

## UNITED STATES OF AMERICA

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PRESIDENT'S ADVISORY COUNCIL ON FINANCIAL  
LITERACY

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## INAUGURAL MEETING

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WEDNESDAY, FEBRUARY 13, 2008

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The meeting came to order at 10:00 a.m.  
in the Cash Room of the Department of the  
Treasury. Charles Schwab, Chairman,  
presiding.

## MEMBERS PRESENT:

CHARLES SCHWABCHAIR  
JOHN BRYANTVICE-CHAIR  
TED BECKMEMBER  
THEODORE DANIELSMEMBER  
VICE ADMIRAL CUTLER DAWSONMEMBER  
ROBERT DUVALL, PHDMEMBER  
TAHIRA HIRA, PHDMEMBER  
SHARON LECHTER, CPAMEMBER  
REV. DR. ROBERT LEEMEMBER  
LAURA LEVINEMEMBER  
DAVID MANCLMEMBER  
DON MCGRATHMEMBER  
JANET PARKERMEMBER  
IGNACIO SALAZARMEMBER  
MARY SCHAPIROMEMBER

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ALSO PRESENT:

TREASURER ANNA ESCOBEDO CABRAL  
US DEPARTMENT OF THE TREASURY  
ASSISTANT SECRETARY DAVID NASON  
US DEPARTMENT OF THE TREASURY  
DEPUTY ASSISTANT SECRETARY DAN IANNICOLA US  
DEPARTMENT OF THE TREASURY  
HON. JUDY BIGGERT  
US HOUSE OF REPRESENTATIVES

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## I-N-D-E-X

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Honorable Judy Biggert (R-IL) . . . .	U.S. House of Representatives	12
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P-R-O-C-E-E-D-I-N-G-S

10:12 a.m.

MR. BODENSIEK: Good morning. My name's Ed Bodensiek. I'm Director of Outreach here at U.S. Treasury and it's my pleasure to introduce our first speaker to start our meeting. In 2007 David Nason was confirmed as Assistant Secretary for Financial Institutions.

In this role he serves as a senior advisor to the Secretary, the Deputy Secretary and the Under Secretary for Domestic Finance on all matters related to financial institutions, government-sponsored enterprises, financial education initiatives, the CDFI Fund and ensuring the resilience of the financial services sector. Prior to Treasury Mr. Nason was at the SEC, and prior to that he was an attorney at Covington & Burling here in Washington. He's a native of Providence, Rhode Island. Mr. Nason received a BS in Finance from American University and

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1 a JD from the Washington College of Law at  
2 the American University. He's married and  
3 has two daughters. Please welcome Secretary  
4 Nason.

5 (Applause)

6 MR. NASON: I'm about to have  
7 another baby any day now, so my phone is on  
8 just in case. Thank you very much for being  
9 here today. I have to say I am very  
10 personally gratified to see this actually  
11 come to fruition today. You know, an awful  
12 lot of people did an enormous amount of work  
13 to get here today so it's great to see this.

14 It makes sense to acknowledge just a few  
15 people at the beginning to understand how we  
16 got here today.

17 I know that Dan Iannicola and his  
18 team spent an enormous amount of time  
19 actually making this work. Treasurer Anna  
20 Cabral and her team spent a lot of time  
21 making this work. There's a lot of faceless  
22 people who worked in the White House staff to

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1 make this happen. It's really not  
2 particularly easy to get an executive order  
3 out of the Administration for a variety of  
4 reasons even for something as broadly  
5 supported as financial literacy so we have to  
6 thank them.

7           And I guess, I don't think anyone  
8 in the White House staff didn't receive an  
9 email or a phone call from John Bryant at any  
10 given time so we have to thank him for his  
11 support in getting that happening. So it's  
12 very gratifying to be here and to see this  
13 come to life and I just want to thank you all  
14 for doing that and thank you for your service  
15 here.

16           I thought it made sense to spend  
17 just a couple of seconds talking about some  
18 of the issues that we are spending a lot of  
19 time working on at Treasury that are at the  
20 core of what I think this commission or this  
21 committee is going to be working on and  
22 that's what we're seeing in the mortgage

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1 market and the mortgage area. And what we're  
2 learning is that these are just incredibly  
3 complex issues that we're dealing with. We  
4 are dealing with as policymakers you know we  
5 have an enormous amount of people that are  
6 dealing with stress and strain in their  
7 mortgages.

8           And looking at that from a policy  
9 perspective is quite a challenge. We are  
10 constantly challenged with balancing two  
11 things that are sometimes competing. The  
12 first would be we want to make sure that  
13 people have access to credit, that's the  
14 basic fabric of what we're trying to do here,  
15 and we don't want a system that penalizes  
16 people that have less than perfect credit for  
17 not being able to participate in that space.

18           We were once at a period where  
19 you needed perfect credit to get a mortgage.  
20 We have moved from that, and that's a  
21 positive thing, so we want to make sure that  
22 you know, not everyone in America has perfect

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1 credit and you don't need perfect credit to  
2 get a mortgage. So we have to make that  
3 balance.

4 But by the flip side it seems  
5 quite clear that some were taken advantage  
6 of, many are over their heads and it is  
7 difficult in terms of how to deal with that  
8 from a public policy perspective. The  
9 situation is further complicated by it varies  
10 across the regions. Some areas are dealing  
11 with economic stress, others are dealing with  
12 a great oversupply of housing and that's  
13 having impact on what's happening in  
14 mortgages.

15 So I raise these issues to say  
16 that there's no silver bullet in dealing with  
17 them, but there does seem to be one constant  
18 and that constant is that we are generally  
19 not well-equipped from a financial literacy  
20 standpoint to deal with some of these  
21 decisions. So - and you all and this  
22 committee will be at the front line in

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1 dealing with some of these issues and so I  
2 thank you for that. The President recognized  
3 that financial literacy is a very effective  
4 component to dealing with this situation. I  
5 hope that you will be an effective component  
6 to dealing with this situation because you  
7 are part of the best defense to deal with  
8 this on a going-forward basis.

9 And I'm just happy to see that  
10 this is actually happening. One thing I  
11 thought about is that, as we were trying to  
12 get this committee through you know the  
13 process by which it takes to get an executive  
14 order, it struck me that everyone is for  
15 financial literacy, but not everyone does it.

16 So thank you very much for doing it. It's  
17 very important that you are. Okay.

18 Now it's my great privilege to  
19 introduce Congresswoman Judy Biggert and we  
20 thank you for being our guest speaker here.  
21 She is a lifelong Illinois resident and she  
22 combines a wealth of experience as a

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1 legislator, lawyer, community leader and a  
2 small business owner to serve the suburban  
3 Chicago residents of Illinois' 13<sup>th</sup> District  
4 in the U.S. House of Representatives. In the  
5 110<sup>th</sup> Congress Judy is a member of three  
6 committees: Education and Labor, Financial  
7 Services, Science and Technology, and of six  
8 subcommittees. She serves as ranking member  
9 of the House Financial Services Subcommittee  
10 on Financial Institutions and Consumer  
11 Credit. You know, I might have to be there  
12 at some point so I'm hoping you'll be nice to  
13 me and remember this kind introduction.

14 Congresswoman Biggert's background  
15 as a PTA president and as an estate planning  
16 attorney make her a natural fit for financial  
17 education issues. In the 108<sup>th</sup> Congress she  
18 sponsored HR 2990 to create a financial  
19 literacy education commission. Language from  
20 HR 2990 was later incorporated in HR 2622,  
21 the Fair and Accurate Credit Transactions Act  
22 of 2003 which was signed into law on December

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1 4, 2003. In 2005 she joined Rubin - I'm  
2 going to get it wrong - Hinojosa to form the  
3 Financial and Economic Literacy Caucus which  
4 now boasts over 75 bipartisan members. And  
5 for each of the past four years she has  
6 secured passage of resolutions in the House  
7 to support and raise awareness of April as  
8 financial literacy month. She also worked to  
9 secure annual funding for economic education  
10 programs in NCLB. During her time in  
11 Congress she has hosted or organized dozens  
12 of events on the Hill and in her district to  
13 bring financial literacy programs to the  
14 attention of policymakers and into  
15 classrooms. These include Annual Financial  
16 Literacy Day and National Consumer Protection  
17 Week fairs on Capitol Hill where government  
18 agencies and financial literacy organizations  
19 can share their programs and resources with  
20 members and staff from around the country.  
21 And on June 13, 2007, she received the Adam  
22 Smith Award from the National Council on

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1 Economic Education for her work on this  
2 issue. We are honored to have her presence  
3 here and join me in welcoming her.

4 (Applause)

5 REP. BIGGERT: Thank you so much  
6 Dave for that kind introduction. I'll look  
7 forward to your testimony when you come  
8 before our committee. It is a pleasure to be  
9 here and thank you for inviting me to say a  
10 few words at your inaugural meeting. I can't  
11 tell you how happy I am to see familiar faces  
12 in one place ready to tackle financial  
13 literacy in a big way. I see Robert Duvall  
14 with NCEE and Ted Beck from NEFE, Laura  
15 Levine at Jump\$tart, and John Bryant with  
16 Operation HOPE, and the list goes on and on.

17 So many of you already know me pretty well  
18 by now and I'm happy to say that a number of  
19 us have worked together closely on the issue  
20 since well before Congressman Rubin Hinojosa  
21 and I formed the Financial Literacy Caucus  
22 back in 2005. In fact I've actually known

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1 our distinguished chairman, Charles Schwab,  
2 since we attended school together at Stanford  
3 about - well, let's just say a little while  
4 ago. So I look forward to continuing our  
5 work together and I especially look forward  
6 to working with those of you that I haven't  
7 had the pleasure to meet with yet.

8           And with that said I'd like to  
9 begin my remarks by saying how grateful I am  
10 that President Bush has brought together this  
11 distinguished Council. About five years ago  
12 in 2003 I did actually introduce the bill,  
13 the CENTS bill - that's C-E-N-T-S, not S-E-N-  
14 S-E - that would have established a  
15 commission like this one with the mission of  
16 coordinating the private and public sector  
17 financial literacy efforts. So unfortunately  
18 the Senate would only agree to half of that  
19 idea so from that was born the public sector,  
20 the Financial Literacy and Education  
21 Commission or FLEC, under the leadership of  
22 Treasury Secretary Paulson and Deputy

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1 Assistant Secretary Dan Iannicola.

2           So FLEC has worked very hard to  
3 consolidate and coordinate the various  
4 federal economic education initiatives. But  
5 we frankly wanted a commission that would  
6 bring together the best of both worlds, the  
7 private and the public sector, to attack this  
8 problem. And it turns out that what was true  
9 in 2003 is still true today. Teaching  
10 financial literacy requires the cooperation  
11 between government and industry. The  
12 government can't and frankly shouldn't be  
13 solving this problem on its own and make no  
14 mistake we have a problem. The savings rate  
15 is hovering around zero, there were 1.1  
16 million foreclosures during the first three  
17 quarters last year and 10 million Americans  
18 are simply unbanked. So some of our  
19 financial woes are a result of the slowing  
20 economy, but many of them - the kitchen table  
21 issues confronting Americans are the direct  
22 result of families that don't have the

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1 knowledge and tools that they need to manage  
2 credit, risk and savings. So if you have any  
3 doubt, just go sit and watch bankruptcy cases  
4 at the courthouse. I did this shortly after  
5 I was elected to Congress and I was amazed at  
6 how many people who had good jobs and  
7 incomes, they just didn't have the basic  
8 financial literacy tools that could have kept  
9 them out of the trouble that they found  
10 themselves in. So that's why to really bring  
11 sound money management into American homes  
12 and classrooms we need you to improve the  
13 coordination between the public sector  
14 efforts and those of financial institutions,  
15 non-profits, faith-based organizations and  
16 educational foundations.

17 So I think a good place to start  
18 would be on what I call "emergency response  
19 scenarios." After the 2005 Gulf Coast  
20 hurricanes a number of you, John Bryant  
21 especially, stepped up to the plate to help  
22 hurricane victims regain their financial

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1 footing. Around the same time I called on  
2 then-Secretary Snow to convene an emergency  
3 meeting of FLEC to coordinate the financial  
4 recovery efforts of the 20 federal agencies.

5 And when the mortgage crisis hit many of  
6 your organizations coordinated with Treasury  
7 to set up the Hope Now initiative to help  
8 troubled homeowners keep their homes. And  
9 these are commendable efforts, but I would  
10 argue that they would have been implemented  
11 with greater speed and effectiveness through  
12 having this Council. And you have the unique  
13 position of being able to set up rapid  
14 response public/private financial literacy  
15 teams when an urgent need arises.

