  
5 giving teachers and programs, I think, another  
6 little incentive to provide financial  
7 education in the future.

8 And so we thank you very much, to  
9 the Charles Schwab Foundation for, and you  
10 know, again, this was something that they  
11 volunteered to do. It wasn't part of the  
12 original package but it makes the whole  
13 program just that much more exciting.

14 Quickly, the third initiative that  
15 the Youth Committee will be involved in is the  
16 Financial Education Honor Roll. That will  
17 highlight the successful Financial Education  
18 Initiatives -- as well as on college campuses.

19 And, of course, the Youth Committee will be  
20 closely involved with the Honor Roll  
21 guidelines in developing and administering the  
22 guidelines for successful programs on college

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 campuses.

2 MR. IANNICOLA: Laura, I am going  
3 to ask you to wrap up as soon as you can so we  
4 can have some questions.

5 MS. LEVINE: Absolutely. And so of  
6 these three initiatives, this is the one that  
7 is in the earliest stages. And so we'll  
8 report more in the future.

9 So, with that, I will conclude my  
10 report. And ask if there are any questions  
11 from the Council.

12 CHAIRMAN SCHWAB: Laura, this is  
13 Chuck Schwab. I just want to say thank you  
14 for the mentions. But also, we're going to  
15 have a dinner for these honorees that night, I  
16 think, before we have our public meeting. And  
17 so we will look forward to seeing a bunch of  
18 these kids to come and talk to them about,  
19 hope that they may be a part of our team going  
20 forward on financial literacy, helping to  
21 educate other people.

22 Any question from the committee for

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 Laura?

2 MR. SALAZAR: This is Ignazio  
3 Salazar. I just have one. And first, to  
4 commend the group. It's just done an  
5 excellent job.

6 Just a question in terms of how the  
7 information is being disseminated to the  
8 different schools. How are we going about  
9 doing that? I'm not sure that I remember  
10 that.

11 MS. LEVINE: Ignazio, one of the  
12 things that we did early on is, the Treasury  
13 Department, it had some public conference  
14 calls for various groups to gauge interest.  
15 And took some names of teachers who registered  
16 online and expressed their interest.

17 The rest of it is, we're doing this  
18 largely with the groups that are involved and  
19 also some of the members of the Council to  
20 send out marketing announcements. Treasury  
21 developed an online marketing announcement.  
22 And then the Charles Schwab Foundation

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 developed a complimentary announcement that  
2 outlined the prize packet. And sending these  
3 out to our constituents, which in turn,  
4 largely have the constituents of teachers and  
5 teacher groups.

6 So, that's how we've been -- we've  
7 been doing a lot of this online and with mail  
8 broadcast and such.

9 MR. DUVALL: Yes, one example of  
10 that, this is Bob Duvall at the NCEE, is the  
11 fact, we sent this announcement and encouraged  
12 all of the thousands of teachers across the  
13 country that we work with in our program, to  
14 be aware of this. And I believe that other  
15 members, Junior Achievement, and so forth,  
16 have done similar.

17 MS. LEVINE: Okay.

18 CHAIRMAN SCHWAB: Would you guys  
19 have any comments as to approximately the  
20 number of schools or teachers that we reached  
21 out to? Is there any --

22 MS. LEVINE: I'm not sure we know

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 how many we actually reached out to. And I  
2 think this is one of these, maybe this is one  
3 of the exciting parts because of the  
4 multiplier effect. It was that, you know, as  
5 Bob was mentioning, we sent it out to groups  
6 who sent it out. So we hope that the word  
7 has, you know, has spread wide and far. But  
8 I, but I don't know. And I don't know, maybe  
9 Jan knows, if we are keeping track of any of  
10 that.

11 CHAIRMAN SCHWAB: Essentially, any  
12 secondary school would qualify, I would  
13 presume.

14 MS. LEVINE: Yes.

15 MR. DUVALL: Laura and Chuck, this  
16 is Bob Duvall again. As a member of this  
17 committee, I think we could put that together  
18 by just adding up the various mailings and  
19 email announcements, and so forth, that we  
20 sent out. We could get, there would be some  
21 overlap, but I think we could get a good map  
22 of the land. And the approximate number of

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 schools and teachers reached.

2 CHAIRMAN SCHWAB: Great. I just  
3 want to make reference that this is the first  
4 year of doing this. This will not be the last  
5 time we do this. So, we'll make a few  
6 mistakes along the way here I'm sure. And  
7 probably not be as big a circle as we'd like  
8 to develop. But hopefully, by next year we'll  
9 even make a bigger tent.

