



Highlights of a
FORUM

Convened by the
**Comptroller General of
the United States**

**Financial Literacy:
Strengthening
Partnerships in
Challenging Times**

February 2012
GAO-12-299SP

Why GAO Convened This Forum

Giving Americans the information they need to make effective financial decisions can be key to their well-being, and to the country's economic health. The recent financial crisis—during which many borrowers did not fully understand the risks associated with alternative mortgage products—underscored the need to improve individuals' financial literacy. Further, economic, demographic, and technological trends that have affected the need for financial literacy continue, including the retirement of the baby boomers; the emergence of new financial products; and increasing costs for health care, higher education, and retirement. GAO convened a forum on October 20, 2011, to discuss (1) needs and priorities in improving financial literacy; (2) roles and responsibilities of, and collaboration among, the government, nonprofit, and private sectors; (3) lessons learned from federal public health and nutrition literacy initiatives; and (4) GAO's potential role in addressing financial literacy issues.

Forum participants included representatives of federal, state, and local government organizations; academic experts; nonprofit practitioners; and representatives from the private sector. Comments expressed during the proceedings do not necessarily represent the views of all participants, the organizations they represent, or GAO. Participants were given the opportunity to comment on a draft of this summary.

View [GAO-12-299SP](#). For more information, contact Alicia Puente Cackley at (202) 512-8678 or cackleya@gao.gov.

February 2012

HIGHLIGHTS OF A FORUM

Financial Literacy: Strengthening Partnerships in Challenging Times

What Participants Said

Participants highlighted the following themes during the forum:

Focus on key populations. Participants discussed a number of areas that should be the most sustained focus of the nation's financial literacy efforts in the coming years. Among other areas, efforts should target kindergarten through 12th grade education; the workplace; the preretirement years; and special populations that may be particularly vulnerable, including low-income communities, the Hispanic community, and older Americans. Materials should be tailored as appropriate to meet these populations' characteristics and circumstances.

Identify the most effective approaches and target efforts accordingly. More research is needed to identify the most effective approaches to improving financial knowledge and behavior. Targeting products appropriately, improving delivery mechanisms, and leveraging technology are also important.

Enhance the role of employers in improving their employees' financial literacy. Employers have a key role to play in improving the financial literacy of their employees—for example, by encouraging them to save for emergencies and retirement. Further, financial literacy stakeholders need to do more to persuade employers of the business benefits of supporting healthy financial behaviors by employees.

Leverage the unique role of the federal government. The federal government has a unique role to play in promoting greater financial literacy. For example, the government can use its convening power and other tools to draw attention to the topic, take advantage of existing connections with certain populations, and make certain legal and regulatory changes to support greater financial literacy.

Increase coordination and partnerships within and across levels of government and different sectors. Opportunities exist to further increase coordination and partnerships among entities involved in financial literacy. Such efforts could help federal, state, and local government agencies; private sector entities; and nonprofits conserve scarce resources and reduce any duplication of effort.

Identify lessons from other initiatives designed to improve consumer behaviors. Financial literacy practitioners can learn from efforts in other fields, such as health and nutrition, that have sought to educate consumers and influence their behavior. Participants discussed similar challenges, such as the difficulty of influencing people to change their behaviors and the possibility of developing a financial literacy equivalent of the Department of Agriculture's "MyPlate" nutrition graphic.

Participants also discussed ideas for GAO and the Comptroller General to support or raise awareness about financial literacy or partner with others to do so. Among other ideas, they said that GAO could help in efforts to identify the best programs and methods for improving financial literacy, develop a financial literacy initiative for GAO employees that could serve as a potential model for other government agencies, and identify opportunities for federal agencies to leverage existing distribution channels to provide additional financial education.

Contents

Letter		1
	Introduction	1
	Financial Literacy: Highlights of the Forum Discussion	4
Appendix I	Forum Agenda	16
Appendix II	Forum Participants	17
Appendix III	Related GAO Products	20

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



G A O

Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

Introduction

Giving Americans the information they need to make effective financial decisions can be key to their well-being, as well as to the economic health of our nation. Much has been written and said about the ongoing need to improve our country's level of financial literacy, which is sometimes also referred to as financial capability, and the recent financial crisis has underscored that need.¹ For example, many borrowers did not fully understand the risks associated with alternative mortgage products that provided them with the ability to purchase homes that ultimately they could not afford. Further, several economic, demographic, and technological trends that affect the need for financial literacy continue, including the retirement of the baby boomers, the emergence of new financial products, and the increasing costs of health care, higher education, and retirement. Given the current economic environment, limited financial literacy can pose barriers to prosperity and higher standards of living. At the same time, however, increasing fiscal constraints at government agencies, particularly with regard to discretionary spending, may limit the resources available for financial literacy efforts.