16 And second on my list then is a  
17 longer-term goal. We need you to help direct  
18 development of new, more effective measures  
19 of teaching sound money management skills to  
20 all age groups, from toddlers to seniors.  
21 And we need to encourage more states to  
22 integrate personal financial education into

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1 their K-12 curriculum guidelines. So right  
2 now 60 percent of preteens do not know the  
3 difference between cash, credit cards and  
4 checks. And college students leave for  
5 school with a credit card in hand, but no  
6 idea how their credit card works - or their  
7 credit report works, or how it works either I  
8 should say. While we tell kids to save  
9 early, we don't give them the knowledge to  
10 really accomplish the task. That's why it's  
11 important for banks, credit card companies  
12 and financial firms like yours to work with  
13 educators to develop sound money management  
14 curriculum and resources. With the right  
15 education, today's children will become  
16 tomorrow's smart investors, entrepreneurs and  
17 business leaders.

18 And third, we need you to help  
19 give Americans access to the tools that they  
20 need to save and invest money. At the start  
21 of the 110<sup>th</sup> Congress I introduced a bill  
22 called 401Kids Family Savings Act of 2007.

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1 This bill will allow parents and family  
2 members to set aside money in a child's  
3 account that will accumulate interest tax-  
4 free and can be used for college tuition,  
5 maybe even a first home if they've saved  
6 enough, and even retirement. So not only  
7 will this boost savings, but it will get more  
8 kids actively engaged in banking from the  
9 time they're old enough to count. This way  
10 they can learn about things like compound  
11 interest in the best way imaginable, by  
12 watching their own college fund grow. So I  
13 appreciate the support that many of your  
14 organizations have shown for this bill and I  
15 hope that I can rely on all of you to help me  
16 get it to the President's desk.

17 But this is only one idea and part  
18 of your mission is to find new ways to give  
19 more Americans access to better options for  
20 managing wealth. All three of these  
21 challenges are things that many of us have  
22 grappled with for years now. Understanding

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1 credit and interest is tough and teaching to  
2 millions of Americans will not be a simple  
3 task and that's why we need the innovative  
4 ideas for the modern online world. So once  
5 again this year some of those ideas will be  
6 on display at the Financial and Economic  
7 Literacy Caucus Annual Financial Fair Day  
8 this April on Capitol Hill so it's a great  
9 way to see what the various groups are doing  
10 and I encourage everyone to attend.

11 And once you've seen what's  
12 working and what's not I'd like to see this  
13 Council really take the reins by putting  
14 together some legislative proposals.  
15 Lawmakers do sometimes - and we recognize the  
16 importance of financial literacy, and I have  
17 no doubt that we could move a bill with your  
18 collective backing. But what we need now are  
19 good affordable ideas and I'm afraid those  
20 rarely come from Congress, so we need your  
21 help. But working together with FLEC and  
22 other government units, do what you can in

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1 your industries and communities, but let us  
2 in Washington know where we can compliment  
3 and leverage your success. That's the real  
4 purpose of this Council and I have every  
5 faith that you will accomplish your task.

6 So this being your first meeting  
7 I'll even give you a piece of advice on where  
8 to start on that. Follow the money.

9 Americans are a diverse group, but we all  
10 share some very basic financial needs. We  
11 need to be prepared for tuition costs, a  
12 home, health care and retirement. We need a  
13 financial cushion against unexpected  
14 challenges like the death of a family member  
15 and we need the capital necessary for new  
16 entrepreneurs to launch the startups and open  
17 the small businesses that drive this economy.

18 So as a Council your goal should be to give  
19 every American the opportunity and the know-  
20 how to fulfill each of these goals. And when  
21 you've done that, well check back in and  
22 maybe we'll have you do Social Security while

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1 you're at it.

2 (Laughter)

3 REP. BIGGERT: Seriously though, I  
4 know it's a daunting task, but you have a  
5 very talented group here from a wide variety  
6 of institutions and each of you I think has  
7 shown remarkable dedication to public service  
8 by volunteering your time, energy and  
9 resources to this initiative. I'm sure that  
10 great things will come of it and I thank you  
11 for what you're doing. Thanks again for  
12 inviting me to be here. This is an event  
13 that I'm proud to be a part of and please  
14 don't hesitate to call me if I can do  
15 anything to be of assistance to you. Thank  
16 you.

17 (Applause)

18 MR. NASON: I next have the very  
19 distinct honor of introducing one of our  
20 greatest assets for financial literacy. We  
21 are blessed at the Treasury and hopefully you  
22 as a Council will be blessed with using one

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1 of our most effective resources for financial  
2 literacy and that's our 42<sup>nd</sup> Treasurer of the  
3 United States Anna Cabral. Please welcome  
4 her.

5 (Applause)

6 TREASURER CABRAL: Thank you.

7 It's good to be here to welcome you to the  
8 Department of Treasury and the historic Cash  
9 Room. It is really I think an honor for us  
10 here at Treasury to see this meeting come to  
11 fruition. I echo David's comments earlier  
12 about the work really among a number of  
13 individuals to make this happen. I  
14 especially want to congratulate and thank  
15 David for his leadership. It would not have  
16 happened were it not for him and Secretary  
17 Paulson and the President calling on the  
18 Department of Treasury to really come forward  
19 with some ideas. And I want to congratulate  
20 each and every one of you advisory committee  
21 members for your appointment and for  
22 accepting this opportunity to be part I think

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1 of an initiative that will make a world of  
2 difference to many generations to come.  
3 Quite frankly you were all handpicked by the  
4 President because you represent a particular  
5 set of experiences, expertise, individuals,  
6 organizations, communities that really are a  
7 part of both the problem and the solution.  
8 What we're talking about is making a  
9 difference in the quality of life that people  
10 enjoy, whether or not they understand the  
11 experience, the opportunities that exist in  
12 this great and vast nation in our economy.  
13 Your challenge is fairly large because there  
14 are some sizeable gaps that exist. I think  
15 David - Assistant Secretary Nason spoke to  
16 some of the things that we're experiencing  
17 today and the importance and the difference  
18 that perhaps a more financially literate  
19 population would have made in these  
20 challenges. I think Congresswoman Biggert,  
21 you've done a phenomenal job over the years  
22 in terms of providing leadership in the House

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1 of Representatives. And you identified I  
2 think for us very well the size and scope of  
3 your challenge, members of this Council.

4 But I think that probably the most  
5 important thing that this Council does is  
6 bridge between the private and the public  
7 sector some of those solutions. Many of you  
8 come here with great ideas. We're going to  
9 start by presenting you some of our own. Dan  
10 will - Dan Iannicola will share some of the  
11 ideas that we've jotted on paper, and they're  
12 just a starting point for where we can go  
13 together. One of the things that we've  
14 learned here at Treasury is that very few  
15 initiatives are dealt well when they're dealt  
16 exclusively by the federal government. Most  
17 every successful effort is truly a reflection  
18 of collaboration among the private and public  
19 sectors. That's no different in the area of  
20 financial education. The gaps that exist  
21 range the full gamut, quite frankly. We  
22 sometimes think of individuals needing

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1 financial literacy as those that are perhaps  
2 in the lower income category, perhaps younger  
3 in age. Maybe it's the kindergartner or the  
4 high school student. But quite frankly, it's  
5 an important element to the ability of each  
6 and every one of us to make the most of our  
7 opportunities, regardless of whether we come  
8 from college-educated parents or parents that  
9 didn't get out of high school. Regardless of  
10 whether we're owners of a small business, a  
11 medium-sized business, or we're seeking to  
12 grow it to a very large opportunity.

13 Regardless of whether or not we own our home  
14 or we rent, whether we understand how a  
15 401(k) operates or even hold one in our  
16 possession. So your challenge is great, but  
17 I know the President chose wisely in  
18 investing in each and every one of you this  
19 opportunity. So I thank you.

20 Our office stands ready to assist  
21 you as well and it is of course the Office of  
22 the Treasurer. So as you're moving forward

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1 in your work Mr. Chairman, Mr. Vice Chairman,  
2 each of the members of this Council, count on  
3 our office to be a support to you and do  
4 whatever we can to make sure you're  
5 successful. As you move forward, recall that  
6 you are actually a living institution  
7 breathing some life into the opportunities  
8 that exist for all Americans. As you go on  
9 and you will exist beyond this  
10 Administration, know that what you're really  
11 doing is ensuring that Americans for future  
12 generations really can experience the  
13 American dream, that of owning a home,  
14 perhaps building a business, paying for  
15 college education not only for their  
16 children, but for parents themselves. We're  
17 living in a very different economy, one that  
18 requires increasing levels of education and  
19 experience. So we have to be concerned about  
20 making a commitment to education that's  
21 lifelong - that means parents should be as  
22 concerned about their own educational

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1 achievement as they are of their children's -  
2 that we plan for and secure good healthcare  
3 and retirements that really are golden and  
4 that allow us to enjoy the future. So again  
5 I thank you for the partnership that we are  
6 embarking on today and I look forward to your  
7 suggestions. As we move forward, please do  
8 let us know what you think of our starting  
9 point.

10 I'd like to introduce Dan  
11 Iannicola who will be working through this  
12 meeting. I don't think Dan needs much of an  
13 introduction. Everybody in this room should  
14 know him very well. Dan of course leads the  
15 Office of Financial Education and an able and  
16 talented team of individuals in that office  
17 who've worked very, very hard to make this  
18 meeting happen. We are really very blessed  
19 to have Dan and his team here at Treasury  
20 because I think they do a phenomenal job of  
21 helping to ensure that we really do help the  
22 private sector and the public and non-profit

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1 sectors work together to address this issue.

2 There's lots of room for each and every one  
3 of us to bring our piece of the puzzle to  
4 bear. And Dan's experiences have been quite  
5 unique. Quite frankly he's very talented and  
6 very well-educated, but I think one of the  
7 things that I love most about him is the fact  
8 that he served on a school board at one  
9 point, understands very well that experience  
10 and some of the challenges that exist as we  
11 speak about financial education in public  
12 schools, and of course he taught I think as  
13 an adjunct professor business law. So with  
14 that I'd like to introduce Dan who will share  
15 some of the elements that we've worked out  
16 for you today. Thank you.

17 (Applause)

18 ASST. SECRETARY IANNICOLA: Thank  
19 you so much Treasurer Cabral. I want to  
20 thank all of our distinguished introductory  
21 speakers, Assistant Secretary Nason,  
22 Congresswoman Biggert and of course the

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1 Treasurer herself who is going to be sticking  
2 around with us, happy to say. I'd like to  
3 get right down to business and use this  
4 group's time in the best way possible. I  
5 will turn the meeting over to Mr. Charles  
6 Schwab but I will first give you a little  
7 background on him.

8 He started his San Francisco-based  
9 firm in 1971 as a traditional brokerage  
10 company and in `74 became a pioneer in the  
11 discount brokerage business. He took an  
12 early lead offering a combination of low  
13 prices with fast, efficient order executions  
14 and soon became the nation's largest discount  
15 broker. Today the company is one of the  
16 nation's largest financial services firms  
17 with \$1.3 trillion in client assets. Schwab  
18 provides full-service investing experience to  
19 clients through domestic offices, the  
20 internet and multilingual and international  
21 offices. Mr. Schwab is also chairman of  
22 Schwab Bank and a trustee of the Charles

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1 Schwab family of funds, Schwab Investments,  
2 Schwab Capital Trust and Schwab Annuity  
3 Portfolios, all registered investment  
4 companies. He's been the chair and director  
5 of Charles Schwab Corporation since its  
6 incorporation in 1986 and has served as chief  
7 executive officer from 1986 to 1997, and as  
8 co-chief executive officer from January 1998  
9 until May of 2003. He was reappointed CEO in  
10 July 2004.

11 But in addition to professional  
12 commitments, Mr. Schwab has taken an active  
13 interest in a variety of volunteer and non-  
14 profit activities. Along with his wife Helen  
15 he is the cofounder and chairman of the  
16 Charles and Helen Schwab Foundation, a non-  
17 profit organization that focuses on helping  
18 children with learning disabilities  
19 nationwide and also focuses on supporting  
20 low-income families through initiatives in  
21 poverty prevention, homelessness and  
22 substance abuse. He's also the chairman of

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1 the All Kinds of Minds Institute, a non-  
2 profit institute dedicated to the  
3 understanding of differences in learning.  
4 His current book is a completely revised and  
5 updated version of his 1998 book Charles  
6 Schwab's Guide to Financial Independence.  
7 He's also the author of It Pays to Talk,  
8 written with his daughter Carrie Schwab  
9 Pomerantz, and You're 50, Now What? So with  
10 all that great experience at the table next  
11 to me I'm going to get out of the way and let  
12 Mr. Charles Schwab, our chair of the  
13 President's Council on Financial Literacy,  
14 start the meeting. Mr. Schwab?

15 CHAIRMAN SCHWAB: Thank you. Good  
16 morning everyone, it's a real pleasure to be  
17 here. I'm exhausted listening to that  
18 resume. My goodness, when did that time pass  
19 by? But what we have about us is a very  
20 important issue around financial literacy and  
21 I love the comments made by our first  
22 speakers, our Treasurer of the United States

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1 of America and her great words and Senator  
2 Biggert who is a wonderful woman who I  
3 remember years ago as a young woman on the  
4 Stanford campus and she remains equally as  
5 attractive today as she was then.