10 MR. BECK: Mr. Chairman, it's Ted  
11 Beck from the -- just to give you an idea, we  
12 contacted over 6,000 teachers.

13 CHAIRMAN SCHWAB: Right. Okay.  
14 One last question for Laura. And we'll move  
15 on here.

16 (No reply.)

17 We'll move on. And now I'd like to  
18 recognize the Chair of our Committee on  
19 Underserved Population. John Bryant.

20 MR. IANNICOLA: This is -- John  
21 before you start, I had a request from those  
22 who are listening on the listener line. That

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 any council member that is not presently  
2 speaking should mute his or her phone.  
3 Because there was an echo issue. With that,  
4 I'll turn it back over to John.

5 VICE CHAIRMAN BRYANT: Hi. I am  
6 honored to be with everybody. And let me try  
7 to get right to it.

8 This is John Hope Bryant, Chairman  
9 of Operation Hope. And Chairman of the  
10 Committee on the Underserved. My committee  
11 members, I'm honored to have God on our side,  
12 we've got Reverend Lee, Robert Lee on our  
13 committee, who we all know reputationally is  
14 an extraordinary leader. And Ignazio Salazar.  
15 Ignazio runs one of the most distinguished  
16 organizations in the country which reaches  
17 deep and broad and wide in touching the  
18 broadly define the Hispanic community, the  
19 Spanish speaking community as well. And  
20 Sharon Lechter, who is a co-author of the Rich  
21 Dad Poor Dad series. It is brilliant. And we  
22 are honored to have her with us.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1           And we have advisors, permanent  
2 advisors which included U.S. Treasurer Anna  
3 Cabral. Deeply honored to have her on our  
4 team. And of course, someone who has been  
5 with us from the very beginning of the  
6 President's Council, Ms. Carrie Schwab  
7 Pomerantz.

8           I'm going to make some very brief  
9 remarks. We had a meeting on April 24<sup>th</sup> which  
10 I thought was extraordinarily robust. Once  
11 again, Treasury engaged in the meeting. Dan  
12 engaged in them meeting. Senior, Tom Curic  
13 who is my right arm in Treasury, who does an  
14 extraordinary job engaged. Louisa, who's  
15 leading the Unbanked Initiative which we will  
16 hear more about from Treasury when they have a  
17 time to comment. So, at our meetings, which  
18 would last about 90 minutes, a lot of  
19 interaction. I'm going to ask a couple of the  
20 committee members to weigh in here right after  
21 me. So I am going to leave time with them.

22           The one initiative that we rallied

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 around -- well, there's two, there's two  
2 things. One is, of course, we all know that  
3 there's an Unbanked Pilot which is now on the  
4 ground in Florida. There will be other cities  
5 that will be rolling out soon. The mayor in  
6 Florida, the city that was selected, in  
7 Reverend Lee's hometown showed support.  
8 Treasury was there. Reverend Lee, of course,  
9 was there. That was, I believe, late last  
10 week. A very strong start for this initiative  
11 to empower the unbanked and the under-banked.

12 Some 30 to 40 million people in this country  
13 have no bank account in the richest country in  
14 the world, i.e. the Katrina survivor who  
15 couldn't get a FEMA payment because they had  
16 no bank account to wire it into.

17 It's, it just makes sense for  
18 everybody, that everybody's banked. I know  
19 Chairman Schwab believes that it's a market  
20 opportunity for banks, and credit unions, and  
21 others, it's not charity. It's a hand-up not  
22 a hand-out strategy that, through which

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 everybody wins. More people don't have a bank  
2 account today that didn't have the right to  
3 vote in 1963. It's when the Civil Rights  
4 Movement. So, it's extraordinarily important  
5 issue.

6 We also moved on, well, there was a  
7 concern that, post the sub-prime crisis.  
8 Which is a now wider credit crisis. That  
9 lending to the poor and middle class, the  
10 working class might dry up. Might be  
11 challenged. That post-crisis folks might just  
12 say, "Gee, we don't want to do that anymore."

13 The problem is not responsible sub-prime  
14 lending. The problem is obviously  
15 irresponsible predatory lending and other  
16 things that mask the level of the financial  
17 illiteracy.

18 And so we thought that we would, we  
19 should explore this area and to try to  
20 underscore, from a financial literacy  
21 perspective, the future of responsible sub-  
22 prime lending to encourage it and to frame it.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1       So, we passed an initiative at the committee  
2 level to move an initiative forward.