Much has changed since 2004, when GAO last held a forum on financial literacy.² The federal government's multiagency Financial Literacy and Education Commission has now been in place for more than 7 years.³ In 2010, Congress created the Bureau of Consumer Financial Protection, adding a new player to the mix of federal agencies involved in financial literacy. The bureau will be responsible for, among other things, developing and implementing a strategy to improve consumers' financial literacy and help them access financial counseling and information about

¹The Financial Literacy and Education Commission has described "financial literacy" as the ability to make informed judgments and to take effective actions regarding current and future use and management of money. It has described "financial capability" as an individual's capacity, based on knowledge, skills, and access, to manage financial resources effectively.

²GAO, *Highlights of a GAO Forum: The Federal Government's Role in Improving Financial Literacy*, [GAO-05-93SP](#) (Washington, D.C.: Nov. 15, 2004).

³In 2003, Congress created the multiagency Financial Literacy and Education Commission, which was charged with, among other things, developing a national strategy to promote financial literacy and education, coordinating federal efforts, and identifying areas of overlap and duplication. Pub. L. No. 108-159, §§ 511-519 (codified at 20 U.S.C. §§ 9701-9708).

such topics as credit products, savings, educational expenses, and wealth building. And a wide variety of organizations continue to provide financial education for consumers, including nonprofit, community-based organizations; consumer advocacy organizations; financial services companies; trade associations; employers; and local, state, and federal government entities.

Notwithstanding these efforts, relatively few financial education programs have been evaluated for effectiveness, and even fewer have undergone assessments that actually measure the programs' impact on participants' behavior, rather than just their knowledge, understanding, or intent. Financial education is not the only approach to improving financial behavior. Alternative strategies and mechanisms, sometimes in conjunction with financial education, have also been successful. In particular, insights from behavioral economists that recognize the realities of human psychology have been used to design successful strategies to assist consumers in reaching financial goals without compromising their ability to choose among different products or approaches. For example, changing the default option for enrollment in retirement plans to automatically enroll new employees while giving them the opportunity to opt out has led to significant increases in plan participation at some organizations. The most effective approach to improving consumers' financial decision making and behavior may be to use a variety of strategies, including financial education.

On October 20, 2011, GAO convened a select group of leaders and experts for a forum to discuss key issues related to financial literacy. These participants, which included representatives of federal, state, and local government agencies; academic experts; nonprofit practitioners; and representatives from the private sector, were selected to represent a range of viewpoints and draw from a variety of backgrounds. In the first session, they discussed current needs related to financial literacy and approaches to setting priorities to meet those needs. In the second session, participants discussed the appropriate roles for the array of government, nonprofit, and private sector entities involved in improving financial literacy and identified strategies for collaborating on and coordinating these efforts. The group then heard from federal public health and nutrition literacy experts and discussed lessons that could be learned from initiatives in these fields to inform their own strategies for influencing and improving consumer financial behaviors. The participants completed the day by discussing GAO's potential role in addressing financial literacy. The forum was structured so that participants could

comment on issues openly, although not all participants commented on all topics.

We conducted our work from August 2011 to February 2012 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, 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.

Following is a summary of the discussion among the forum's participants. The summary attempts to capture the ideas and themes that emerged at the forum and the collective discussion of participants at the sessions. The summary does not necessarily represent the views of the organizations whose representatives participated in the forum, including GAO. Participants were given the opportunity to comment on a draft of this summary. Appendix I provides the forum agenda and Appendix II provides a list of the participants. Appendix III lists GAO products on issues related to financial literacy. This report is available on our website at www.gao.gov. For additional information on our work related to financial literacy, please contact Alicia Puente Cackley, Director, Financial Markets and Community Investment, at (202) 512-8678 or cackleya@gao.gov. Key contributors to this report included Jason Bromberg (Assistant Director), Randy Fasnacht, Nina Horowitz, and Roberto Piñero.

I wish to thank all of the participants of this forum for taking the time to share their knowledge and insights on improving financial literacy. I look forward to working with them and others on this important issue in the future.