6 Dan, I want to thank you for  
7 really being the shepherd of this whole  
8 effort here on behalf of the Treasury.  
9 You've done an incredible job. I couldn't be  
10 more delighted and honored to be asked to be  
11 the chairman of this group, of an esteemed  
12 group of people who come with an unbelievable  
13 amount of passion and experience in the world  
14 of financial literacy. It's going to be a  
15 great amount of fun for me to work with you  
16 all because I think together as suggested I  
17 think we can make a dent. There's a big hole  
18 there, but we can make some dent if we  
19 prioritize ourselves along the way. I also  
20 want to thank my wonderful co-chairman John  
21 Bryant who has deep passion about this issue  
22 and has done a lot of work in a variety of

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1 areas that are truly underserved, and that's  
2 going to be a big target of our efforts, the  
3 underserved community in the United States,  
4 and there are many candidates that fall into  
5 that category. I won't enumerate them now.  
6 Certainly the team at Treasury, I want to  
7 thank them for all the work and we've got  
8 some really fast-starting things that are  
9 coming out of the gate that we'll be talking  
10 about a little bit later this morning.

11 In no part this Council has  
12 brought together an incredible group of  
13 experts on financial literacy and I know the  
14 President worked hard on this thing. I spoke  
15 to him about it earlier last month about who  
16 he was inviting to be on this thing and I  
17 know the deep commitment you all have to him  
18 and basically the overarching thing is to  
19 help Americans improve their literacy. We  
20 are a country that is dependent upon us  
21 taking personal responsibility for our lives,  
22 not only our physical lives, but also our

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1 fiscal lives. And certainly government can  
2 help to some degree, but for the most part to  
3 get ahead you've got to really take charge of  
4 your own outcomes.

5 I'm pleased to say that five  
6 organizations that are actually represented  
7 here and represented here on the Council,  
8 Operation HOPE, Junior Achievement, Jump\$start  
9 Coalition, the FreshMinistries and the  
10 National Endowment for Financial Education  
11 are all a part of this group here. A lot of  
12 work, including my daughter Carrie who's over  
13 on the side there, did a lot of preparatory  
14 work in the last six to eight months to get  
15 us to this point, and the recommendation to  
16 get a presidential order to set up this  
17 Council. Thank you for all the efforts that  
18 you did that came before us.

19 Financial literacy is an issue  
20 that I have deeply felt passion about all of  
21 my career. Having come up out of the  
22 Depression years as a child, a kid of

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1 Depression-era parents I know about the lack  
2 of money, lack of resources, the lack of a  
3 lot of things and what a - deep empathy for  
4 the situation having grown up in the `40s and  
5 `50s when there was really not much money  
6 around at all. So I do have a sense of that  
7 history which I think might be beneficial  
8 being probably the oldest one on this  
9 committee here.

10 So understanding that as I look  
11 around in all my career I see the desperate  
12 needs for people in terms of - particularly  
13 starting at the young age, young adults  
14 learning just the basics. And they don't  
15 have many opportunities to do that. Schools  
16 don't have much in the way of efforts to do  
17 that. Just simple skills like how do you  
18 open a bank account. How do you understand  
19 credit cards. I mean you know these  
20 teenagers now are all opening up credit  
21 cards, sent to them sort of unsolicited cards  
22 and you know anybody, well that looks pretty

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1 good, I've got a thousand dollars at my  
2 disposal, just open it up. They don't  
3 realize in the fine print they're paying 20-  
4 25 percent interest, whatever it might be.  
5 Not a good situation. Need to learn how to  
6 finance or control some of their educational  
7 opportunities in going towards college,  
8 whether it's figuring out how to get tuition  
9 help, whether it's scholarships or other ways  
10 you can get - borrowing to help yourself get  
11 your education because we know education  
12 ultimately is the real benefit for kids to  
13 really turn their lives in the right  
14 direction.

15           Adults. I see so many adults at  
16 Schwab. We have many clients coming in who  
17 have just had the opportunity to start  
18 putting money aside. Simple things around  
19 budgeting, planning, financial planning,  
20 things of that - how to manage their debt and  
21 manage their bills. These things are - you  
22 know, it requires some education and we have

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1 to start early and it's not just a 1-hour  
2 deal, it is a lifelong pursuit. You never  
3 have - it's like American history. It's nice  
4 to understand the financial - our  
5 Constitution and our Bill of Rights. It just  
6 starts there. If you want to understand  
7 American history, you've got to put a lot of  
8 time into it. If you want to be a financial  
9 literate you've got to put some time into it,  
10 some commitment. But I think we can help and  
11 assist people to get there.

12 I also have to mention that I  
13 think it's important that we need to look at  
14 the ethical side of this question too,  
15 ethical education. It's not just how to  
16 understand when something may be coming your  
17 way that really is going to get you into  
18 trouble, like for instance subprime was sort  
19 of mentioned earlier. There were some  
20 hotshot salespeople that sold subprimes to  
21 the wrong people. How do you sort through  
22 that one? How do you handle and push forward

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1 the responsibility case by the vendors that  
2 might have overreached. That's always been a  
3 concern to me.

4 We see symptoms all over about  
5 where the lack of financial literacy comes  
6 in. We see the teenagers who - the number I  
7 see is they have more cell phones, teenagers  
8 have more cell phones than they do savings  
9 accounts. That says something. They like to  
10 communicate of course. They sure don't like  
11 to save. We see among employees in terms of  
12 the 401(k). And I have to say, and I want to  
13 thank the Administration and Congress. Two  
14 years ago we put through the Pension  
15 Protection Act. I have seen in my own eyes  
16 the last two years the acceleration of young  
17 adults taking up 401(k)s. It's going from  
18 something like about 50-60 percent take-up  
19 rate to in the 90s. That is a fantastic  
20 long-term thing that's happening. Just a  
21 slight change in the way the Pension Act was  
22 written now allows for corporations to

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1 automatically enroll their new employees in  
2 the 401(k). And also, by the way, take  
3 advantage of the freebie, the benefit that  
4 most corporations provide in terms of the  
5 matching benefits. That's just free money  
6 that has gone away for those who didn't  
7 participate before.

8           So there are - obviously we can  
9 talk about the savings rate which is  
10 scandalously low. I think it's the lowest  
11 since 1933. We know all about that. But we  
12 see plenty of places where we as a group can  
13 make a difference with some emphasis. We  
14 can't do it all and so our big job will be to  
15 prioritize. And I think one of my hopes is  
16 that we also look at the different areas.  
17 Not only is it the adults coming along, but  
18 it's also in the workplace. The workplace is  
19 woefully underserved in terms of - and that  
20 is the point, the most critical point in  
21 someone's life in my view where money becomes  
22 the first point of relevancy. When they get

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1 their first 401(k) kind of statement. Oh,  
2 that is mine. That's the place where they've  
3 got to begin thinking about all these things  
4 and bringing to fore what they might have  
5 learned as a 16-year-old. Now they're 25 or  
6 24, has to be doubled - redouble that effort  
7 again in the workplace.

8           There are - so I mentioned some of  
9 the wonderful programs that are going on  
10 across the country right now and many of the  
11 people in this room are behind those and  
12 we're going to obviously have the breadth and  
13 depth of their experience shared with our  
14 group here and the committee and so forth.  
15 But I would be - if I didn't mention  
16 activities like Junior Achievement which has  
17 been many, many years dealing with I think  
18 about 4 million students every year trying to  
19 introduce to them. They do a fantastic job.

20       The National Endowment for Financial  
21 Education attacks the high schoolers and  
22 they've reached more than 5 million students

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1 since their inception in 1984. Fantastic  
2 work. On the local level the FreshMinistries  
3 program that I think started in Jacksonville  
4 to teach adults the basics of financial  
5 literacy and also offer free tax preparation  
6 and also how to take advantage of the earned  
7 income tax credit which many people at the  
8 lower end of our society, it's pretty  
9 complicated and this is what they do to help  
10 these people understand the benefits that  
11 they can receive. The Society for Financial  
12 Education and Professional Development is  
13 represented here. Puts out many seminars  
14 across the country on dozens of college  
15 campuses every year. So that's great effort  
16 ongoing and should be continued to be  
17 supported. We'll hear more about that in a  
18 moment.

19 So our job would be certainly to  
20 coordinate a lot of these things, emphasize  
21 those that are really successful programs I  
22 think. And obviously one of our big jobs,

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1 John, is commission. We had a nice breakfast  
2 this morning talking about some of these  
3 things. How do we broadcast, get more public  
4 service educational things to get the  
5 information out there that's available,  
6 whether it's a lecture here or a brochure  
7 here, or some help, whatever it might be  
8 along the way. So we have lots to do here  
9 and I want to thank you all for joining the  
10 Council and I look forward to working closely  
11 with you. And now what I'd like to do is  
12 we'll go around the table and introduce  
13 ourselves individually, what we do do and  
14 first I'll start with John Bryant on my left,  
15 my vice chair. Thank you very much John.

16 VICE CHAIRMAN BRYANT: Good  
17 morning. Let me start with - I'm chairman  
18 and founder of Operation HOPE - start with an  
19 informal remark that Charles Schwab has to be  
20 the coolest billionaire I've ever met.

21 (Laughter)

22 VICE CHAIRMAN BRYANT: And it's

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1 not common for a man of his caliber during  
2 the prime of his professional career. He's  
3 not retired CEO, he is the active CEO of  
4 Charles Schwab, one of the largest and most  
5 distinguished companies in the world, over a  
6 trillion dollars in assets under management.

7 To get him to commit to chair this group and  
8 to bring the pedigree and the credibility  
9 with it. You mention his name - first of  
10 all, you can't get off an airplane without  
11 seeing "Call Chuck" somewhere. But you  
12 mention his name and it has a universal ring  
13 of credibility and integrity, and I'm honored  
14 to serve with you, to be your vice chairman,  
15 to help you fulfill this mission. And I like  
16 him also. He's a get-it-done guy.

17 Honored to be on this Council with  
18 so many friends and people who have made a  
19 difference and we're going to make a  
20 difference. I guess just very briefly will  
21 say that when I was on my way here this  
22 morning on my way to breakfast I accidentally

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1 went to the Willard Hotel versus the proper  
2 hotel and I think that was no accident.  
3 Martin Luther King, Jr., gave - wrote the I  
4 Have a Dream speech from that hotel in `63.  
5 And he said that the Civil Rights Movement  
6 had presented a check, but that check was  
7 returned marked Insufficient Funds. Andrew  
8 Young has gone on to say that they integrated  
9 the lunch counter, but they never integrated  
10 the dollar. And you can get access to the  
11 hotel, but what good is access to the hotel  
12 if you can't afford to pay the bill? And I  
13 think that what we're doing here today is so  
14 extraordinarily important. We have an  
15 opportunity that's unprecedented.

16 I just - I'll end with the most  
17 powerful statement that anyone has made. The  
18 President appointed us for two years. We'll  
19 have an opportunity to have an impact across  
20 two administrations. Policy. It is now the  
21 policy of the federal government to promote  
22 financial literacy. Let that set in for a

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1 moment. It is now the policy of the federal  
2 government to promote financial literacy. If  
3 we don't do something significant with this,  
4 it is a sin. Every child should be given the  
5 tools to compete in this society. You can't  
6 live in the largest capitalist country in the  
7 world and not teach your children checking,  
8 savings, credit, investment, the history of  
9 banking. The subprime crisis has brought  
10 this relevancy home to middle class. I think  
11 that the players are all here to make a  
12 difference and I'm honored to be part of this  
13 group to do just that under the leadership of  
14 Charles Schwab. Thank you.

15 CHAIRMAN SCHWAB: Thanks very much  
16 John. Dr. Lee?

17 DR. LEE: Thank you. I'm honored  
18 to be here as well. I'd like to say that  
19 John Bryant is one of the coolest non-  
20 billionaires that I know.

21 (Laughter)

22 DR. LEE: Unless he's holding out

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1 on us someplace. I am the chairman and  
2 founder of Fresh Ministries and the - another  
3 organization called Be the Change  
4 International. We do all sorts of work all  
5 over the world from housing to HIV and AIDS  
6 clinics in Africa, education reforms, but at  
7 the heart of all of this is financial  
8 literacy. What we really must do is - the  
9 congresswoman addressed it very nicely - is  
10 to not only address the needs of those who  
11 are facing disaster - and not just natural  
12 disaster but the everyday dealings of normal  
13 folks in this country is disastrous in terms  
14 of financial literacy - but we also need to  
15 raise up a generation of children who are  
16 literate in terms of their financial  
17 understanding. We have got to level the  
18 playing field for individuals and that's the  
19 only way we're ultimately going to solve this  
20 problem. But I'm honored to be here and I  
21 thank the President and everyone who had  
22 anything to do with this for including me.

