



Highlights of [GAO-07-100](#), a report to congressional committees

## Why GAO Did This Study

The Financial Literacy and Education Improvement Act created, in December 2003, the Financial Literacy and Education Commission. Responding to the act's mandate that GAO assess the Commission's effectiveness, this report reviews its progress in (1) developing a national strategy; (2) developing a Web site and hotline; and (3) coordinating federal efforts and promoting partnerships among the federal, state, local, nonprofit, and private sectors. To address these objectives, GAO analyzed Commission documents, interviewed financial literacy representatives, and benchmarked the national strategy against GAO's criteria for such strategies.

## What GAO Recommends

GAO recommends that the Commission (1) incorporate additional elements into the national strategy to help measure results and ensure accountability, (2) conduct usability tests of and measure customer satisfaction with its Web site, (3) independently review for duplication and evaluate the effectiveness of federal activities, and (4) expand upon current efforts to cultivate sustainable partnerships with nonprofit and private entities. Responding to a draft of this report, the Treasury Department said it would consult with the Commission on addressing GAO's recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-07-100](http://www.gao.gov/cgi-bin/getrpt?GAO-07-100).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Yvonne D. Jones (202) 512-8678 or [jonesy@gao.gov](mailto:jonesy@gao.gov).

# FINANCIAL LITERACY AND EDUCATION COMMISSION

## Further Progress Needed to Ensure an Effective National Strategy

### What GAO Found

The National Strategy for Financial Literacy serves as a useful first step in focusing attention on financial literacy, but it is largely descriptive rather than strategic and lacks certain key characteristics that are desirable in a national strategy. The strategy provides a clear purpose, scope, and methodology and is comprehensive in identifying the breadth of issues involved and the challenges in addressing them. However, it does not serve as a plan of action designed to achieve specific goals, and its recommendations are presented as "calls to action" that generally are either descriptions of existing initiatives or broad pronouncements that do not include a specific implementation plan. The strategy also does not fully address some of the desirable characteristics of an effective national strategy that GAO has previously identified. For example, it does not set clear and specific goals or performance measures by which to benchmark progress, address the resources needed to accomplish these goals, or fully discuss appropriate roles, responsibilities, and accountability. As a result of these factors, most organizations that GAO spoke with said the strategy would not play a meaningful role in guiding or informing their efforts.

The Commission's Web site and telephone hotline offer financial education information from numerous federal agencies. The Web site generally serves as an effective portal to existing federal financial literacy sites. Use of the site has been growing, and it averaged about 57,000 visits per month from May through September 2006. The volume of calls to the hotline—which serves as an order line for a free tool kit of federal publications—has been limited. The Commission has not tested the Web site for usability or measured customer satisfaction with it; these are recommended best practices for federal public Web sites. As a result, the Commission does not know if visitors are able to find the information they are looking for efficiently and effectively.

The Commission has taken steps to coordinate the financial literacy efforts of federal agencies and has served as a useful focal point for federal activities. However, coordinating federal efforts has been challenging, in part because the Commission must achieve consensus among 20 federal agencies, each with its own viewpoints, programs, and constituencies, and because of the Commission's limited resources. A survey of overlap and duplication and a review of the effectiveness of federal activities relied largely on agencies' self-assessments rather than the independent review of a disinterested party. The Commission has taken steps to promote partnerships with the nonprofit and private sectors through various public meetings, outreach events, and other activities. The involvement of state, local, nonprofit, and private organizations is important in supporting and expanding Commission efforts to increase financial literacy. As the Commission continues to implement its strategy, it should consider expanding its activities and work to develop mutually beneficial and lasting partnerships that will be sustainable over the long term.