



United States Government Accountability Office
Washington, DC 20548

July 13, 2011

Congressional Committees:

Subject: *Cost and Legal Authority for Selected Financial Literacy Programs and Activities*

This letter provides additional information about federal financial literacy activities that were addressed in two reports to Congress issued in March 2011, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue* and *List of Selected Federal Programs That Have Similar or Overlapping Objectives, Provide Similar Services, or Are Fragmented Across Government Missions*.¹ These reports were prepared in response to a statutory requirement to identify federal programs, agencies, offices, and initiatives, either within departments or governmentwide that have duplicative goals or activities.²

Based on ongoing congressional interest, the enclosure to this letter provides a summary description, statutory or other legal authority, and appropriation or estimated cost for 13 selected financial literacy programs and activities in 10 federal agencies. As we have previously reported, in a 2009 survey conducted by the Departments of the Treasury and Education, federal agencies self-identified 56 programs and activities related to financial literacy.³ The 13 programs and activities in the attached enclosure were selected because they were in operation as of June 2011 and met two additional criteria: (1) they were relatively comprehensive in scope and scale and (2) they were primarily aimed at improving financial literacy. We did not include federal programs or activities that constituted only simple information sources (such as a single brochure or a basic Web site) or for which financial literacy was only a small component of the program or activity. We also did not include the activities of the Department of Defense and the Federal Reserve System because that information was not available at this time. Information on those agencies' financial literacy activities will be included in a future report we will be issuing on this topic.

¹GAO, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, [GAO-11-318SP](#) (Washington, D.C.: Mar. 1, 2011) and *List of Selected Federal Programs That Have Similar or Overlapping Objectives, Provide Similar Services, or Are Fragmented Across Government Missions*, [GAO-11-474R](#) (Washington, D.C.: Mar. 18, 2011).

²Pub. L. No. 111-139, § 21, 124 Stat. 29 (2010), codified at 31 U.S.C. § 712 note.

³[GAO-11-474R](#). The results of the 2009 survey were published in Angela A. Hung, Kata Mihaly, and Joanne K. Yoong, "Federal Financial and Economic Literacy Education Programs, 2009" (Santa Monica, Calif.: RAND Corporation, 2010).

To gather this information, we contacted the federal agencies and asked them to provide the most recent available cost estimate or appropriated amount for the selected program or activity, as well as its statutory or other legal authority. In some cases, the costs provided are estimates because financial literacy activities are not organized as separate budget line items or cost centers within the agency. Where possible, we took steps to assess the reliability of this information, such as comparing it with other information sources and interviewing agency officials. The descriptions of the programs and activities were largely taken from the report based on the 2009 survey of federal agencies' financial literacy activities. We conducted this work from May 2011 to July 2011 in accordance with all sections of GAO's Quality Assurance Framework that are relevant to our objectives. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for any findings and conclusions in this product.

Building on our past work, we are in the planning phase of a new, more in-depth review that will evaluate the extent—and potential impact—of duplication, overlap, or fragmentation among federal financial literacy activities. We also plan to evaluate the cost, effectiveness, and coordination of these activities. More generally, as the nation rises to meet the current fiscal challenges, we are continuing to look at additional federal programs and activities to identify further instances of duplication, overlap, and fragmentation as well as other opportunities to reduce the cost of government operations and increase revenues to the government. As part of this work, we plan to expand our coverage to more comprehensively examine areas where a mix of federal approaches is used, such as tax expenditures, direct spending, and federal loan programs, while continuing to monitor developments in the areas we have already identified. Issues of duplication, overlap, and fragmentation will also be addressed in our routine audit work during the year as appropriate and summarized in our annual reports.

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We provided the enclosure to the relevant agencies and have incorporated their technical comments as appropriate. We are sending copies of this report to the appropriate congressional committees and other interested parties. In addition, this report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

Should you or your staff have any questions concerning this report, please contact me at (202) 512-8678 or cackleya@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Individuals making key contributions to this report include Jason Bromberg, Tania Calhoun, Kimberly Cutright, Beth Faraguna, and Rhonda Rose.

A handwritten signature in black ink that reads "Alicia Puente Cackley". The signature is written in a cursive style with a large initial 'A'.