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1 Thank you.

2 VICE ADM. DAWSON: I'm Cutler  
3 Dawson. I'm the president of Navy Federal  
4 Credit Union which has 3 million members in a  
5 credit union movement that has over 90  
6 million members in this country. Three years  
7 ago I retired from the Navy after 34 years  
8 and had the privilege to serve with some of  
9 the finest men and women that we have in this  
10 country today who deserve their place as  
11 stakeholders in America and financial  
12 literacy is a big part of that. And I  
13 consider it to be an all hands effort and I'm  
14 very pleased to be part of it. Thank you.

15 MS. Schapiro: Hi, I'm Mary  
16 Schapiro. I'm also very honored to be here.  
17 I'm the CEO of the Financial Industry  
18 Regulatory Authority which is the private  
19 sector regulator of the 5,100 brokerage firms  
20 that operate in the United States. I'm also  
21 though, more relevant perhaps, chairman of  
22 the FINRA Investor Education Foundation which

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1 in its first three years of existence has  
2 approved 60 grants totaling about \$15 million  
3 for education and research in financial  
4 literacy. Among our newest initiatives is a  
5 grant program in partnership with the  
6 American Library Association which brings  
7 through 13 grants to public libraries and  
8 library networks across the country -  
9 millions of library patrons included in that  
10 - access to much greater unbiased, honest  
11 information about investing, and it brings it  
12 right to people where they live and work.

13 We also do more than just grant-  
14 making though. We have about \$14 million of  
15 foundation money committed to projects  
16 targeting the military in particular and  
17 older investors who are entering retirement.

18 And our flagship program really is our  
19 military financial education project done in  
20 partnership with some of you around the table  
21 and also the Department of Defense to deliver  
22 critical savings and investing messages and

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1 materials and tools to service members and  
2 their families around the world. MR.  
3 BECK: Good morning. My name is Ted Beck. I  
4 am the president and CEO of the National  
5 Endowment for Financial Education, commonly  
6 known as NEFE. We're best known for our high  
7 school program which was previously  
8 mentioned. That will reach over 800,000  
9 students this year in all 50 states. That's  
10 actually a program we've been doing for over  
11 20 years in cooperation with the Cooperative  
12 Extension, the Credit Unions of America and  
13 most recently Junior Achievement. But that's  
14 just one of the things we do. In the same  
15 vein in September we launched a college  
16 program that was in pilot and is going quite  
17 well. We have, as of the beginning of this  
18 week we've had over a hundred colleges,  
19 universities and university systems either  
20 sign up for the program or are in the process  
21 of signing up for the program, and we're very  
22 focused on now taking that into emerging

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1 households as a target market. We also fund  
2 research and have partnered with over a  
3 hundred organizations ranging from the Dress  
4 for Success program to the Red Cross to the  
5 Urban League to bring financial education  
6 content to their members, their constituent  
7 groups, often in crisis situations.

8           There's a couple of key things  
9 about NEFE that we hope we can bring to the  
10 Council. One, we have a special interest in  
11 underserved communities. Two, we believe  
12 that financial literacy is a continuous  
13 process. This is not something that you sit  
14 down one time and get inoculated for and  
15 you're good for life. So this is a process  
16 that starts in the schools and goes through  
17 workplace, on through to retirement planning.

18       And that's something we think is very  
19 critical to do this mission effectively.

20           There are a couple of key things  
21 we're working on right now that we think are  
22 very interesting questions. We're trying to

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1 figure out how do we create more demand for  
2 financial education. How do we better  
3 understand financial behavior so that we can  
4 generate positive financial behavior? How do  
5 we create effective messaging so that more  
6 people are interested in financial education?

7 And last but probably the most important is  
8 how do we measure success. How do we know  
9 that we're being effective? These are  
10 questions we ask ourselves every day and  
11 we're spending a lot of time on as well as  
12 our constituent groups around the country.

13 And the last thing I think we'd  
14 like to say is we have great faith in the  
15 American public that they can deal with this  
16 situation. Many people are intimidated by  
17 financial education and we don't think that's  
18 necessary. With some education, some tools  
19 and some encouragement we think the American  
20 public can do a great job here. Thank you.

21 MS. LECHTER: Good morning. I'm  
22 Sharon Lechter. I'm the co-author of Rich

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1 Dad, Poor Dad and the Rich Dad series of  
2 books, but I am also a parent and a  
3 grandparent. In 1992 my oldest son went to  
4 college and got into credit card debt before  
5 Christmas of his freshman year. I'm  
6 passionate about the subject of providing  
7 financial education to our children. I  
8 thought I had taught him about money, but I  
9 didn't teach him what he needed at that time  
10 in his life.

11 We have an opportunity to turn the  
12 tide for young people today and in training  
13 our young people we will train their parents  
14 and I share your sentiments about the fact  
15 that there's a fear about financial literacy.

16 And right now I'm working with Dale Carnegie  
17 and the Napoleon Hill Foundation to create  
18 programs utilizing the giants of that  
19 industry to provide information and content  
20 to our young people today. I am passionate  
21 about financial literacy for young people.  
22 I'm passionate about what everyone on this

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1 Council does and I'm here to serve. Thank  
2 you.

3 MR. DANIELS: I'm Ted Daniels.  
4 I'm the founder and president of the Society  
5 for Financial Education and Professional  
6 Development. Our mission is to enhance the  
7 financial literacy of individuals and  
8 households of America. One of the primary  
9 programs that we have in place now is  
10 directed toward college students,  
11 particularly students of Historically Black  
12 Colleges and Universities. We present four  
13 seminars to them. We go face to face. We've  
14 found that it's better to go face to face  
15 rather than trying to give them brochures or  
16 internet materials and it seems to be working  
17 quite well. We have some outstanding  
18 testimony from students who have attended our  
19 financial education seminars.

20 One of the seminars we present is  
21 directed toward freshmen. During freshman  
22 orientation we present a credit management

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1 seminar covering credit card management as  
2 well as student loan management. We go back  
3 on campus and present personal money  
4 management seminars, giving the students the  
5 key elements of personal finance. We chose  
6 to identify college students because we know  
7 they're coming out with new financial  
8 resources and we want to make sure they're  
9 able to maximize those resources. So we  
10 provide those life skills on how to handle  
11 those resources once they finish school.

12 We also present an investor  
13 education seminar directed towards seniors  
14 because we know that in more and more  
15 instances now corporations are only providing  
16 401(k) plans. They're not providing defined  
17 benefit plans so they need to have knowledge  
18 in order to make decisions about investments.

19 This year we rolled out a home ownership  
20 seminar because we know about the situation -  
21 the mistakes they can make if they decide to  
22 buy a house so we want to make sure they have

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1 that knowledge to make good decisions  
2 associated with buying a house, or how to  
3 choose the right mortgage. So it seems to be  
4 working out quite well. We're in our sixth  
5 year now so we see students that we talked  
6 with when they were freshmen. They're still  
7 in school, they're seniors now. We see  
8 students who have graduated, you know,  
9 they're in the workforce and they're doing  
10 quite well. So we - last year we reached  
11 over 14,000 students. We probably will  
12 exceed that number this year. So I look  
13 forward to bringing the experience I have  
14 gained over the last six years working with  
15 the students to enhance the level of college  
16 students throughout America.

17 MS. PARKER: Good morning,  
18 everyone. First of all, I'd like to express  
19 again what others have expressed about the  
20 honor it is to be part of this distinguished  
21 and very, very passionate group on financial  
22 literacy. My role is twofold. I am

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1 executive vice president of human resources  
2 for Regions Bank in Birmingham, but really  
3 brings me here is my association with the  
4 Society for Human Resource Management which  
5 is headquartered right here in Alexandria,  
6 Virginia. We are the largest HR organization  
7 in the world with over 230,000 members  
8 worldwide. We are already doing so much in  
9 the field of financial literacy through our  
10 conferences and our traditional publication.

11 We reach every size of organization through  
12 our memberships, through our conferences,  
13 through our podcast. I mentioned we are  
14 already doing a lot through the education  
15 piece, but we have so many other  
16 opportunities that we can offer this Council  
17 on the education process, not just of the  
18 workforce, but their families and our schools  
19 and our communities. So I am so looking  
20 forward to being part of this group and part  
21 of the effort to really focus on increasing  
22 financial literacy.

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1 DR. HIRA: Good morning. I am  
2 Tahira Hira. I am a professor at Iowa State  
3 University. First and foremost I'm extremely  
4 honored to be part of this esteemed group.  
5 I'm here to represent an academic community,  
6 the community that since the mid-`70s has  
7 focused on the topic of financial literacy,  
8 financial education. It has done this work  
9 through three areas by conducting research to  
10 understand the financial behavior, why people  
11 fail, why people succeed, what works, what  
12 doesn't work, and the work has expanded the  
13 whole area of low-income, middle-income and  
14 high-income people. It has done its work by  
15 preparing professionals in the field of  
16 personal finance, by educating them, by  
17 providing developing courses, developing  
18 programs and offering degrees at the college  
19 level. It has also done the third avenue  
20 which is our outreach arm and extension  
21 programs have already been mentioned, but  
22 that is part of the university system through

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1 which the research-based or science-based  
2 education has been delivered and is continued  
3 to be delivered throughout the nation for  
4 lifelong learning.

5           There are many - this group that  
6 has done this work is much, much big believer  
7 in collaboration. There are many people  
8 around this table that they have collaborated  
9 with and they believe in it. And I think I  
10 represent my community when I say that we are  
11 absolutely delighted to see that the work  
12 that we've been all involved in for over 30  
13 years has come to this very high point. That  
14 has to be a good idea because the  
15 overwhelming emails and letters and cards  
16 that I have received nationally,  
17 internationally and locally from every walk  
18 of life, from every political person,  
19 different views and all and they have just  
20 wholeheartedly supported this. I'm honored,  
21 pleased and looking forward to work with you  
22 all. Thank you.

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1 MR. MCGRATH: Good morning. I'm  
2 Don McGrath, chairman and CEO of BancWest  
3 Corporation which operates First Hawaiian  
4 Bank in the Hawaiian Islands and Bank of the  
5 West in 19 western states. I'm also very  
6 proud to be a board member of Operation HOPE  
7 where I've had the ringside seat to see John  
8 Bryant in action. I'm also very proud that  
9 over a thousand Bank of the West employees  
10 have actually gone out to high schools and  
11 junior high schools and taught financial  
12 literacy in connection with Operation HOPE's  
13 programs.

14 I also serve on the board of the  
15 Financial Services Round Table which is the  
16 professional organization of the 150 largest  
17 financial institutions, including insurance  
18 companies, banks and brokerage firms. We  
19 last year issued our blueprint for financial  
20 competitiveness, one of the tenets of which  
21 was a desperate need to improve the financial  
22 literacy of the public in the U.S. So I'm

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1 excited to be here and pleased to be a part  
2 of this group. Thank you, John.

3 MS. LEVINE: I am Laura Levine,  
4 executive director of the Jump\$start Coalition  
5 and I am particularly honored to be a part of  
6 this Council because I represent a coalition  
7 of 180 organizations, many of which are  
8 represented here today as well as 48 state  
9 coalitions from all across the country that  
10 operate largely with volunteer effort, and  
11 their many members who are all dedicated to  
12 advancing financial literacy, supporting  
13 financial education and conducting financial  
14 education for students in kindergarten  
15 through college. So the next generation of  
16 consumers. And so I feel the weight of that  
17 responsibility and I look forward to  
18 representing your interests and hope that I  
19 do it well. And I also want to thank Mr.  
20 Schwab and my friend John Bryant for your  
21 leadership in this organization.

22 DR. DUVALL: Bob Duvall with the

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1 National Council on Economic Education, the  
2 NCEE. We were founded 60 years ago by a  
3 group of business leaders and educators who  
4 saw the need and our mission is to try to get  
5 basic, practical and applied economic  
6 understanding and personal financial  
7 decision-making skills into what our students  
8 learn while they are in school pre-college.  
9 So what differentiates the NCEE's work is our  
10 teacher training; teaching the teachers how  
11 to talk about economics and personal finance.

12  
13 Last year we worked through our  
14 unique network of state councils and  
15 university centers with over 150,000 K-12  
16 teachers. It should be a million. Through  
17 those teachers we reach and teach about 7  
18 million of our young people every year,  
19 getting into the heads and hands and hearts  
20 of our young people while they are in school,  
21 before it's too late, some skill sets that  
22 they will need to be successful and to be

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1 empowered for living life in this world that  
2 we see these problems arising. So this  
3 calling together of the Council is for my  
4 organization a benchmark moment. We've been  
5 in the business of advocacy and delivery of  
6 services, and this is a new chance to make a  
7 difference. Thanks.