3               Since that time, we've got the  
4 support of the FDIC, the Federal Deposit  
5 Insurance Corporation, the U.S. Comptroller of  
6 the Currency, HUD, FHA, the Federal Housing  
7 Administration, the National Credit Union  
8 Administration, U.S. Small Business  
9 Administration, the U.S. Treasury Department,  
10 the District of Columbia Banking Committee,  
11 and institutions like Bank of the West and  
12 U.S. Bank. And we hope to have something  
13 substantive to report here by our next public  
14 meeting.

15               And Sheila Bair, the Chairman of  
16 the FDIC, is holding a conference in July  
17 around this issue that we hope to try to  
18 support. I would also note that the FDIC has  
19 Unbanked Initiative and we should be working  
20 together in any way that we can.

21               With that, I'd like to turn it over  
22 to Ignazio and/or Reverend Lee, Sharon Lechter

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 is not available today, for any comments that  
2 they have, might have.

3 MR. SALAZAR: This is Ignazio.  
4 Just a comment regarding the pilot initiative.

5 That we had asked for some information. And  
6 it was provided. I really appreciate that  
7 because that helps being able to make sure we  
8 reach into the communities and to make a good  
9 attempt at bringing everyone to the table.  
10 And I'm thankful for that. Thank you, John,  
11 for bringing that to the attention of  
12 everyone. That we need to be totally involved  
13 in those communities where going to initiate a  
14 project. So thank you very much.

15 VICE CHAIRMAN BRYANT: Absolutely.

16 DR. LEE: And thank you, John.  
17 This is Robert Lee. The kickoff of the pilot  
18 did go very well. And we had a strong  
19 showing. I think we had 35 entities  
20 represented down here. That, I think we had  
21 eight or nine major banks which was really  
22 good. And we had folks from a number of

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 different Federal, state, and local agencies.

2 The mayor was here. And Dan Iannicola was  
3 there. And Juan Sanchez from the Fed in  
4 Atlanta was there. And actually, it's coming  
5 together very well.

6 Defining programs, organizing them  
7 to create a community effort that in a defined  
8 geographic area is going to have some major  
9 impacts. So, it was a very, very good start.

10 And I will say also that I went  
11 with Dan over, he taught a fourth grade class.

12 And, you know, there's lots of program out  
13 there to teach folks in the schools and other  
14 places. This was a tough core city  
15 neighborhood school with fourth graders, to  
16 whom and for whom, a lot of financial literacy  
17 issues were completely foreign. And Dan had a  
18 45 minute period had, with the help of this  
19 program that was written, I understand, the  
20 Treasury had these kids totally engaged.  
21 Talking about banks, lending, interest, and I  
22 mean, there was cheering in the classroom at

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 the end of this. And the teacher assigned  
2 them, then programmed their homework to go  
3 home and find out where their parents banked,  
4 etcetera, etcetera.

5 But I had made a recommendation to  
6 Dan at that point. We'll deal with this in  
7 the Outreach Committee.

8 But the Treasury actually filmed  
9 him doing that, video them. Get it online or  
10 do something along those lines. So that we  
11 can share that very, very effective program.  
12 And Dan's interaction with these folks is to  
13 be highly commended.

14 VICE CHAIRMAN BRYANT: Thank you,  
15 Reverend Lee. That just underscores the  
16 critical importance of this initiative.

17 And leads to a, in my final  
18 comment, we tie all this stuff together.  
19 There's a report by Department of Education  
20 has recently issued. But we all know that the  
21 drop-out rate, nationwide, is about 30 percent  
22 from high school. The drop-out rate from

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 inner cities is about 50, in some cases 70,  
2 percent which is just unacceptable. And I  
3 believe the kids are dropping out of high  
4 school because they don't believe the  
5 education is relevant to their future.

6 One way to make education relevant  
7 to their future is to show kids how to get  
8 rich, legally, and within the, within the  
9 context of the American dream. And we think  
10 that financial literacy is one of those ways  
11 to get these kids to be engaged back in school  
12 and excited about aspirations.

13 And so that's what I think you saw  
14 in that classroom with Dan is bringing all  
15 these pieces together. Chuck Schwab and I are  
16 hoping to send out a letter to all school  
17 districts in this country encouraging them to  
18 use Money Math.