Alicia Puente Cackley
Director, Financial Markets and
Community Investment

Enclosure

List of Congressional Committees

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The Honorable Thad Cochran
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The Honorable Elijah E. Cummings
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Selected Federal Financial Literacy Programs and Activities

Agency	Program name	Description	Legal authority	Cost estimate ^a	Notes
Consumer Financial Protection Bureau	Office of Financial Education and other offices	Will develop and implement initiatives intended to educate and empower consumers to make better informed financial decisions.	Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, Title X, § 1013(d), 124 Stat. 1955, 1956 (2010)	Not yet known	The bureau was still in the process of being staffed as of June 2011. According to agency staff, financial literacy will be a component of the Office of Financial Education, Office of Servicemember Affairs, Office of Fair Lending and Equal Opportunity, and Office of Financial Protection for Older Americans.
Department of Agriculture	Family and Consumer Economics programs	Provides federal assistance and national leadership for education and research related to financial literacy at universities and county extension offices.	Smith-Lever Act, ch. 79, 38 Stat. 372 (1914), as amended, codified at 7 U.S.C. §§ 341-349; National Agricultural Research, Extension, and Teaching Policy Act of 1977, Pub. L. No. 95-113, Title XIV, § 1444, 91 Stat. 981, 1007 (1977), as amended, codified at 7 U.S.C. § 3221; Rural Development Act of 1972, Pub. L. No. 92-419, Title V, 86 Stat. 657, 671 (1972), as amended, codified at 7 U.S.C. §§ 2661-2669; Equity in Educational Land Grant Status Act of 1994, Pub. L. No. 103-382, Title V, Part C, § 534(b), 108 Stat. 4048, 4050 (1994), as amended, codified at 7 U.S.C. § 301 note	\$12,094,000 (FY 2009)	Estimate by agency staff of the FY 2009 allocation by Department of Agriculture's Land Grant Colleges and Universities and the Cooperative Extension system to financial literacy education and research through the Family and Consumer Economics programs. These programs were previously called the Financial Security Program.
Department of Education	Excellence in Economic Education Program	A competitive grant awarded to an organization that conducts activities and awards subgrants to other organizations to improve the quality of student understanding of personal finance and economics.	Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001, Pub. L. No. 107-110, Title V, Part D, Subpart 13, §§ 5531-5537, 115 Stat. 1848 (2001), codified at 20 U.S.C. §§ 7267-7267f	\$1,447,000 (FY 2010)	FY 2010 appropriation

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Agency	Program name	Description	Legal authority	Cost estimate ^a	Notes
Department of Education	Financial Education for College Access and Success	Supports state-led efforts to develop, implement, and evaluate the effectiveness of personal finance instructional materials and corresponding teacher training, with the express purpose of providing high school students with knowledge and skills to make sound financial aid and other personal finance decisions, particularly in relation to obtaining postsecondary education.	Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001, Pub. L. No. 107-110, Title V, Part D, Subpart 1, §§ 5411-5413, 115 Stat. 1425, 1811 (2001), codified at 20 U.S.C. §§ 7243-7243b	\$1,700,000 (FY 2010)	FY 2010 appropriation
Department of Health and Human Services	National Education and Resource Center on Women and Retirement Planning	Provides women access to a one-stop gateway integrating financial information and resources on retirement, caregiving, health, and planning for long-term care. The program conducts financial planning and train-the-trainer workshops, prints newsletters and fact sheets, and hosts a Web site.	Older Americans Act of 1965, Pub. L. No. 89-73, § 215 (1965), as added by the Older Americans Act Amendments of 2006, Pub. L. No. 109-365, Title II, § 209, 120 Stat. 2522, 2537 (2006), codified at 42 U.S.C. 3020e-1	\$327,083 (FY 2010)	FY 2010 appropriation
Department of Housing and Urban Development	Housing Counseling Assistance Program	Supports grants to approved housing counseling agencies to provide housing counseling services.	Housing and Urban Development Act of 1968, Pub. L. No. 90-448, Title I, § 106, 82 Stat. 476, 490 (1968), as amended, codified at 12 U.S.C. § 1701x	\$0 (FY 2011) \$87,500,000 (FY 2010)	FY 2010 and FY 2011 appropriations
Department of Labor	Retirement Savings Education Campaign	Campaign to promote saving that uses print publications, Web site, public service announcements, seminars, videos, assistance, publications, and Webcasts.	Employee Retirement Income Security Act of 1974, as amended by the Savings Are Vital to Everyone's Retirement Act of 1997, Pub. L. No. 105-92, 111 Stat. 2139 (1997), codified at 29 U.S.C. §§ 1146-1147	\$365,387 (FY 2010)	Estimate of FY 2010 costs provided by agency staff
Department of Labor	Wi\$eUp	Eight-module financial education curriculum targeting women that is offered online or in a classroom setting. Includes an "Ask the Experts" feature and	Act of June 5, 1920, ch. 248, § 2, 41 Stat. 987, codified at 29 U.S.C. § 13	\$170,000 (FY 2010)	Estimate of FY 2010 costs provided by agency staff