8 MR. SALAZAR: Good morning. My  
9 name is Ignacio Salazar. I'm the  
10 President/CEO of SER Jobs for Progress  
11 National. It's an organization that was  
12 created in 1965 to address the economic and  
13 employment issues primarily of Hispanics, but  
14 of all individuals in the United States. We  
15 serve over 1 million people in 20 states in  
16 the country. We have a wide variety of  
17 programs that we offer, everything from early  
18 childhood education to senior citizens  
19 program and everything in between. The bulk  
20 of what we do is in workforce development.  
21 We're looking in education, training and  
22 employment opportunities. But one of the

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1 things that we've addressed recently, given  
2 the fact that we have the nation's largest  
3 population that we're dealing with, the  
4 youngest population, the greatest purchasing  
5 power going forward is the need for financial  
6 literacy.

7           And we've taken this to our senior  
8 citizens program this past year where we  
9 initiated this in conjunction with a grant  
10 from the Chrysler Foundation and provided it  
11 to our senior citizens population which is  
12 3,500 individuals in eight states. Our goal  
13 is to continue to develop this and  
14 incorporate this into all of our programming.

15       The need is critical. We all know that. If  
16 we're going to have a population in this  
17 country that's progressive, financial  
18 literacy is key. And so the role that we  
19 have here is extremely important and I'm very  
20 pleased and honored to be here and share  
21 those perspectives with all of you. Thank  
22 you.

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1 MR. MANCL: Good morning. My name  
2 is Dave Mancl. I'm the director of the  
3 Office of Financial Literacy in the State of  
4 Wisconsin and I hope to bring a perspective  
5 of state government to the Council.  
6 Wisconsin created the office years ago which  
7 I believe may have been the first in the  
8 nation of its kind. The office is attached  
9 to the Department of Financial Institutions  
10 which is a regulatory department. And we  
11 realize that regulation and licensing can  
12 only go so far in protecting consumers. We  
13 knew how important it is to be proactive with  
14 financial literacy because financial literacy  
15 gives people the tools they need to realize  
16 their goals for themselves and their loved  
17 ones. That's why this Council is so, so  
18 welcome.

19 Our office's goal was to identify  
20 gaps in promoting financial literacy and to  
21 change or build the infrastructure needed.  
22 So we elevated the issue with two different

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1 gubernatorial task force. We've created  
2 model academic standards for our school  
3 system. We created a nationally recognized  
4 teacher training institute called the  
5 National Institute on Financial and Economic  
6 Literacy. And our governor's council adopted  
7 the model of the Federal Reserve Bank of  
8 Chicago. It's called MoneySmart Week. It's  
9 a financial literacy awareness and education  
10 week and it's also a type of social  
11 marketing. Now five states have a statewide  
12 campaign in the Midwest with over thousands  
13 of partners annually and tens of thousands of  
14 attendees. And I'd like to just submit for  
15 the minutes an annual report about MoneySmart  
16 Week on that subject which incidentally has  
17 Donald Driver, a Green Bay Packer, even  
18 though we didn't go to the Super Bowl. But  
19 all right. That's just a very quick overview  
20 of what states can do for financial literacy  
21 and I'm indeed honored to be on the Council  
22 like all of us, and I look very much forward

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1 to the work ahead.

2 CHAIRMAN SCHWAB: Well, thank you  
3 very much for your introductions. Treasurer  
4 Cabral, we all know what you do. You sign  
5 those dollar bills we all have in our  
6 pockets. Thank you very much for what you  
7 do, I just wish we had more of them to have  
8 in this room.

9 Let's move on now to our next  
10 order of business. But first I want to thank  
11 all of you for answering the President's call  
12 to join this Council. I think as you can see  
13 we have great breadth, depth, diversity in  
14 this group. We have a lot of experience that  
15 we can bring to fore I think and certainly  
16 help Treasury along their way in making their  
17 priority decisions. And what we have coming  
18 up now is Dan Iannicola who will be taking us  
19 into some of the considerations. They have  
20 some recommendations for us to listen to and  
21 to opine on and hopefully approve, sort of  
22 fast-track kind of things that they're

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1 working on. I think they all look quite  
2 good, but we'll turn it over to Dan to go  
3 through them and then following that we'll go  
4 on to the next order of business. Dan?

5 MR. IANNICOLA: Thank you, Mr.  
6 Chairman. We're going to go over a couple of  
7 proposals right now that we would like the  
8 Council to consider. Of course you're here  
9 to give us your thoughts and inputs not just  
10 on these, but on entirely new ideas and we  
11 look forward to those as the Council gets on  
12 its way and builds subcommittees and starts  
13 doing the heavy lifting that everyone is  
14 talking about. But we want to give you some  
15 things that are prepared and ready - or  
16 getting close to being ready to go and get  
17 your input before we go any further with them  
18 and to see how you might be able to improve  
19 them. So I will go over the list of  
20 proposals that we've been working on here  
21 from a very high level because all of you  
22 have received documents in the mail with

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1 background on this so this isn't the first  
2 time you've heard it.

3 We have an unbanked initiative  
4 we're going to talk about, something related  
5 to the middle schools, a high school  
6 initiative and then something targeting both  
7 post-secondary and workplace, and then  
8 financial education research. And then when  
9 I'm done with these the Treasurer will  
10 describe a concept that she's been working on  
11 which is an umbrella concept for all of these  
12 involving how we communicate these issues.

13 First, as Congresswoman Biggert  
14 mentioned there's a lot of folks who do not  
15 have a relationship with a financial  
16 institution in this country. Just under 10  
17 percent of U.S. households in fact are  
18 unbanked, and how do we deal with that?  
19 Well, we're going to put together a pilot  
20 program which focuses on six to eight  
21 communities, which may be urban or rural.  
22 And we are going to approach those

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1 communities and try to form partnerships with  
2 private sector, meaning financial  
3 institutions primarily that might do special  
4 outreach or think about innovative products  
5 to reach the unbanked with the help of  
6 community groups who have the local  
7 connections and the local trust who can reach  
8 primarily low- to moderate-income  
9 individuals. And then the third part of that  
10 partnership we hope would be a local  
11 government, mayor's office or county  
12 executive, whatever it may be. And  
13 Treasury's role will be to facilitate that  
14 partnership and to make sure it is infused  
15 with financial education and to give them the  
16 benefit of our experience. We have had a  
17 grant program called the First Accounts  
18 program in the past and we've also done a  
19 number of round tables across the country  
20 where we've learned quite a bit about the  
21 unbanked and we'd like to share that  
22 knowledge and will do so through Treasury

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1 staff who we're informally calling community  
2 consultants who will go into these selected  
3 communities and share the benefit of their  
4 wisdom and facilitate these partnerships. So  
5 that's the idea on the unbanked and of course  
6 every good effort has to have metrics so we  
7 would make a point to find out exactly how  
8 many bank accounts or credit union  
9 memberships were initiated and not just that  
10 they initiated them, but they actually used  
11 them. Just being unbanked is one hurdle, but  
12 there are some people who are under-banked  
13 and not using what they have in the best  
14 possible way. So we'd focus on that and we  
15 anticipate it would have a life of about 18  
16 months starting fairly soon, and after that  
17 18 months there would be about a 6-month  
18 evaluation period to see what worked and what  
19 didn't.

20 CHAIRMAN SCHWAB: Dan, do you want  
21 us to ask you questions now about this?

22 MR. IANNICOLA: After each one,

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1 yes. Now would be an appropriate time.

2 CHAIRMAN SCHWAB: And then give us  
3 sort of a firm what you're doing I think is  
4 what you'd like to see us do?

5 MR. IANNICOLA: That would be  
6 good.

7 CHAIRMAN SCHWAB: Are there any  
8 questions for Dan concerning the proposal  
9 around the unbanked? Obviously this is a  
10 huge issue. I know it's passion - double  
11 passion behind John here. We spent half our  
12 breakfast talking about this area and we had  
13 a bunch of ideas, but this clearly is a way  
14 to get it underway. Mary?

15 MS. Schapiro: I would love to ask  
16 a question, Chuck. Do we know why such a  
17 high percentage of households are unbanked?  
18 It seems to me it's important to understand  
19 what the root cause is so that we can then  
20 target our approach in a way that will  
21 deliver some great results.

22 MR. IANNICOLA: That's the right

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1 question. The right answer I hope is that  
2 it's not monolithic and we have some research  
3 we can give you on this. There are different  
4 ways to get to being unbanked. Some people  
5 were formerly banked and had a bad  
6 relationship with the bank and the bank  
7 terminated the account. So there are ways to  
8 get them back into the system. Others might  
9 be intimidated by the whole banking  
10 structure. The thing that might give some  
11 people comfort, the fact that it's a large  
12 building with people in coats and ties might  
13 turn off other people. We've seen some  
14 unbanked models where just by having the  
15 staff wear jeans and t-shirts and immersing  
16 themselves in the community lowers the  
17 intimidation factor. Others might be  
18 concerned because they come from a culture,  
19 maybe they're new immigrants to the U.S.,  
20 where the financial services system was not  
21 as sound, and so maybe it didn't make sense  
22 to be banked because there wasn't deposit

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1 insurance, and the other protections we have  
2 here. Obviously we know here we're in a  
3 different system, but communicating that to  
4 different cultures is important. So there's  
5 a lot of different ways to get there.

6 CHAIRMAN SCHWAB: John, do you  
7 have any view on the question that was posed?

8 VICE CHAIRMAN BRYANT: Well, I  
9 think that actually Dan did a pretty good job  
10 of answering. I mean there is no one reason  
11 why people are unbanked, but another issue is  
12 that some people don't feel their income  
13 level is high enough and they feel that the  
14 non-sufficient fund fees at a bank will eat  
15 them alive. The perception of minimum  
16 balances. You know, there are people who  
17 would prefer just to go to a check-casher.  
18 You don't ask questions, you're not in my  
19 business. If you come from a place like  
20 Mexico or South America in general where the  
21 relationship between the bank and the  
22 government is interesting, at least in the

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1 past it has been interesting, there might be  
2 trust issues. I remember one of the young  
3 ladies who went through our Banking Our  
4 Future program who happened to be Hispanic 12  
5 years of age, she had two interesting  
6 perceptions. One, she thought that Bank of  
7 America was the bank of America, and two, she  
8 thought the check-casher was a financial  
9 service, a mainstream financial services  
10 provider. And it was only when she went  
11 through our program that she got the  
12 confidence. Literally you could see her -  
13 she sort of straightened up, and she actually  
14 asked us to bring one of our volunteer  
15 bankers home to her house to talk to her  
16 parents to convince the parents to allow her  
17 to open a savings account and then a checking  
18 account so that she could then write checks  
19 every Thursday to pay the household bill  
20 because she was taking money out of the  
21 cookie jar, going to the check-casher and  
22 getting money orders every week. She thought

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1 that was just the way that - she just assumed  
2 that's the way it worked.

3 And so it's a combination of  
4 issues, but I think that the unbanked focus  
5 is a legitimate focus and an untapped  
6 opportunity for banks, by the way, of  
7 emerging market customers. I have thoroughly  
8 gone through the briefing with Dan and I  
9 think that on balance it's a very good  
10 proposal. I assume, Dan, we're going to go -  
11 there will be a focus on urban and rural  
12 underserved?

13 MR. IANNICOLA: That's correct.

14 MR. DANIELS: Dan? I was  
15 wondering, we come in contact with a lot of  
16 colleges and universities who would like to  
17 move financial literacy beyond their campuses  
18 and gates. And I was wondering if perhaps  
19 colleges and universities could participate  
20 in this pilot? We talk about community  
21 groups, financial institutions and local  
22 governments, but perhaps it would be

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1 practical you know to expand it to allow  
2 education institutions such as post-secondary  
3 institutions to participate in this pilot.

4 MR. IANNICOLA: And the students -

5 MR. DANIELS: Right.

6 MR. IANNICOLA: That sounds like a  
7 great opportunity.

8 CHAIRMAN SCHWAB: Well, I hear no  
9 objections about this initiative here and I  
10 think the Council hopefully will agree with  
11 me that we should advise the President and  
12 the Secretary of the Treasury to move forward  
13 on this initiative? Our first official act.  
14 Move on it?

15 MR. IANNICOLA: I don't think so.  
16 It's up to the chair.

17 CHAIRMAN SCHWAB: They told me we  
18 didn't need to go through that formal  
19 process. I asked them do I go through  
20 Robert's Rules of Order? No. If there's an  
21 objection, then I think we would need to go  
22 through some kind of formal process.

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1                   VICE CHAIRMAN BRYANT: Mr.  
2 Chairman I would - I think it's appropriate  
3 at this point to make one comment, that what  
4 we just did is indicative of what I think  
5 you'll see out of this group which is action.  
6 I think that it's important to study things,  
7 to evaluate them, to research, all that  
8 stuff's important. What you will see here I  
9 think is an equal weight on being a PhD and  
10 being a Ph-Do. So I think that again  
11 everybody can feel good that there's going to  
12 be action out of this group on a going-  
13 forward basis. I think a lot of good will  
14 come out of this.