Gene L. Dodaro
Comptroller General
of the United States

February 9, 2012

Financial Literacy: Highlights of the Forum Discussion

On October 20, 2011, GAO convened a forum to discuss the needs and priorities in improving financial literacy; roles and responsibilities of and collaboration among the government, nonprofit, and private sectors; lessons learned from federal public health and nutrition literacy initiatives; and GAO's potential role in addressing financial literacy issues. The following summarizes the collective discussion of the forum participants.

Financial Literacy Efforts Should Focus on Key Populations and Skills

Forum participants were asked what areas should receive the most sustained focus of financial literacy efforts in the coming years. Several themes emerged from this conversation.

- *Focus on different time periods throughout the life cycle, including kindergarten through 12th grade (K-12) education, college, and the preretirement years.* While no clear consensus emerged on a single area of focus, several participants emphasized improving financial literacy among the K-12 population. Financial literacy efforts among the K-12 population have the benefit of schools as an existing distribution system and reach students at an early point in their lives. Other participants suggested focusing on assisting college students manage the financing of their education and accumulated debt. In addition, many participants said efforts should also focus on the workplace to encourage employers to help their employees plan and save for emergencies and their retirement.
- *Emphasize special populations that may be particularly vulnerable, including low-income communities, the Hispanic community, and older Americans.* One participant expressed the view that the focus should be on the least advantaged among us, in part because the impact of their financial decisions on their lives can be much greater than it is for those with more financial resources. For example, a person whose car breaks down but who lacks sufficient savings for repairs could lose a job as a result. Another participant noted that Hispanics disproportionately do not participate in employer-sponsored retirement plans, and several agreed about the need to target initiatives to this population to prepare them for retirement. Some participants also discussed the vulnerability of older Americans, with one noting their potentially increased susceptibility to fraud, and another explaining that it can be much harder to recover from financial difficulties later in life.
- *Enhance and publicize the importance of basic financial skills and provide more teacher training to support such efforts.* Several participants mentioned the need to focus on the importance of having

emergency savings. One participant noted that to effectively teach basic financial literacy there is a need for teachers who are willing and able to teach the subject, yet many teachers lack confidence in their knowledge of the subject matter. Also, some participants said an area of priority should be to create a national media campaign about the importance of financial literacy or to take other steps to raise public awareness about the issue.

Identifying the Most Effective Approaches and Targeting Efforts Accordingly Is Key

One clear theme that emerged from the forum was the need to identify the most effective approaches to improving financial literacy and capability. Participants also highlighted the importance of targeting the right populations, tailoring financial literacy efforts to these populations, improving delivery mechanisms, and leveraging technology.

- *Conduct more research on the effectiveness of different approaches to improving financial literacy.* One participant noted that the increase in high-quality research on this topic in recent years was a positive development. Others noted that the Social Security Administration's recent funding cuts for financial literacy research should be reconsidered. One participant suggested that government, nonprofit, and for-profit entities could develop a shared research agenda that could allow them to share resources.⁴
- *Focus on solutions that change behavior rather than just increase knowledge.* One participant said that financial literacy programs should refocus from simply increasing knowledge to trying to change behavior. Understanding what behavioral changes result from effective programs and how these changes differ across age, gender, and ethnic groups is important. Several participants noted that automatically enrolling employees in retirement savings plans could be among the most effective tools to prepare people for retirement. But one participant noted that this approach, however successful, needs to be considered carefully in the context of other financial obligations such as managing debt or goals that could be hindered by

⁴The Financial Literacy and Education Commission's 2011 National Strategy set as a goal to "identify, enhance, and share effective practices," including encouraging research on effective strategies for affecting consumer behavior, establishing a research clearinghouse, and supporting program evaluation efforts. In October 2008, the Departments of the Treasury and Agriculture convened a National Research Symposium on Financial Literacy and Education that sought to identify gaps in the research and develop research priorities.

automatic deductions for retirement, such as saving for emergencies or college tuition.

- *Better tailor products to specific audiences.* According to one participant, financial literacy practitioners have spent a lot of time developing educational materials, but not enough time targeting the people who need more information and matching them up with the appropriate resources. Several participants noted the benefits of integrating financial literacy efforts into existing social service delivery mechanisms, including by using technology more effectively. Some participants cited the need to better understand the most effective approaches to tailoring products for targeted populations. These included whether a trusted resource was delivering the message; whether certain delivery methods such as individual counseling versus classroom training were more effective; and whether key life events, such as the purchase of a home, would be most effective for timing the targeting of different methods.