19 There will be a lot of other things  
20 coming out of the Underserved Committee.

21 I'll stop there and give some time  
22 back to other Chairs.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1                   CHAIRMAN SCHWAB: Thank you very  
2 much, John. We'll move right ahead here. Or  
3 there will probably, no, there should be some  
4 questions maybe for you, other questions for  
5 John and his committee.

6                   MR. DANIELS: Mr. Chair, this is  
7 Ted Daniels, this is Ted Daniels here. I have  
8 one question for John regarding the pilot  
9 environment. Which -- how large of a blanket  
10 are we throwing out there? Are we in one  
11 particular area of a city? Or do you have  
12 some idea of how far we expand the pilot in  
13 the city?

14                   VICE CHAIRMAN BRYANT: Yes. I'm  
15 going to ask Louisa to send you a list of the  
16 partners, which includes the partner sites --

17                   MR. DANIELS: Okay.

18                   VICE CHAIRMAN BRYANT: -- by email,  
19 Ted.

20                   And I think, my guess is, they're  
21 targeting X number of, on the ground CBOs and  
22 schools. A CBO being non-profits for those on

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 the phone. Public. And that we would expand  
2 from that once we got our hands around that  
3 phase-one group. If Louisa, at Treasury,  
4 wants to amplify on that, they can.

5 But I think that the, if you have  
6 ideas of who else should be engaged, and we  
7 have made sure, obviously, Ted, that this is  
8 focused on, obviously, low wealth communities,  
9 but your input would be, would be most  
10 welcome.

11 MR. DANIELS: Yes. I would like to  
12 see that.

13 VICE CHAIRMAN BRYANT: Yes.

14 MR. IANNICOLA: I would make one  
15 more question. This is Dan Iannicola. We're  
16 getting a lot of emails from folks who are  
17 trying to listen in. I ask all listeners as  
18 well as council members to mute your phones if  
19 you're not speaking because we're getting a  
20 lot of complaints that there are echoes and  
21 people can't hear.

22 Please proceed. Thank you.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 CHAIRMAN SCHWAB: Okay. Why don't  
2 we move on ahead. The rest of our committee  
3 reports here. I would like to call on Janet  
4 Parker who is the Chairperson for the  
5 Financial Education in the Workplace which is  
6 a crucially important way to get to people  
7 about literacy. Janet. Janet, are you with  
8 us? I think you are. Un-mute.

9 MS. PARKER: Chairman Schwab?

10 CHAIRMAN SCHWAB: Yes. Hi, Janet.

11 MS. PARKER: I'm sorry. I guess I  
12 pushed the wrong button. But thank you so  
13 much. And good afternoon and good morning  
14 everyone.

15 First of all, I'd like to introduce  
16 my committee. Dr. Tahira Hira, who is with  
17 Iowa State University. David Mancl with the,  
18 with Wisconsin. Mary Schapiro with FINRA.  
19 Ignazio Salazar with SER National Jobs for  
20 Progress Inc. Cutler Dawson, CEO of the Navy  
21 Federal Credit Union. And our Chairman,  
22 Charles Schwab. And it is an honor to head up

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)

1 this very important committee.

2 We had our first phone call, and  
3 I'm going to be very brief on our discussion.

4 So if anyone from my committee would like to  
5 add to the report. We had our first  
6 teleconference on Friday. And we started out  
7 with just a general discussion about financial  
8 literacy in the workplace. Because it is very  
9 important. And I think the overall consensus  
10 was that we think there is some education that  
11 is being conducted in the workplace, but it  
12 may not be enough.

13 We feel like the Employee  
14 Assistance Programs certainly are present in  
15 many of our work environments. But a lot of  
16 times these employee assistance provide  
17 resources that are more after-the-fact, after  
18 someone gets in trouble. The definite benefit  
19 to employers to provide the pro-active program  
20 would certainly impact their productivity. As  
21 obviously, we all know that when our employees  
22 become distracted and they feel different

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 pressures, that they can not be as engaged as  
2 we need them to be.

3 We've looked at the Honor Roll  
4 Program that has been proposed. And that  
5 particular program is the Workplace Financial  
6 Education Honor Roll Program. It -- great  
7 points in that particular program that has  
8 been proposed with regard to dealing with the  
9 content of what a program might look like,  
10 delivery, how we would, how this would be  
11 delivered, outreach, how we would get to  
12 employers, how we would sustain the effort,  
13 and then, how we would measure what's done.

14 From there, we talked about why,  
15 the why on this. We looked at, do we, do we  
16 need a purpose? And we felt like, certainly a  
17 purpose, if we would propose to employers, why  
18 they need to implement financial literacy in  
19 their workplace, what's in it for them, how we  
20 would recognize them.