15                   MS. LECHTER: Question. Dan, if  
16 we have organizations - when we know where  
17 those communities are and we have  
18 organizations that we know would like to  
19 participate, do we call you?

20                   MR. IANNICOLA: Please.

21                   MS. LECHTER: Okay.

22                   MR. IANNICOLA: I would encourage

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1 that.

2 CHAIRMAN SCHWAB: So you will  
3 identify those six or eight locations soon  
4 and let us know?

5 MR. IANNICOLA: We will. Thank  
6 you.

7 CHAIRMAN SCHWAB: Okay.

8 MR. IANNICOLA: Great. Our next -  
9 thank you. Our next proposal is focused on  
10 one thing that I think has come up a couple  
11 of times and I think Congresswoman Biggert  
12 mentioned the importance of integrating  
13 financial literacy into the school system.  
14 You know, I'm sometimes asked when is the  
15 best time to teach financial literacy to  
16 students, meaning when in their academic  
17 career, and I usually don't answer it with an  
18 answer. I answer it with a question, and  
19 it's usually well when is the best time to  
20 teach them math? When's the best time to  
21 teach them English or science? And of course  
22 the suggestion is all the time because that's

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1 when we teach those critical skills. And so  
2 you'll see there's proposals focused on  
3 different levels of the education system for  
4 youth.

5 This first one is focused on the  
6 middle school and it seeks to remedy a  
7 problem that I think many of you who've  
8 toiled in this field have found, that finding  
9 room in the school day to teach financial  
10 education is challenging. A lot of teachers  
11 will say it's a good idea, but not as many  
12 will say it's a feasible idea. So what we  
13 hope to do is to help integrate financial  
14 education into math. This allows teachers to  
15 make the most of their precious classroom  
16 time. And so we've done it by retooling and  
17 improving an existing product that we've had  
18 a lot of success with called Money Math  
19 Lessons for Life. And it was a good  
20 partnership between a number of organizations  
21 including the University of Missouri - St.  
22 Louis, Citi, Jump\$tart, the Bureau of Public

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1 Debt and of course those of us here at  
2 Treasury. And we've been working together  
3 and hope to launch this with the Council's  
4 approval sometime soon. We've had a good  
5 chance to make sure all the examples in this  
6 curriculum are real-life personal finance  
7 applications using math concepts. So again  
8 the teacher is both teaching math and  
9 financial literacy at the same time. Of  
10 course it's important that this be mapped to  
11 many state standards and it is, so we've  
12 worked hard to do that. And the price is  
13 certainly right. It is available free of  
14 charge to teachers and with your permission  
15 we'll make that available both through the  
16 web and through direct fulfillment by mailing  
17 actual books to those who request them. So  
18 that is the proposal on Money Math Lessons  
19 for Life.

20 CHAIRMAN SCHWAB: Was Council  
21 member Levine going to amplify on this?

22 MR. IANNICOLA: Did you have any

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1 thoughts on this? I know you're familiar  
2 with the 1.0 version of this.

3 MS. LEVINE: Well, no, just that  
4 we're very excited about this. It's at the  
5 printer now and so we expect to have the  
6 books very soon.

7 MR. IANNICOLA: Yes and  
8 Jump\$tart's been a big player in helping us  
9 with this.

10 CHAIRMAN SCHWAB: So this -

11 DR. DUVALL: Chuck, can I put in  
12 also a word of endorsement? The center at  
13 the University of Missouri - St. Louis is one  
14 of our affiliated centers with the NCEE and I  
15 know the authors of this curriculum. We have  
16 looked at it, seen its use, think it's  
17 outstanding. It gets high ratings from  
18 teachers and I think really getting behind  
19 this and promoting it would be another  
20 excellent action step to make a difference.

21 CHAIRMAN SCHWAB: I think that's  
22 great. I think we all would be interested to

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1 know how we're going to distribute this far  
2 and wide of course and how that's all going  
3 to happen. But I think we certainly support  
4 the initial efforts here. Question?

5 MR. MCGRATH: Mr. Chairman, have  
6 we some sense of an overall goal in terms of  
7 numbers of copies?

8 MR. IANNICOLA: I mean we have an  
9 initial print run and we will make it  
10 available over the web. But in terms of  
11 having a target for distribution and  
12 marketing we're open to that and would look  
13 forward to the Council's input on any  
14 measures like that.

15 MS. LECHTER: Question. How do  
16 you intend to start the drive to get this  
17 into the schools? What's the marketing plan?

18 MR. IANNICOLA: Partially all of  
19 you. Certainly we hope this group will work  
20 on spreading the word. The Office of  
21 Financial Education, Department of Treasury  
22 has a number of connections with

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1 organizations some of whom are at the table.

2 Some are teachers across the country and  
3 groups that do teacher training. Groups that  
4 distribute textbooks, organizations that are  
5 more grassroots in nature. So our existing  
6 networks which are substantial but can always  
7 grow, and we hope that this group will help  
8 lever their resources. And if there's any  
9 members who at this moment want to step up  
10 and volunteer that or later on through a  
11 subcommittee process we're open to it.

12 VICE CHAIRMAN BRYANT: Sharon,  
13 Operation HOPE is in 1,200 inner city schools  
14 across the country in 51 communities. We  
15 have memorandums of agreement with several  
16 underserved school districts, Denver Public  
17 Schools, a range of others. And we plan on  
18 taking this curriculum and using it as an  
19 addendum, a physical addendum to the  
20 agreement in some of those school districts  
21 to embed it throughout the entire school  
22 district. There is a school district in

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1 California that the Treasury Secretary  
2 Paulson is going to be visiting in March and  
3 I'm going to work very hard to try to make  
4 that an early deliverable. So that's one  
5 example.

6 MS. LECHTER: Well, certainly  
7 April is Financial Literacy Month. It might  
8 be an initiative of this Council on a  
9 voluntary basis for each of us to look at  
10 taking this particular program into our own  
11 personal communities, our organizations and  
12 set a goal that we have execution of this  
13 initiative as much as we can in April.

14 CHAIRMAN SCHWAB: I think it's a  
15 great idea. In some respects I'd like to  
16 have an inventory of the stuff that we are  
17 doing in April because this certainly would  
18 be one fantastic initiative I think. Many  
19 organizations including ours should have  
20 links and so forth like for parents - or  
21 parents, or kids, or maybe all of them can  
22 link into this kind of material. And we

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1 could certainly make it available on our  
2 websites. Yes, Dr. Lee?

3 DR. LEE: Mr. Chairman, I'm  
4 reminded that some 50 years ago the  
5 President's Council on Physical Fitness was  
6 put into action in this country to address  
7 some of the problems that we face with regard  
8 to physical fitness and that was attached to  
9 the public schools to a large degree and I'm  
10 wondering if we can't learn some lessons from  
11 that in terms of how we put this possibly  
12 into public schools. And perhaps we need a  
13 2-page overview or something from staff of  
14 this committee to come to understand how that  
15 was done.

16 CHAIRMAN SCHWAB: We can learn a  
17 lot from the past.

18 MR. SALAZAR: Mr. Chairman, this  
19 may be a question for Dan. Is there a  
20 resource that tells us what organizations or  
21 institutions regularly access the information  
22 that's available? And therefore, not having

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1 to go back to those in that they're in touch  
2 with you already so that we can further the  
3 distribution?

4 MR. IANNICOLA: We have existing  
5 emails, addresses, connections, networks, if  
6 that's what you're asking. We know some of  
7 the teachers who have used the earlier  
8 version of this.

9 MR. SALAZAR: Just getting back to  
10 the marketing of this, trying to get it to  
11 other individuals that typically don't have  
12 contact with.

13 MR. IANNICOLA: Right. No, I  
14 think there's a lot of potential out there.  
15 There's after-school programs. I mean,  
16 schools are an important base. There's  
17 after-school programs, parents who do home-  
18 schooling, all these are potential venues for  
19 this.

20 MR. SALAZAR: But that's  
21 available?

22 MR. IANNICOLA: Yes, we're looking

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1 to expand the reach of the program.

2 CHAIRMAN SCHWAB: Okay, I think  
3 you have more on the same subject? You're on  
4 a roll.

5 MR. IANNICOLA: All right. We'll  
6 move forward with the Council's permission.

7 The next is an interesting idea  
8 and I'm glad Dr. Lee mentioned the  
9 President's Council on Physical Fitness. One  
10 of that Council's central tools was to reward  
11 kids who did well in physical fitness  
12 activities with recognition. And we have  
13 taken a page from that book and have looked  
14 at a program targeted to the high school  
15 level for students, to recognize good  
16 performance in financial literacy. So we  
17 know there are some out there already  
18 teaching financial education lessons. We  
19 know we'd like teachers to do it, so we think  
20 generating excitement with those who are  
21 already involved might be a way to increase  
22 the number of teachers including financial

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1 literacy topics in classes. So we hope this  
2 program, as I'll explain, builds excitement  
3 with teachers, administrators, of course  
4 students, and state and local policy  
5 education officials, and that they can get  
6 behind financial education efforts.

7           The contest is designed to build  
8 excitement as I mentioned. The way we'll find  
9 out if a student is strong in financial  
10 literacy is to give them a voluntary test.  
11 And the teachers will have an opportunity to  
12 sign their students up for this and their  
13 classroom can get involved. And if the  
14 teacher has been teaching a particular  
15 financial education topic that can be  
16 something that might encourage the teacher to  
17 sign their students up for this. As we've  
18 been working on this we base it on the  
19 Jump\$tart standards for financial literacy  
20 and I think those were published in 2007 so  
21 those are very current and many people helped  
22 with that to give input on those. So

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1 basically the program is designed to be  
2 something that is designed so that if  
3 students do well on the test it is hoped  
4 they'll do well as a consumer in the economy.

5 This is not a test that's meant to be hard  
6 or easy, it's meant to be appropriate. So we  
7 hope this will be something that will build  
8 some excitement. Of course, what's a contest  
9 without some recognition? High-performing  
10 students at two different levels will be  
11 given awards and we're working on what the  
12 break points are for that. There will  
13 probably be one measure that's relative, that  
14 is a certain percentile relative to one's  
15 peers and there will probably be one  
16 recognition level that is absolute, that is,  
17 a certain raw percentage on the actual test.

18 So we hope this will be something that  
19 teachers will get excited about and so will  
20 students and provide kind of the local  
21 recognition, that a child will get recognized  
22 for doing well on this just like they might

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1 be recognized for doing well in some athletic  
2 competition or some other science contest, et  
3 cetera. So we're hopeful that this will have  
4 the desired effect.

5 CHAIRMAN SCHWAB: I think we had  
6 some questions. I think also Mary Schapiro  
7 of FINRA was going to help out in the  
8 discussion of this?

9 MR. IANNICOLA: Research.

10 CHAIRMAN SCHWAB: Okay, the next  
11 one, the baseline survey. I'm sorry.

12 MR. IANNICOLA: That's okay.

13 CHAIRMAN SCHWAB: There was a hand  
14 over here? Yes, Laura?

15 MS. LEVINE: Thank you.  
16 Jump\$start, as Dan alluded to, had the  
17 opportunity to know about this initiative in  
18 its idea stages and I just would like to say  
19 that I'm very excited about this initiative.

20 I think that most of us have seen the rather  
21 disheartening statistics that seem to  
22 indicate that people and particularly young

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1 people don't know enough about personal  
2 finance, about managing their own money. But  
3 this initiative gives us an opportunity right  
4 out of the gate to do something that focuses  
5 on the positive. I think that a lot of you  
6 know that Jump\$start does a survey of  
7 financial literacy among high school  
8 students. The results are not particularly  
9 positive, but among those results are some -  
10 you know, some bright spots, some shining  
11 stars, and this gives us an opportunity to  
12 focus on them, use them as the example, hold  
13 them up as an example for their peers to  
14 aspire to. And you know as Dan mentions here  
15 it could also be a tool for teachers to  
16 generate enthusiasm among their students,  
17 another reason for teachers to want to teach  
18 personal finance in the classroom. So I  
19 think this is exciting because it focuses on  
20 the positive and it's something that through  
21 technology it could be very broadly  
22 accessible to students across the country

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1 very quickly. So just a comment on this  
2 particular project.

3 CHAIRMAN SCHWAB: A question for -  
4 and I'll get back to you. Will this be  
5 promoted under the Treasury's name or under  
6 the Financial Literacy's name? How is this  
7 going to happen?

8 MR. IANNICOLA: I think it's an  
9 open question. I think if the Council wants  
10 to take an active role in supporting this  
11 then we can certainly see about branding it  
12 under the Council and Treasury or either.

13 CHAIRMAN SCHWAB: I think it would  
14 be a great activity of this Council, frankly,  
15 and it would probably could supersede for a  
16 long time to come. I don't know, we'll  
17 debate that later maybe.