Employers Can Play an Enhanced Role in Improving the Financial Capability of Their Employees

One of the themes that emerged during the forum was that employers have a key role to play in improving the financial capability of their employees. Participants noted, for example, that employers could encourage their employees to save for emergency purposes and retirement. They also discussed the need to create incentives for employers to support healthy financial behavior by employees. GAO was also encouraged to consider taking additional steps to enhance the financial literacy of its own employees and thus serve as a model for other federal agencies.

- *Highlight the role of employers in improving the financial capability of their employees.* Several forum participants discussed how employers were well positioned to take an active role in improving their employees' financial capability. For example, employees spend a significant amount of time in the workplace, making it a natural place for learning. For instance, they can participate in informative sessions such as "lunch-and-learns" and receive information via company Intranet sites. Participants discussed the fact that many workers do not currently take advantage of employer-sponsored retirement plans because they either do not earn enough to contribute or they need more financial education to understand the benefits of doing so. They proposed actions that employers could take to support greater savings by their employees—for example, by actively encouraging participation in employer-sponsored retirement plans and providing information on alternatives for employees who may not qualify for an

employer-based plan, such as part-time staff. Employers could also take steps to facilitate emergency savings for their employees, especially those with lower incomes—for example, by promoting the automatic transfer of a portion of pay into a dedicated savings account.

- *Persuade employers of the benefits of financially literate employees.* Two participants said that the business case for employer-provided financial literacy recognizes that stress caused by financial issues can reduce productivity and may increase absenteeism and health care costs for employers. Employers thus have an incentive to take an interest in their employees' financial health, just as they do in their employees' physical health through employer-provided health insurance. One participant spoke about a hospital that set up a financial literacy program for its employees to teach them how to buy a home in the local area, and thus benefit from having its workers live nearby. But several participants agreed that employers may need better incentives to take such steps—for example, the government could offer tax incentives for providing financial education to workers or could recognize and honor employers that do exemplary work in financial literacy.
- *Establish financial literacy initiatives for government employees.* Several participants said that federal agencies should consider establishing financial literacy programs, or enhancing existing ones, for their own employees, as the federal government would serve as a good testing ground and model for financial literacy initiatives undertaken by other employers. GAO was encouraged to “teach by example”—that is, to establish a financial literacy program for its own employees that could be used as a model for other federal agencies.

The Federal Government Can Leverage Its Unique Role to Promote Financial Literacy

Many forum participants said that the federal government had a unique role to play in promoting greater financial capability. Among other things, the government can make use of its “bully pulpit” and convening power, take advantage of existing delivery mechanisms, and support financial capability efforts through funding, standard setting, and statutory and regulatory changes.

- *Use the “bully pulpit” to draw attention to the importance of promoting greater financial capability.* Many participants agreed on the importance of having the federal government use its unique position to raise awareness of the need for greater financial literacy and capability. They said the government could enhance ongoing efforts to

bring visibility to the issue of financial capability and to make it a national priority. Further, they believed encouraging greater financial literacy and capability is an issue that is likely to find support across the political spectrum. Some participants also noted the benefits of having high-level support from the White House and highlighted the President's Advisory Council on Financial Capability. Others noted that First Ladies have often been effective in drawing attention to important issues, such as childhood obesity, drug abuse, and literacy.

- *Leverage the government's convening power.* Participants highlighted the federal government's ability to convene the numerous agencies and entities involved in financial literacy, noting that the government has a powerful ability to bring people together. When a federal agency convenes state, local, private, and nonprofit organizations, participation is likely to be high because those organizations want to be associated with a federal effort. For example, one participant noted that private sector organizations were more likely to want to help with financial literacy efforts if they were asked by the President's Advisory Council on Financial Capability. This ability to convene the key players in the field can also help the government facilitate setting shared priorities for research. It can also facilitate the sharing of information and best practices on financial literacy among many players.
- *Take advantage of existing points of contact to deliver financial literacy-focused messages.* Participants suggested leveraging existing distribution channels and points of contact between the government and citizens to distribute messages about financial literacy. For example, some participants noted that efforts could be made to deliver additional financial literacy messages through communications from the Social Security Administration, Internal Revenue Service, and Centers for Medicare and Medicaid Services that many American citizens already receive. One important benefit of this approach is that it would entail minimal extra costs to the government. One participant expressed regret at the decision to eliminate the Social Security statement on an annual basis, which he said would have significant negative consequences for financial literacy over the long term.⁵

⁵The Social Security Administration announced in March of 2011 that as a result of budget cuts it was suspending the provision of annual or other Social Security benefit estimates by mail.