21 So at the end of the call we agreed  
22 that we would evaluate what is contained in

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 the proposal in the Workplace Financial  
2 Education. Dr. Hira will provide us, and also  
3 David Mancl will provide us, with research  
4 that they've both have conducted. We reached  
5 out to SHRM, the Society for Human Resource  
6 Management, to assist us with identifying some  
7 best practices, so we don't have to reinvent  
8 the wheel.

9 And then our goal is to come back  
10 together at the end of May to look at the  
11 recommendations our committee members have  
12 made with regard to the program. And then be  
13 ready to submit it to the full Council in our  
14 meeting in June.

15 At this time, I would ask our  
16 committee members if they would like to add to  
17 the report or comment on this.

18 MS. SCHAPIRO: You've done a good  
19 job.

20 MS. PARKER: Thank you.

21 MR. SALAZAR: Yes. I think the  
22 presentation was what we discussed and it's

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 right on.

2 MS. PARKER: All right. Questions  
3 from anyone.

4 (No reply.)

5 CHAIRMAN SCHWAB: Well I think  
6 we'll move ahead, Janet. Thank you very much  
7 for your report and work that your committee  
8 is doing.

9 Let's move on to the Chair of our  
10 Committee on Financial Education and Research.

11 And that's Tahira Hira. I probably really  
12 massacre your name at times. I apologize for  
13 that. But any rate, Dr. Hira.

14 DR. HIRA: Chairman Schwab, thank  
15 you very much. I'm very happy to be giving  
16 you this very brief report on behalf of my  
17 committee. First let me introduce the members  
18 of my committee. Mary Schapiro, Don McGrath,  
19 Bob Duvall, and myself, Tahira Hira.

20 Our committee believes that we need  
21 to define the objective of our research in  
22 order to produce an effective product. While

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 clearly, we will want to arrive at some sense  
2 of the state of financial literacy in the  
3 country. And in order to measure this  
4 effectively, we will have the -- we will have  
5 to have some preliminary agreement on what  
6 constitutes an acceptable standard of  
7 financial literacy against which to measure  
8 what kind of education programs are being  
9 offered and if they're having meaningful  
10 impact.

11 We will also, as I mentioned, would  
12 want to provide a view on how literacy varies  
13 between different groups, such as, groups at  
14 different education levels, gender, age,  
15 ethnicity, etcetera. What is the status of  
16 curriculum levels? And how does it compare  
17 with what needs to be done?

18 We have many programs and many  
19 efforts. But we need some standards and we  
20 need to know the impact of some of those  
21 programs so we can come up with a standard to  
22 recommend.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1                   Bob    Duvall    shared    with    the  
2   committee,   information   on   NCEE's   biannual  
3   survey   of   the   states.   This   is   a   personal  
4   finance   section.   They're   doing   fifth   biannual  
5   survey.   And   it   looks   at   the   state   standards,  
6   requirements,   testing,   assessments,   in   K-12  
7   and,   on   the   economic   personal   finance   area.

8                   On   behalf   of   the   subcommittee,   I  
9   would   like   to   also   invite   the   members   of   this  
10   Council   to   share   with   us   the   current   status   of  
11   research   in   financial   literacy   and   what   they  
12   feel   are   the   gaps   in   the   issues   that   we   should  
13   be   addressing   in   our   future   meetings.

14                   On   February   13<sup>th</sup>,   at   the   Council's  
15   inaugural   meeting,   council   member   Mary  
16   Schapiro   announced   the   FINRA   Investor  
17   Education   Foundation's   intention   to   conduct  
18   national   baseline   survey   of   financial   literacy  
19   among   adults   in   the   United   States.   This   is  
20   now   occurring   in   consultation   with   the  
21   Treasury   Department.   I   will   turn   it   over   to  
22   Mary   for   an   update   on   this.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1                   And after that, I will invite my  
2 members of my committee, other members of my  
3 committee to add on anything that I might have  
4 left out of my report.

5                   MS. SCHAPIRO: Thank you, Tahira.  
6 This is Mary Schapiro. Development of the  
7 National Baseline Financial Literacy Survey is  
8 well underway. A working group has been  
9 assembled. Leading the questionnaire  
10 development are Annamaria Lusardi, Professor  
11 of Economics at Dartmouth College, and a team  
12 from Applied Research and Consulting which is  
13 a New York based public opinion and market  
14 research firm. Other working partners  
15 include, obviously, staff from the FINRA  
16 Foundation, the Employee Benefit Research  
17 Institute, and the AICPA, as well as, from the  
18 Treasury Department, of course.