18 DR. DUVALL: I would certainly  
19 support that, Mr. Chairman. What I wanted to  
20 comment on was that we've been directly  
21 involved in the shaping of this proposal,  
22 trying to bring our experience working with

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1 school teachers to the table, what works with  
2 those teachers, what will they do. And so  
3 consequently I think the proposal is  
4 brilliant.

5 (Laughter)

6 DR. DUVALL: I think it would be a  
7 very good thing for this Council visibly to  
8 be behind because it will - it's the kind of  
9 thing, a competition, that will attract  
10 interest and help in the visibility side of  
11 what we want to try to accomplish.

12 CHAIRMAN SCHWAB: Dan, I think you  
13 just received some of our best advice.

14 MR. MCGRATH: Mr. Chairman? I  
15 also think it's a wonderful idea. Will it be  
16 tied in with the other program of directing  
17 the books to the schools? Because obviously  
18 the idea of having a contest, if you're  
19 testing for what's in the book, if they're  
20 going to participate in the contest they have  
21 to have the book.

22 MR. IANNICOLA: Right. The book

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1 is focused on the middle school component.  
2 This is focused on high school. What we want  
3 to do is not necessarily supplant any  
4 existing curriculum, but rather allow those  
5 providers of organizations like NCEE and the  
6 membership of Jump\$tart and Operation HOPE,  
7 Banking on Our Future, those organizations to  
8 be able to have the kids going through their  
9 programs to take a crack at this and to get  
10 excited that way. So they're focused on  
11 different school years and also we want to  
12 make sure the eligibility of the contest is  
13 open to those who take any programs.

14 CHAIRMAN SCHWAB: I think we're  
15 highly enthusiastic about this. Yes?

16 MR. MANCL: If I could just add an  
17 endorsement. What I quite like about this is  
18 it compliments what many of us are doing  
19 already and it's an opportunity to really  
20 increase the demand and interest in financial  
21 education and financial literacy in the  
22 schools. So I think it's well worth our time

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1 because it's very creative and it's different  
2 which I think will help us.

3 CHAIRMAN SCHWAB: Great. I think  
4 you have our approval.

5 MR. IANNICOLA: Okay.

6 CHAIRMAN SCHWAB: So the next item  
7 I think you want to move onto - oh, I'm  
8 sorry.

9 MR. MANCL: If I could just add  
10 one more comment, that assessment - things  
11 that get measured get done and I think it's  
12 important that the instrument that's created  
13 has a component of real world and practical  
14 skills. So other than just content,  
15 financial literacy is like health science.  
16 We can know what it is to be healthy, like  
17 running and exercising and eating, but if we  
18 don't do it it doesn't help. So hopefully  
19 there will be some type of real world  
20 practical skill component, like did you open  
21 up a savings account? Did you - are you  
22 doing your own taxes when you have a part-

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1 time job in high school? The kinds of  
2 questions that get to those kinds of skill  
3 levels. My two cents.

4 CHAIRMAN SCHWAB: Thank you. All  
5 right, Dan?

6 MR. IANNICOLA: Thank you. Our  
7 next proposal is an honor roll program and  
8 here we're trying to look for kind of a high-  
9 level way to inspire those on the ground who  
10 are doing this to do more. And there's two  
11 under-utilized venues and I echo your  
12 thoughts, Mr. Schwab, on the workplace. We  
13 focus on both the workplace and post-  
14 secondary institutions in this proposal. What  
15 we want to do is address the issue that this  
16 is a missed opportunity. It's a place where  
17 we have people together and we can deliver  
18 financial literacy to them. So what we want  
19 to do is encourage those who are doing this.

20 We're working presently and we'll  
21 welcome the Council's input. We've talked  
22 with those who have been providing post-

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1 secondary financial education programs as  
2 well as those in the workplace and asked them  
3 what makes for a good program. And we're  
4 using those to develop standards. I would  
5 more appropriately call them guidelines, I  
6 suppose, and what makes for the best program.

7 And then what we would do, with the  
8 Council's permission, is to publish these  
9 guidelines and allow individuals and  
10 organizations to apply for recognition. So  
11 there are two different sets of guidelines,  
12 there are two parallel tracks here. So an  
13 employer who has a program in place could  
14 look at these guidelines, see if they match  
15 up and then apply to Treasury, self-  
16 certifying that they meet them and then  
17 Treasury would match the application with the  
18 guidelines, and if they pass the criteria the  
19 employer would be recognized on the Treasury  
20 website. The same would apply to post-  
21 secondary programs. We know on many campuses  
22 and workplaces, there is someone who's doing

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1 something like this - there are one or two  
2 champions. We hope to put wind in their  
3 sales so that those programs not only  
4 continue, but that peer institutions or peer  
5 employers look at that and say "well this is  
6 something that we want to join in as well."

7 CHAIRMAN SCHWAB: Any questions  
8 about the last proposal by the Treasury?

9 VICE CHAIRMAN BRYANT: I assume  
10 you'll be leading the charge on this one, Mr.  
11 Chairman?

12 CHAIRMAN SCHWAB: Well, I'm  
13 passionate about the workplace as the crucial  
14 place to get these kids when it really is  
15 totally relevant for them to get going.

16 VICE CHAIRMAN BRYANT: Mr.  
17 Chairman -

18 MS. PARKER: I do have a question.  
19 In a lot of organizations, top best places  
20 to work, you can have a tagline that you know  
21 when your organization is out in the  
22 community and you're doing something that can

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1 really tout some things that they've been  
2 honored with. And I think this would be  
3 something that we might want to consider is  
4 how employers could really be recognized when  
5 they achieve something like that. I know  
6 you're going to post something on the  
7 website, but really local recognition, state  
8 recognition is something that we could maybe  
9 think about doing.

10 CHAIRMAN SCHWAB: You know, one of  
11 the things that came out of the pension act  
12 of two years ago is the permission for  
13 employers to sort of take the risk to help  
14 their employees learn more about this stuff.

15 Used to be they were so hidden behind all  
16 the litigation thing. It now gives them  
17 permission. So I think this is really a  
18 great step forward here. So should we move  
19 on, Dan, to the next one on the baseline  
20 survey?

21 MR. IANNICOLA: Certainly. As  
22 those of us who work in financial literacy

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1 know that we have a lot of great anecdotes  
2 pointing out what needs to be done, but what  
3 we really need is more empirical data.  
4 Policymakers, program providers and  
5 researchers have told us this and we've  
6 listened. We have been fortunate enough to  
7 happen upon a foundation that is equally  
8 committed to this and what we'd like to do  
9 with the Council's permission is to give our  
10 input and encouragement to that foundation  
11 for conducting the first ever nationwide  
12 baseline study of financial literacy of  
13 American adults. The goal is to complete the  
14 study by the end of the year and I think I  
15 would now actually ask for a little input  
16 from someone who is in charge of that  
17 foundation and can detail things for us.

18 MS. Schapiro: Thank you, Dan.

19 Let me just give a tiny bit of background.  
20 As you all know, the executive order that  
21 created the Council identified as one of our  
22 important functions research on financial

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1 knowledge. And so it would be our intention  
2 at the FINRA Foundation to conduct a national  
3 survey of financial literacy among adult  
4 Americans. The idea is to create a baseline  
5 of information about our ability as a  
6 population generally to manage our money and  
7 it will give us a kind of empirical evidence  
8 to help us understand the current state of  
9 financial knowledge in the U.S., why  
10 consumers behave the way they do and the  
11 attitude that consumers have towards their  
12 finances. It's very much modeled on what the  
13 financial services authority did in the  
14 United Kingdom several years ago when they  
15 created the first national baseline survey of  
16 financial capability in the UK. And then  
17 this information that we gather will be  
18 widely available, publicly available to  
19 anyone who's interested.

20 We want to focus not just on a  
21 single area of financial literacy, but really  
22 topics and attitudes about things like

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1 household budgeting, credit, insurance,  
2 saving and investing, identifying both your  
3 long-term and your short-term goals. It will  
4 be a very large survey because we want to  
5 have data that we can segment to understand  
6 perhaps on a state-by-state basis, but also  
7 with respect to different socioeconomic  
8 factors, gender, education levels, and so  
9 forth. And we think that in addition to this  
10 very broad scale which makes it somewhat  
11 unique, having the focus on the combined  
12 effect of knowledge, skills and attitude on  
13 behavior will be particularly interesting.

14 We'd like very much to be able to  
15 consult with the Treasury Department Office  
16 of Financial Education on the design and  
17 implementation of the survey. We are in the  
18 current process of establishing a working  
19 group. We'd like to field the survey in the  
20 third quarter of this year and have results  
21 by year end, which as I say we'll make  
22 broadly available to the public and to

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1 policymakers.

2 CHAIRMAN SCHWAB: You know, I just  
3 have to mention that Council member Schapiro  
4 is a very important person in the financial  
5 services world. She happens to be the head  
6 of the culmination of the New York Stock  
7 Exchange and the NASD which came together a  
8 year or so ago. And she has oversight  
9 frankly of 700,000+ broker-dealers out there,  
10 5,000 firms, so when she speaks she speaks  
11 with a lot of authority. And she'll be very  
12 important to this committee. Thank you,  
13 Mary.

14 MS. Schapiro: Thank you.

15 CHAIRMAN SCHWAB: Dan?

16 MR. IANNICOLA: If there are any  
17 questions on this issue? And part of -  
18 embedded in the proposal of course as Council  
19 member Schapiro mentioned is consulting with  
20 the Office of Financial Education here at  
21 Treasury, but we would of course bring in the  
22 Council's input for this. So this is

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1 basically an ask of all of you to see if you  
2 are interested in being part of this  
3 proposal.

4 CHAIRMAN SCHWAB: Okay. I think  
5 that was a wonderful proposal. Any questions  
6 or objections? If not, we'll move ahead and  
7 give our encouragement to Treasury and FINRA  
8 to move ahead on this with great speed.

9 MR. IANNICOLA: And there's one  
10 last one. Of course, all these ideas, and  
11 everyone who's asked questions have happened  
12 upon this. They're great, but if they occur  
13 in a vacuum no one knows about them. So  
14 getting the word out is very important and  
15 the Treasurer has the unique experience of  
16 going all across the country and spreading  
17 the word on financial literacy, and I wanted  
18 her to describe a proposal, a way to help  
19 highlight these issues and other issues in  
20 financial literacy. And I'd ask her to add  
21 some thoughts now.

22 TREASURER CABRAL: Thank you very

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1 much. What we've been talking about in this  
2 building for the last year is ways in which  
3 we can really improve quite frankly the  
4 penetration of financial education across all  
5 populations. And in addition to looking at  
6 ways in which we encourage teachers to  
7 include curriculum that really does help  
8 students prepare for real-life decisions once  
9 they graduate, whether it's you know how to  
10 manage their first credit card, or how to buy  
11 their first home, or opening their 401(k) and  
12 understanding what that means for them in the  
13 future, we also understand that really  
14 there's no lack of quite frankly curriculum  
15 or information out there, but what there  
16 seems to be are some opportunities to really  
17 connect individuals with the information at  
18 the right time in their life. That is, you  
19 know you're not likely to pay attention to a  
20 brochure about buying a house until you think  
21 you're ready to buy a house, and you're not  
22 likely to read about a credit card until

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1 perhaps you've already gotten into trouble  
2 with one. That's the problem. So what we're  
3 looking for are ways in which we can improve  
4 those teachable moments, or increase those  
5 teachable moments and look at the ways in  
6 which the population receives information  
7 today.

8           We know that living in this world  
9 today, it's changing dramatically, that a lot  
10 of our kids for example get lots of their  
11 information off the internet and on their  
12 Blackberry's or their phones or television of  
13 course is another traditional format for many  
14 of us, having grown up particularly in my age  
15 category. Again, some of us read and are  
16 better at printed materials while others of  
17 us would prefer to listen to a particular  
18 piece of information or observe it firsthand  
19 and experience it. So the goal here is  
20 actually to find ways in which we can create  
21 creative forums for distributing information  
22 and find new partners for that process. So

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1 not only talk about what this Council is  
2 doing specifically in spreading the word, but  
3 being more innovative and thinking outside  
4 the box. Some ideas that you know we've  
5 talked about are, for example, working with  
6 the producers of television children's  
7 programming to include more messages about  
8 how to encourage children to save early in  
9 life, to understand a little bit about  
10 delayed gratification, the lessons that  
11 probably many of us have taken time to teach  
12 in classrooms about saving and investing and  
13 spending and making good decisions about how  
14 we spend our allowance, or perhaps later in  
15 life how we spend our income.