-
- *Conduct or fund additional research and data collection to determine the effectiveness of financial literacy programs.* A number of forum participants commented that the federal government should use its resources to conduct or fund additional research into program effectiveness. They pointed out that there are a variety of small programs at the local level, yet it is difficult to know which are most effective at serving their intended population. The federal government could help identify effectiveness, as suggested by one participant, by measuring the impact of programs or policy options for chosen goals, such as an increased savings rate. One participant noted that unlike other organizations, the federal government may be better positioned to collect data that could be useful in evaluating the effectiveness of financial literacy programs; some organizations will share data with the government that they may not share with other entities. The federal government also has a role in funding the training and research of scholars and practitioners in the financial literacy field, according to one participant, which could positively affect the field at relatively low cost.
 - *Create standards for financial literacy programs, curriculum content, and teacher training.* There may be a role for the federal government in reviewing, streamlining, or setting standards on the many financial literacy curricula available, according to participants. Several voiced the need for broad-based standards, or a “gold standard,” for financial literacy programs and curricula and for more extensive and standardized teacher training. They noted that standardization could increase the impact and the scale of small programs that served only 100 or 200 people. The standards could include key elements of a financial education program and core competencies of financial education.⁶ Participants also discussed the need for better teacher training—for example, one participant cited research showing that teachers were not comfortable with the financial literacy subject area, and another noted that some stakeholders may be looking to the federal government to set guidelines for teacher training.

⁶Federal agencies have already taken several steps to address standards and competencies. For example, in 2004, the Department of the Treasury’s Office of Financial Education and Financial Access published a list of the elements of a successful financial education program, and in August 2010, the Financial Literacy and Education Commission developed a set of “core competencies” that define what consumers should know to make informed decisions about their personal finances. The commission’s 2011 national strategy sets an objective to develop guidelines related to curriculum development, delivery methods, and other areas that could be used by financial education providers.

-
- *Make legal and regulatory changes to encourage improved financial capability.* Participants discussed opportunities for the federal government to review rules and regulations and to simplify and clarify financial literacy programs and products. Some noted that having to choose from a wide array of financial products—such as retirement accounts, custodian accounts, education savings accounts, and 529 plans—can be overwhelming to consumers, who could benefit if policymakers rethought, or encouraged providers to rethink, the number and nature of such options, according to one participant.⁷ Another participant said that the way the Community Reinvestment Act is implemented should be reviewed to ensure that it provides an appropriate amount of support for bank programs that encourage savings.

Opportunities Exist to Increase Coordination and Partnerships within and across Levels of Government and Different Sectors

Participants highlighted that a great deal of progress has been made in recent years in increasing coordination and partnerships among federal, state, and local government agencies; private sector entities; and nonprofits. They encouraged further coordination to help conserve scarce resources and reduce any duplication of effort.

- *Increase coordination and partnership across federal, state, and local government entities.* Many participants discussed ongoing efforts, and opportunities, for coordination among federal, state, and local governments.⁸ For example, two state officials called for the Department of the Treasury's help to create a more robust network to facilitate sharing among the state offices.⁹ One participant noted the potential coordinating role of the new Bureau of Consumer Financial Protection, while another suggested that the federal government leverage the innovation occurring at the local level by further recognizing and supporting key local efforts. An initiative to connect

⁷A 529 plan, legally known as a "qualified tuition program," is a tax-advantaged savings plan authorized by Section 529 of the Internal Revenue Code and designed to encourage saving for future college costs.

⁸GAO has examined successful approaches to federal agency collaboration. See GAO, *Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration Among Federal Agencies*, [GAO-06-15](#) (Washington, D.C.: Oct. 21, 2005).

⁹In April 2007, the Financial Literacy and Education Commission created the National Financial Education Network to facilitate and advance financial education at the state and local levels. Among other things, the network has developed a web-based database to share information across entities and held national conferences.

the unbanked population with financial services, which other cities have replicated in a low-cost way, was an example of such innovation cited by one participant. Another participant suggested creating financial capability councils at the state and city levels, similar to the President's Council on Financial Capability at the federal level, which could serve as "boots on the ground" to improve efforts both nationally and locally. Policy changes, like using waivers to access federal funding, could help state and local governments more easily obtain federal funds for financial literacy programs, according to another participant. Two participants noted that more might be done to reduce unnecessary overlap or duplication among federal financial literacy efforts—for example, one participant questioned whether an online financial capability resource provided by the Bureau of the Public Debt was necessary given the existence of the Federal Deposit Insurance Corporation's Money Smart, a comprehensive financial education curriculum.