19                   The team is also collaborating  
20 closely with various experts in survey design,  
21 economics, and financial literacy.

22                   And the working group has already

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 identified the core content areas that the  
2 survey will cover. And we're working towards  
3 the development of a draft survey instrument.

4 So we're moving along very well and  
5 we're very excited about it.

6 DR. HIRA: I now invite the other  
7 members of my committee, if you have any  
8 comments to add.

9 If not, I would like to also thank  
10 Bill Solomon who has been providing support to  
11 our committee. And I would just suggest, say,  
12 that we do have plans to have future  
13 conference phone meetings, as well as, perhaps  
14 a face-to-face meeting so we can develop our  
15 plan on issues, as well as, develop some  
16 specific plans to accomplish some of the  
17 things that we decide.

18 CHAIRMAN SCHWAB: Well thank you  
19 very much. I have one question and maybe the  
20 other questions from the committee for you,  
21 Doctor. But one of the questions I have is,  
22 on the survey that, as being created here with

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 FINRA and group, how are you, what's the  
2 outreach plan as such? How are you going to,  
3 you are going to try to go to a thousand  
4 people or a 100,000 people?

5 DR. HIRA: My involvement is almost  
6 none. So I would invite Dan and Mary Schapiro  
7 to provide the answer to this question.

8 CHAIRMAN SCHWAB: Okay.

9 MS. SCHAPIRO: Yes. This is Mary  
10 Schapiro. Chuck, we have 1,500 people who  
11 will be surveyed for the national survey. And  
12 then 25,000 on a state-by-state basis so that  
13 we can do some slicing and dicing  
14 demographically. And have a statistically  
15 significant sample state-by-state, as well as,  
16 nationally.

17 CHAIRMAN SCHWAB: Great. That  
18 sounds like a very complete and comprehensive  
19 approach.

20 Any other questions for Dr. Hira's  
21 committee?

22 (No reply.)

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1           If not, we'll move ahead here. And  
2 call on Ted Beck who will, who Chairs our  
3 Committee on Outreach, actually. And let me  
4 turn it over to you, Ted.

5           MR. BECK: Thanks, Mr. Chairman.  
6 First of all, let me introduce the other  
7 committee members. There's John Bryant,  
8 Sharon Lechter, Laura Levine, and Dr. Robert  
9 Lee.

10           I'm also pleased to acknowledge  
11 that in our discussions Treasurer Anna Cabral  
12 has been able to join us as a special  
13 observer. A role we hope she continues to  
14 entertain in the future as we have additional  
15 meetings and discussions. She has been very  
16 helpful.

17           As we have been discussing issues  
18 around Outreach several key themes has  
19 emerged. Many of these will evolve in the  
20 request that we will make of council members.

21           I'd like to briefly touch on seven of those  
22 themes.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1           First, we ask that each of the  
2 council member reach out to respected  
3 communities that are not represented of the  
4 Council, or that they have specific contacts  
5 with, and make sure that they're aware of the  
6 opportunity to make public comments to the  
7 Treasury Department before May 23<sup>rd</sup>. We think  
8 this is a very important role for this  
9 committee which is a listening role, as well  
10 as an outreach role.

11           Two, we want to make sure we keep  
12 outreach, the Outreach Committee informed of  
13 the work of other committees. Fortunately,  
14 one of our members, at least, sits on each of  
15 the other committees. And we're asking those  
16 Outreach Committee members to make sure we are  
17 informed of the work of each committee. So we  
18 can build that into outreach plans.

19           Third, we're going to ask each of  
20 the council members to provide us a list of  
21 media and community contacts that you'd be  
22 willing to contact on behalf of the

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 committee's outreach efforts. Not only those  
2 organizations that you already have contacts  
3 with, but assuming that we identify gaps as we  
4 compile that information that we can reach out  
5 to other areas where we might have gaps in  
6 communication or basically a wish list that we  
7 can get to.

8 Four, we're assuming that the  
9 Outreach Committee should be identifying  
10 opportunities for messaging and guidelines  
11 that the Council might be able to provide to  
12 the American public. In that, many of our  
13 organizations work in that area already and  
14 have messaging and guidelines that might be  
15 able to be reviewed by the entire Council. We  
16 will ask each of the council members to try to  
17 identify what messages they think might be  
18 important. And try to compile those that have  
19 the potential to eventually lead to a  
20 publication on agreed upon guidelines and  
21 messaging for outreach.