16 Other opportunities that we've  
17 seen and potential partners include for  
18 example perhaps cable television where they  
19 have a lot of on-demand programming available  
20 and if we can drive traffic to that and make  
21 sure that there's programming there sitting  
22 there ready to explain how you buy your first

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1 home. What are the ABC's of that process?  
2 What exactly does a note look like? What is  
3 the deed in foreclosure? Why do I need title  
4 insurance? How much money do I need to make  
5 a deposit? That compliments what's going on  
6 and is required of these institutions and all  
7 of the players so that when someone is buying  
8 their first home they know that there's a  
9 readily available resource free of charge  
10 quite frankly that they can turn to at the  
11 right moment.

12 Using technology in interesting  
13 ways. Perhaps storylines. Once early on in  
14 this process - this shows you how long ago we  
15 started talking about this, this was when  
16 Friends was the number one show in the  
17 country. We were thinking about perhaps  
18 convincing the writers on the Friends show to  
19 get Joey into some financial trouble and  
20 laugh through that process because in doing  
21 so everyone would learn. They would be  
22 entertained, but they would learn in that

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1 process. So what we're looking at is  
2 developing a series of partners who can help  
3 from the media industry, but all components  
4 of it, whether it's the folk who are putting  
5 together iTunes downloadable moments perhaps  
6 free of charge that send you somewhere else,  
7 or cable television, or you know print media.

8  
9 And what we're looking for are,  
10 one, certainly your blessing about where  
11 we're going. We have been having a number of  
12 conversations, and we've been making a great  
13 many friends in this process. But also your  
14 ideas about how to be more innovative, how to  
15 reach the public in ways that make a  
16 difference and touch them at the moment when  
17 they need the information most.

18 CHAIRMAN SCHWAB: Thank you. I think -  
19 we're just checking our watches here. We  
20 have quite a bit more to cover in less time  
21 than we require actually. So Dan, should we  
22 finish up this portion?

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1 MR. IANNICOLA: If there are no  
2 questions or comments on the Treasurer's  
3 discussion of the multimedia approach? I  
4 think that's something that we can all give  
5 our input on as we proceed.

6 CHAIRMAN SCHWAB: Thank you.  
7 Pardon me for my coughing. A West Coast hack  
8 or something. So I think we've essentially  
9 approved the recommendation of the Treasury  
10 to go ahead with dispatch and we'll be  
11 supporting you and we'll want to help with  
12 the distribution of all of these ideas. So  
13 you'll keep us totally informed as we go on?

14 MR. IANNICOLA: Of course. Thank  
15 you.

16 CHAIRMAN SCHWAB: So I think we're  
17 at the point we want to talk about sort of  
18 the subcommittee structure. What I'm  
19 suggesting and I think probably in your notes  
20 is that we create three or four subcommittees  
21 of this organization and that the basic  
22 ideas, I'll list them here. What we need to

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1 have is your thoughts on which one you would  
2 like to join, if you would like to be chair.

3 The first committee, subcommittee would be  
4 on financial literacy for youth. Pretty  
5 broad. That would be focused obviously on  
6 kids not quite yet in the workplace, but  
7 their lifelong learning from zero to 22 years  
8 of age or whatever. That would be one  
9 subcommittee. A second would be a  
10 subcommittee on workplace financial  
11 education. I definitely am going to sign up  
12 for that one, but any of those who would like  
13 to. And I think the rules are to submit to  
14 Dan I think or to whomever your preferences.

15 You might indicate three preferences and I  
16 think you'll - then we'll discuss it, John  
17 and I will discuss it and figure out how we  
18 should share all your expertise.

19 A third subcommittee would be on  
20 financial access for the underserved part of  
21 our population. I know John is very  
22 passionate about that and he'll definitely be

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1 on that committee I know, and others too. A  
2 fourth committee would be essentially a  
3 continuation of what's gone on already,  
4 research on the subject and on the state of  
5 financial literacy in the country. So we  
6 want to continue our research and discover  
7 areas that we may want to move as a group.  
8 So those would be the four I would suggest at  
9 this point in time. If there are any  
10 questions or objections? If not, we'll have  
11 that defined as accepted. Thank you very  
12 much.

13 VICE CHAIRMAN BRYANT: Mr.

14 Chairman?

15 CHAIRMAN SCHWAB: Yes.

16 VICE CHAIRMAN BRYANT: At the  
17 appropriate time maybe a working group on  
18 really just amplifying what Treasurer Cabral,  
19 her excellent remarks about the multimedia  
20 campaign, a comment about outreach. Maybe a  
21 working group at some point on outreach or  
22 marketing. It doesn't need to be covered

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1 now, but I think it's something that we all  
2 need to focus on doing a better job of.

3 CHAIRMAN SCHWAB: John, I think  
4 you're absolutely right. There should be a  
5 subcommittee on outreach, basically on how do  
6 we get this - communicate this to the broad  
7 group of people. It's nice to have this  
8 information here in this Treasury room, but  
9 it's useless if it isn't out there across  
10 this vast country. So I think you're right  
11 whether we lean on our public service  
12 communicators out there, public television to  
13 public radio to whatever it might be in each  
14 of our communities I think figuring  
15 strategies around how we can get the word out  
16 as inexpensively as we can. But I think it's  
17 really essential that we do that. I think  
18 that's a great idea. So we'll create a - it  
19 will be a fifth committee I guess.

20 Any other thoughts or suggestions?

21 I think we probably should keep the number  
22 at that limitation. I see a lot of nodding

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1 and agreement. Okay, let's see. Dan, where  
2 do we go from here?

3 MR. IANNICOLA: I think we have  
4 another structure issue regarding a liaison  
5 to the commission. Do you want me to talk  
6 about that, or do you want to tee that up?

7 CHAIRMAN SCHWAB: Well, this is on  
8 the communication with respect to emails and  
9 so forth?

10 MR. IANNICOLA: We'll be  
11 communicating via email to make sure we get  
12 everybody's input for the subcommittees.

13 CHAIRMAN SCHWAB: Why don't you  
14 explain.

15 MR. IANNICOLA: Okay. There's one  
16 other thing we'd like to hear from you all  
17 about through the email process, and you can  
18 think on it now, is as many of you know  
19 there's something called the Financial  
20 Literacy and Education Commission which is a  
21 20-agency commission that Congresswoman  
22 Biggert along with Congressman Hinojosa and

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1 many others on the Hill helped to set up a  
2 few years ago through the Fair and Accurate  
3 Credit Transactions Act Treasury has had the  
4 honor of coordinating that commission. We  
5 have the honor of having many commission  
6 members in attendance at this meeting and we  
7 think it's very important for this Council  
8 and the Commission to work well together. We  
9 feel like they are perfect book ends for one  
10 another. One is a focus on the public sector  
11 as the FLEC, the commission is made up of 20  
12 federal agencies, and this of course - the  
13 organization that we're with today focuses on  
14 the private sector. So we think they can  
15 work hand in hand, and to enhance that type  
16 of communication we thought today we would  
17 ask for, again later via email, people to  
18 individually nominate themselves here on the  
19 Council to be that liaison to attend  
20 Commission meetings.

21 CHAIRMAN SCHWAB: I think this is  
22 a fantastic opportunity for our Council to

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1 have even more influence in government by  
2 having the ability to connect to some degree  
3 with 20 of the top agency leaders in the  
4 government. I think it's a great opportunity  
5 for us and a wonderful invitation to add to  
6 our credibility as well as maybe our  
7 effectiveness. I think it's a great idea and  
8 I would suggest all of you who are interested  
9 in that, that role, please let Dan know.

10 MR. IANNICOLA: Great.

11 CHAIRMAN SCHWAB: It would be  
12 great.

13 MR. IANNICOLA: I think -

14 CHAIRMAN SCHWAB: I think we need  
15 to go on to the next piece of business, which  
16 is sort of our future meetings. So I have  
17 suggested - there was one date in June as the  
18 next meeting, June 18 is what I would  
19 propose. And then also have - and I haven't  
20 quite figured out the date yet, in October  
21 for a subsequent meeting. I think the more  
22 we can get together - that doesn't speak to

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1 the subcommittees. We'll figure out that  
2 after this meeting as to when we might be  
3 able to get together on the various  
4 subcommittees.

5 First we'll form the  
6 subcommittees, but as to the official meeting  
7 here, the public meeting would be June 18 is  
8 what I propose and we'll figure out a date in  
9 October for the one to follow that. I think  
10 the more we get together and get rolling and  
11 get our momentum before a change of  
12 Administration the better off we're going to  
13 be I think to survive the next  
14 Administration.

15 DR. LEE: Do we have a time yet on  
16 the 18<sup>th</sup>? Do we have a time set yet on the  
17 18<sup>th</sup>?

18 CHAIRMAN SCHWAB: I would - we  
19 have not set a time. I think we all - I'll  
20 assume we'll prefer to start you know  
21 approximately the same time we did today,  
22 which was 10:00. That makes it available for

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1 those of us on the West Coast to get back and  
2 open our eyes. If that's okay with you? No  
3 problem. Everyone sort of okay with that?  
4 Okay. Let's see. Dan, help me out here.  
5 What do we need to go to next?

6 MR. IANNICOLA: I think we're done  
7 with the formal agenda. If there's any other  
8 thoughts from the Council members, or any  
9 closing remarks you might want to make, or  
10 other matters of business?

11 CHAIRMAN SCHWAB: Any final  
12 thoughts from our Council members? I've been  
13 doing a lot of talking.

14 MS. LECHTER: Well, first I would  
15 like to acknowledge Dan and his entire team  
16 for what they've brought to the Council today  
17 because I think it's excellent and it allows  
18 us to get started. What I do ask is as a  
19 Council member for myself and I think other  
20 Council members would join me in asking give  
21 us some action items right away so that when  
22 we come back together on June 18 we have

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1 results we can talk about as it relates to  
2 your initiatives. First thing, I'd like to  
3 go back and talk to the head of education in  
4 Arizona about the middle school program, high  
5 school program in my neighboring states. I  
6 think I ask you to tell me how I can best  
7 assist these programs to get them out of the  
8 gate and each one of us have that opportunity  
9 through the organizations we work with and  
10 combine that task force so that we can truly  
11 make a difference that we can't talk about in  
12 June.

13 CHAIRMAN SCHWAB: Thank you,  
14 that's very important. I would say one other  
15 thing. We've been set up as essentially an  
16 unpaid Council which is great and thank you  
17 for your time and your organization who  
18 supports you with this, but I also know a  
19 considerable amount of this will cost money.

20 And we're not here to put any burden frankly  
21 on the Treasury or the U.S. Government. And  
22 I would encourage the Treasury people and

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1 among yourselves that I think we can all find  
2 various foundations that would be more than  
3 glad to support various projects that we do  
4 here. We just need to have it defined and so  
5 forth, and we can find the money I think  
6 among the private sector to support something  
7 that is so crucial in terms of financial  
8 literacy. And so I just want to encourage  
9 you. I think everyone is sort of agreeing  
10 that this is possible and so Dan I would  
11 encourage you to take that as an action item.

12 Okay.

13 MR. IANNICOLA: I did have one  
14 other issue. You had challenged us, Mr.  
15 Chairman, about a week or two ago when this  
16 first got started to see if there's a way we  
17 can include the public and hear from them.  
18 We had an idea for that, if I may share that  
19 now, and that is to put out what the  
20 government calls a Request for Public  
21 Comment. So we put out a notice in the  
22 Federal Register and then we'll put it on our

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1 website and for a period of time people can  
2 give us and the Council their thoughts as to  
3 what this Council might focus on and how they  
4 may get there. I guess I'd like to ask you  
5 to propose that to the group and see if that  
6 met with your approval.

7 CHAIRMAN SCHWAB: Yes, well I  
8 think that's absolutely essential. Those  
9 members of the public not only here, but  
10 beyond these walls are certainly welcome to -  
11 this is a big task. All the best thinking  
12 opinions need to be incorporated in what we  
13 do because it's really about our future as a  
14 country, making sure our youth for sure have  
15 responsibility with respect to how they save,  
16 spend, invest their money. This is crucially  
17 important for the longevity of our great  
18 country. So I would encourage those of you  
19 here to email. Is there an email number that  
20 we should indicate?

21 MR. IANNICOLA: On the Treasury  
22 website, and I don't know if we have - on the

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1 materials we handed out, did we have our  
2 website address? On the Treasury website  
3 you'll be able to find out when that will be  
4 available and we anticipate sometime next  
5 week that we'll start the comment period and  
6 keep it open for about two months. But I  
7 would encourage folks to stay tuned to the  
8 Treasury website. And I'm told that it is on  
9 the materials that people were handed out. I  
10 think there's an outline and it's on there.

11 CHAIRMAN SCHWAB: Well, I think  
12 we've come to the end of our time. I want to  
13 thank the Council members and the public for  
14 being here. I know we have - this is a real  
15 national priority, what we are doing here,  
16 and we have lots of work to do and I think  
17 we're all highly enthusiastic about being a  
18 part of this and we're going to make some  
19 effort and we're going to make some results  
20 happen. Thank you very much.

21 (Whereupon, the foregoing matter  
22 went off the record at 12:07 p.m.)

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