- *Continue to build partnerships among the governmental, private, and nonprofit sectors.* Some participants noted that these different sectors would benefit from more of a shared agenda and resources, which would allow them to more effectively use scarce funds. One participant noted that nonprofit entities can lead the way in developing new effective approaches, and another added that nonprofits can test and prove new concepts and pilot initiatives that are too risky for the government or private sector. A different participant said that there needs to be a better infrastructure in place between private sector and nonprofit organizations to bring those innovative ideas from the test and concept phase to actual implementation on a large scale. The nonprofit sector can also benefit from leadership by government or the private sector to show the value of different approaches. For example, one participant noted that the nonprofit sector would be bolstered by government and private sector leadership showing the value of housing counseling, which some view as a component of financial literacy.

Financial Literacy Efforts Can Be Informed by Lessons from Other Efforts to Improve Consumer Behaviors

The federal government has experience trying to educate consumers and influence their behavior in areas other than financial matters. During an afternoon session of the forum, Dr. Linda Harris, the Acting Deputy Director of the Office of Disease Prevention and Health Promotion at the Department of Health and Human Services (HHS), gave a presentation on the department's efforts to improve health outcomes. Dr. Rajen Anand, the Executive Director of the Center for Nutrition Policy and Promotion at

the Department of Agriculture, and his colleague John Webster, spoke about improving consumer choices about food and nutrition.

Dr. Harris's presentation described how health literacy—the degree to which individuals have the capacity to obtain, communicate, process, and understand basic health information and services to make appropriate health decisions—is critical to avoiding many negative health outcomes. She described an HHS working group that developed a national action plan to improve health literacy.¹⁰ Her agency has also worked to create an effective website to help consumers make informed choices. Dr. Harris also explained that the Plain Writing Act of 2010—requiring clear government communication that the public can understand and use—has been an important part of a strategy to improve health literacy and outcomes.

Dr. Anand's presentation focused on efforts to foster positive dietary decision making and behavior change. He described a number of factors that affect consumer behavior around diet and nutrition, including individual factors such as age, gender, socioeconomic status, race and ethnicity; environmental factors such as what type of food is available at school, work, and home; and social and cultural factors such as belief systems about food, religious traditions, and body image. Dr. Anand also discussed his agency's role in the formulation of the "MyPlate" food plate to replace the food pyramid.

During a question-and-answer session following the presentation, participants discussed:

- *Parallels between financial literacy and health and nutrition literacy.* Participants noted similarities between health and financial literacy efforts. Both efforts are challenged by how difficult it is to influence people to change their behaviors. Also, poor health literacy and financial literacy can both have significant negative consequences to individuals and families. Finally, both could benefit from a focus on prevention—that is, seeking to prevent poor health outcomes or financial problems in the first place.

¹⁰U.S. Department of Health and Human Services, Office of Disease Prevention and Health Promotion. *National Action Plan to Improve Health Literacy* (Washington, D.C.: 2010).

-
- *Possible creation of something akin to MyPlate for financial literacy.* The Department of Agriculture’s MyPlate provides a visual representation of the nutritionally appropriate balance among food groups. One participant began a discussion about creating something similar to the food plate to emphasize certain key elements of financial literacy: earning, saving, investing, borrowing, spending, and protecting. Participants discussed the benefits of such an effort, such as creating a simple visual reference point for discussing financial literacy.
 - *Difficulties of measuring effectiveness.* Dr. Harris and Dr. Anand discussed how research on the effectiveness of their programs has been limited but will hopefully increase over time. One participant discussed the National Health and Nutrition Examination Survey—a program of studies designed to assess the health and nutritional status of adults and children in the United States—and the potential benefit of such a survey on financial literacy.¹¹ Another participant noted that one difference between financial literacy and health and nutrition literacy is that the latter has a large number of researchers and an extensive and well-funded body of research and academic journals devoted to the topic.
 - *Value of the web, social media, and other outreach efforts.* Dr. Harris and Mr. Webster both discussed online tools their agencies created that allow people to enter their age and other information to get targeted information about health and nutrition. Mr. Webster also discussed how his agency has created a network of more than 4,000 community partners, including churches and scout organizations to help get out the word about good nutrition.
 - *Importance of policy changes to supplement literacy efforts.* One participant described how past campaigns to affect behavior have to a great extent been aided by adoption of policies that change incentives for behavior, such as laws banning smoking and requiring the use of seat belts. The participant also noted that there is little evidence on the effectiveness of information campaigns that do not include