22 Fifth, we think it's very important

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 that all council and committee members  
2 remember that listening is very key here. And  
3 that to the extent possible, that council  
4 members can hold town hall meetings or  
5 listening sessions. That those be encouraged.

6 And also to encourage committee members or  
7 council members to be involved in the Treasury  
8 outreach efforts much like the Jacksonville  
9 exercise that took place a week or so ago.

10 It is our understanding that there  
11 will be seven more of those sessions. And  
12 that to the extent possible, that council  
13 members can be involved, that is something  
14 that we strongly encourage.

15 And also to the extent that you are  
16 doing other listening exercises. That you  
17 keep the Outreach Committee informed of the  
18 outcome and information coming from those.

19 Also that, and this is number six,  
20 provide outreach support for specific Council  
21 events. To the extent that, committee members  
22 can or council members can make media and

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 public awareness efforts around the upcoming  
2 challenge.

3 And the Schwab sponsored  
4 recognition event on June 17<sup>th</sup> in Washington,  
5 we feel that that is a very important  
6 component of outreach.

7 Seventh and last is, the idea of  
8 working with Treasury on developing a specific  
9 blueprint on media and communications  
10 outreach. We will invite the Treasury Public  
11 Affairs Office to attend our next discussions.

12 That make sure we are coordinating our  
13 efforts.

14 Those are the seven points we've  
15 talked on. I would invite the other committee  
16 members, if there's something I've missed, to  
17 make comments.

18 (No reply.)

19 Hearing none, I'll ask for  
20 questions.

21 CHAIRMAN SCHWAB: Questions or  
22 comments or -- good work, Ted. I think your

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 committee's doing super stuff.

2 I know I've had plenty of  
3 opportunities to come forth and to try to  
4 discuss about financial literacy issues. I  
5 just had one actually the other day on CNBC.  
6 I was very pleased. I don't know if they ever  
7 published it or viewed it. But we had a nice  
8 lady who was the interviewee of me. Really  
9 focused on it, so you must have done some  
10 great work there to get her to talk about this  
11 financial literacy issues.

12 MR. BECK: I think you might look  
13 at the people sitting next to you that helped  
14 a lot.

15 CHAIRMAN SCHWAB: Thanks.

16 VICE CHAIRMAN BRYANT: Chairman  
17 Schwab and Chairman Beck, one final comment on  
18 the outreach. This is John Bryant. We'll  
19 deal with this properly at the, I guess, our  
20 next meeting in July.

21 But the White House USA Freedom  
22 Corps, encouraged by me and others on the

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 Council, created a White House Initiative on  
2 volunteerism around financial literacy. Which  
3 hopefully will one day become, be called the  
4 Financial Literacy Corps. And they've got  
5 thousands of hits on that website already.  
6 It's at volunteer.gov. At the appropriate  
7 time we'll review that in all its glory with  
8 the full committee. But that's also an  
9 initiative that probably, at some point, needs  
10 to be taken up with the Outreach Committee.  
11 Again we can table it. This is information  
12 point for now. We can take it up formally in  
13 July.

14 CHAIRMAN SCHWAB: Thank you, John.

15 And Ted, thank you very much.

16 Let me move on here in our meeting.

17 At the start of today's call, I had mentioned  
18 that officials from the various Federal  
19 agencies that make up the Financial Literacy  
20 and Education Commission were listening in  
21 today's call. And thank you for being with  
22 us.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1                   This Commission was created by  
2 Title V of the 2003 FAC Act. The Commission  
3 developed the first national strategy on  
4 financial literacy. This body has been hard  
5 at work implementing nearly two dozen  
6 initiatives that were part of that strategy.  
7 To ensure our close coordination and open  
8 lines of communication with the Commission,  
9 the Council decided at our February meeting,  
10 to create a position of liaison and  
11 alternative liaison to the Commission. Two  
12 people. We wanted.

13                   And our Chairman of that particular  
14 committee is Retired Admiral Cutler Dawson of  
15 the Navy's Federal Credit Union group. He was  
16 named to the position of Liaison to the  
17 Commission. And Ted Daniels from the Society  
18 for Financial Education and Professional  
19 Development was named alternative liaison to  
20 the Commission.

21                   Now I'd like to call on Cutler  
22 Dawson, if you would, to give us an update on

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 the activities.