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Agency	Program name	Description	Legal authority	Cost estimate ^a	Notes
		free bimonthly, 1-hour teleconference calls with featured speaker.			
Department of the Treasury	National Financial Capability Challenge	Nonmonetary award program aimed at increasing financial knowledge and capability of high school youths through an online survey.	Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, Div. D, Title I, Title VI, § 601, 121 Stat. 1844, 1972, 2014 (2007); H. Rep. No. 110-207, at 6 (2007); Financial Literacy and Education Improvement Act, Pub. L. No. 108-159, Title V, § 513, 117 Stat. 2003 (2003), as amended, codified at 20 U.S.C. § 9702	\$300,000 (FY 2010)	FY 2010 obligations
Department of the Treasury	Financial Education and Counseling Pilot Program	Grants to organizations to provide financial education and counseling services to prospective homebuyers, with goal of increasing financial knowledge and decision making.	Federal Housing Finance Regulatory Reform Act of 2008, Pub. L. No. 110-289, Div. A, Title I, Subtitle B, § 1132, 122 Stat. 2659, 2727 (2008), codified at 12 U.S.C. § 1701x note	\$4,150,000 (FY 2010)	FY 2010 appropriation; program is scheduled to expire in 2012
Federal Deposit Insurance Corporation	Money Smart Financial Education Program	Financial education curriculum designed to help low- and moderate-income individuals outside the financial mainstream enhance their financial skills and develop positive banking relationships.	Federal Deposit Insurance Act, Act of September 21, 1950, 64 Stat. 873, as amended, codified at 12 U.S.C. §§ 1811 et seq.; Community Reinvestment Act, Pub. L. No. 95-128, Title VIII, 91 Stat. 1111, 1147 (1977), as amended, codified at 12 U.S.C. §§ 2901 et seq.	\$1,500,000 (FY 2011)	FY 2011 program budget, according to agency staff, which includes funds for distribution and development of materials; does not include other related costs, such as staff time for program support
Securities and Exchange Commission	Office of Investor Education and Advocacy	The investor education programs within the office give investors information to evaluate current and potential investments, make informed decisions, and avoid fraudulent schemes.	Securities Exchange Act of 1934, Preamble, 48 Stat. 881 (1934), codified at 15 U.S.C. §§ 78a et seq.; Securities Act of 1933, Preamble, 48 Stat. 74 (1933), codified at 15 U.S.C. §§ 77a et seq.; Exec. Order No. 12,160, ¶1-401(c), 44 Fed. Reg. 55787 (Sept. 28, 1979), as amended by Exec. Order No. 12,265, 46 Fed. Reg. 4665 (Jan. 15, 1981) and Exec. Order No. 13,286, 68 Fed. Reg. 10628 (Feb. 28, 2003); Financial Literacy and Education Improvement Act, Pub. L. No. 108-159, Title V, 117 Stat. 2003 (2003), codified at 20 U.S.C. §§ 9701-08; Dodd-Frank Wall Street Reform and Consumer Protection Act,	\$2,000,000 (FY 2010)	Estimate by agency staff of FY 2010 costs for investor education programs, which includes salary and program expenses

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Agency	Program name	Description	Legal authority	Cost estimate ^a	Notes
			Pub. L. No. 111-203, Title IX, § 917(a), 124 Stat. 1376, 1836 (2010) (Study Regarding Financial Literacy Among Investors)		
Social Security Administration	SSA Special Initiative to Encourage Saving	Initiative focusing on savings and retirement issues and informing public about Social Security Administration programs.	Social Security Act of 1935, 49 Stat. 620, § 1110, (1935), as added by the Act of Aug. 1, 1956, ch. 836, Title III, § 331, 70 Stat. 850, and subsequently amended, codified at 42 U.S.C. § 1310	\$12,448,000 (FY 2010)	FY 2010 cost estimate. Estimated costs will decrease to \$4 million in FY 2012 due to cancellation of the Financial Literacy Research Consortium (end date 2011)

Sources: Federal agency staff; applicable federal law; and Angela A. Hung, Kata Mihaly, and Joanne K. Yoong, "Federal Financial and Economic Literacy Education Programs, 2009" (Santa Monica, Calif.: RAND Corporation, 2010).

^aCost data are provided for the most recently available fiscal year.

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