¹¹Among the existing efforts that have sought to assess Americans’ financial literacy is the National Financial Capability Study conducted by the Investor Education Foundation of the Financial Industry Regulatory Authority, Inc. *Financial Capability in the United States, Initial Report of Research Findings from the 2009 National Survey, A Component of the National Financial Capability Study* (New York, N.Y.: Dec. 1, 2009).

accompanying changes in incentives—for example, the impact of the dairy industry’s “Got Milk” campaign on milk consumption is unclear.

GAO Can Play a Role in Improving Financial Literacy

During the final hour of the forum, participants shared their views on how GAO or the Comptroller General might support or raise awareness about financial literacy, or partner with others to do so. Participants suggested that, as part of its traditional role in studying federal oversight of financial markets and products, GAO should conduct studies on a number of topics including emergency savings, financial planners, and retirement accounts. In addition, the participants suggested the following:

- *GAO could facilitate or conduct research on effective programs.* Many participants said that GAO might conduct research—or continue to summarize existing research—on effective approaches and delivery methods to improving financial literacy, and highlight particularly effective programs. Another participant said GAO could help improve the effectiveness of financial literacy efforts by identifying programs that may be duplicative. GAO could also use its ongoing studies to raise awareness of existing data sources and encourage agencies to share such resources. Finally, GAO could highlight best practices, standards, or metrics that could be adopted more broadly.
- *GAO could establish a financial literacy initiative for its employees to serve as a model agency.* Participants suggested that GAO could develop an employee financial literacy initiative that could be a model for other federal agencies. One participant described efforts in the private sector to create financial literacy curricula for their employees. One focus of such an effort by GAO, said another participant, could be newer staff who may have considerable student loan debt to manage.
- *GAO can help identify and encourage opportunities to provide financial education where the federal government is already interacting with individuals.* Some participants suggested that as part of its ongoing oversight of federal agencies, GAO could help identify effective access points at which agencies already regularly interact with consumers. For example, GAO could review ways the federal government could better leverage the distribution of financial information already taking place at agencies such as the Internal Revenue Service, the Social Security Administration, and the Departments of Labor and Education.

-
- *GAO should continue to draw attention to the importance of financial literacy, including by convening experts.* Many participants said that GAO should continue to use its unique position to draw attention to the issue of financial literacy and convene groups similar to the forum. One participant noted that the field will benefit from the Comptroller General's involvement in this topic, while another said it is useful to have a neutral third party such as GAO bring together financial literacy stakeholders to address the issues.

Appendix I: Forum Agenda

Financial Literacy: Strengthening Partnerships in Challenging Times
A Forum Convened by Comptroller General Gene L. Dodaro
U.S. Government Accountability Office

Thursday, October 20, 2011

		Agenda	
8:30 a.m.	Continental Breakfast		McCarl Room, 7C21
9:00 a.m.	Opening Session -Welcome -Personal introductions -Overview of agenda		Staats Briefing Room, 7C13 Gene L. Dodaro Comptroller General of the United States
9:20 a.m.	Current and Future Needs, Priorities, and Challenges		Moderator: Barbara Bovbjerg Managing Director Education, Workforce, and Income Security, GAO
10:30 a.m.	Break		
10:40 a.m.	Roles, Coordination, and Collaboration		Moderator: Orice Williams Brown Managing Director Financial Markets and Community Investment, GAO
11:50 a.m.	Break		
12:15 p.m.	Working Lunch— Lessons from Efforts to Influence Other Consumer Behaviors		Moderator: Susan Offutt Chief Economist, GAO
1:30 p.m.	Break		
1:40 p.m.	GAO's Role		Moderator: Gene L. Dodaro
2:30 p.m.	Wrap-up		Gene L. Dodaro
2:45 p.m.	Adjournment		