2 MR. DAWSON: Thank you, Mr.  
3 Chairman. This is -- thank you, Mr. Chairman.  
4 This is Cutler.

5 Ted Daniels and I met last week  
6 with Dan and his staff who gave us a briefing  
7 on the Commission. Much of what you have just  
8 covered, but they went in to a little more  
9 depth with us on its history and its progress  
10 to date.

11 And then, both Ted and I, will be  
12 attending, later this month, the meeting of  
13 the Commission in Washington D.C. And Ted and  
14 I, following that meeting, will write up a  
15 synopsis which we intend to give out to all  
16 the council members so we can continue to stay  
17 abreast of what the good work that the  
18 Commission is doing. And perhaps where we can  
19 have intersections of common interest and  
20 common goals that will help them and will help  
21 us.

22 And that completes my report.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 CHAIRMAN SCHWAB: Thank you. Any  
2 questions for Cutler?

3 (No reply.)

4 Hearing none, I will move on in our  
5 meeting here.

6 I thank you very much, Cutler, for  
7 bringing us up to date. And thank you, Ted,  
8 for agreeing to serve on the, as alternate  
9 liaison.

10 MR. DANIELS: Oh, yes.

11 CHAIRMAN SCHWAB: We, I'm sure we  
12 all agree that maintaining a strong  
13 communication with the Commission is  
14 critically important. Thank you for that  
15 work.

16 So this concludes our reports.  
17 Before wrapping up today let me turn the floor  
18 back over to Dan Iannicola for some comments.

19 MR. IANNICOLA: This is Dan  
20 Iannicola. Thank you, Mr. Chairman.

21 I just want to thank the Council  
22 for their hard work and advice. You can see

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 that everyone's been hard at work meeting and  
2 just beginning to develop the connections that  
3 allow them to work together as a team. And by  
4 showing some impressive results with some of  
5 the initiatives that they launched back in  
6 February.

7 So, I would encourage all the  
8 council members to try to get in, at least,  
9 one and, perhaps, two committee meetings  
10 before the June 18<sup>th</sup> meeting.

11 And anything that you have as  
12 specific proposals, try to get to us by May 30  
13 in writing. And if they are going to be  
14 issues that the Council needs to rule on or  
15 come to a consensus on, we'd like to have them  
16 to council members, in writing well in advance  
17 of the meeting. And anything we send to the  
18 council members in writing, in advance of one  
19 of these meetings, of course, is posted on the  
20 website for the public to review, as well.

21 So with those technical comments, I  
22 will congratulate the Council on their work so

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1 far. And tell them that, we at Treasury stand  
2 ready to help them on their important mission.

3 CHAIRMAN SCHWAB: Thank you, Dan.  
4 And I'm going to bring the meeting to close by  
5 a few references to, even our website I  
6 mentioned earlier. But thank you for all the  
7 support that Treasury provides to us on our  
8 important work here.

9 Our next meeting of the Council  
10 will take place at the Treasury Department in  
11 Washington, D.C., on June 18<sup>th</sup>. Details of  
12 that will appear on the Treasury's website, as  
13 well as, an opportunity for the public to go  
14 to the website. To sign up to attend that  
15 meeting if you choose to.

16 I would also like to remind members  
17 of the public that the Council remains very  
18 interested in hearing from you. We are  
19 soliciting public comments through May 23<sup>rd</sup>.  
20 We have posted a list of questions and  
21 instructions about how to submit a comment on  
22 the Treasury website.

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1           Get your pencil out. I'm going to  
2 give you the website address. It's a little  
3 difficult here, but I'm trying to make this as  
4 easy as possible. It is www.treas, that's T-  
5 R-E-A-S, T-R-E-A-S, .gov, G-O-V, with a  
6 backslash and one strewn together is financial  
7 education. It's spelled F-I-N-A-N-C-I-A-L,  
8 Education, E-D-U-C-A-T-I-O-N. That's all  
9 strung together as you might know on websites.

10           So, we encourage everyone to give  
11 us their thoughts on how this Council can  
12 continue to remain effective and promote the  
13 missions of the, and the strategies of our  
14 financial literacy effort.

15           Thank you again. And thank you,  
16 Dan.

17           MR. IANNICOLA: Thank you. This  
18 concludes the call.

19           (Whereupon, the above entitled  
20 matter was concluded at 2:01 p.m.)

21  
22

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15

**NEAL R. GROSS**

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE., N.W.

WASHINGTON, D.C. 20005-3701

(202) 234-4433

[www.nealrgross.com](http://www.nealrgross.com)