Appendix II: Forum Participants

Rajen Anand	Executive Director, Center for Nutrition Policy and Promotion Department of Agriculture
Theodore J. Beck	President and CEO National Endowment for Financial Education
Barbara Bovbjerg	Managing Director, Education, Workforce, and Income Security Government Accountability Office
Orice Williams Brown	Managing Director, Financial Markets and Community Investment Government Accountability Office
Judy J. Chapa	Vice President of Community Services The Financial Services Roundtable
Gene L. Dodaro	Comptroller General of the United States
Heidi Goldberg	Program Director, Early Childhood and Family Economic Success, Institute for Youth, Education, and Families National League of Cities
Linda Harris	Acting Deputy Director, Office of Disease Prevention and Health Promotion Department of Health and Human Services
Gail Hillebrand	Associate Director of Consumer Education and Engagement Bureau of Consumer Financial Protection
Jeanne Hogarth	Manager, Consumer and Community Affairs Board of Governors of the Federal Reserve System
Susan C. Keating	President and CEO National Foundation for Credit Counseling
Laura Levine	President and CEO Jump\$tart Coalition for Personal Financial Literacy
Annamaria Lusardi	Professor of Accountancy and Economics George Washington University School of Business

Cathleen Mahon	Executive Director and Deputy Commissioner for Financial Empowerment, Office of Financial Empowerment New York City Department of Consumer Affairs
Dave Mancl	Director, Office of Financial Literacy State of Wisconsin
Brenda McDaniel	Program Analyst, Financial Readiness Program, Office of Family Policy Department of Defense
Brandee McHale	Chief Operating Officer Citi Foundation
Susan Offutt	Chief Economist Government Accountability Office
Gary John Previts	Distinguished University Professor and Chair, Department of Accountancy Case Western Reserve University
Luke W. Reynolds	Chief, Outreach and Program Development, Division of Depositor and Consumer Protection Federal Deposit Insurance Corporation
Mary Rosenkrans	Director, Office of Financial Education, Department of Banking State of Pennsylvania
Dallas Salisbury	President and CEO Employee Benefit Research Institute
Lori Schock	Director, Office of Investor Education and Advocacy Securities and Exchange Commission
Carrie Schwab-Pomerantz	President Charles Schwab Foundation
David A. Weaver	Acting Associate Commissioner, Office of Retirement Policy Social Security Administration

John Webster

Director of Public Affairs, Center for Nutrition Policy and Promotion
Department of Agriculture

Lauren E. Willis

Professor of Law
Loyola Law School

Joshua Wright

Acting Director, Office of Financial Education
and Financial Access
Department of the Treasury

Appendix III: Related GAO Products

Financial Education and Counseling Pilot Program. [GAO-11-737R](#). Washington, D.C.: July 27, 2011.

Cost and Legal Authority for Selected Financial Literacy Programs and Activities. [GAO-11-781R](#). Washington, D.C.: July 13, 2011.

Financial Literacy: A Federal Certification Process for Providers Would Pose Challenges. [GAO-11-614](#). Washington, D.C.: June 28, 2011.

Financial Literacy: The Federal Government's Role in Empowering Americans to Make Sound Financial Choices. [GAO-11-504T](#). Washington, D.C.: April 12, 2011.

Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue. [GAO-11-318SP](#). Washington, D.C.: March 1, 2011.

Consumer Finance: Factors Affecting the Financial Literacy of Individuals with Limited English Proficiency. [GAO-10-518](#). Washington, D.C.: May 21, 2010.

(Spanish Language Summary: *Finanzas del Consumidor: Factores que Afectan la Educacion Financiera de las Personas con Conocimientos Limitados del Ingles.* [GAO-10-869](#), August 4, 2010.)

Financial Literacy and Education Commission: Progress Made in Fostering Partnerships, but National Strategy Remains Largely Descriptive Rather Than Strategic. [GAO-09-638T](#). Washington, D.C.: April 29, 2009.

Financial Literacy and Education Commission: Further Progress Needed to Ensure an Effective National Strategy. [GAO-07-777T](#). Washington, D.C.: April 30, 2007.

Increasing Financial Literacy in America. [GAO-07-284CG](#). Washington, D.C.: December 11, 2006.

Financial Literacy and Education Commission: Further Progress Needed to Ensure an Effective National Strategy. [GAO-07-100](#). Washington, D.C.: December 4, 2006.

Credit Reporting Literacy: Consumers Understood the Basics but Could Benefit from Targeted Educational Efforts. [GAO-05-223](#). Washington, D.C.: March 16, 2005.

Highlights of a GAO Forum: The Federal Government's Role in Improving Financial Literacy. [GAO-05-93SP](#). Washington, D.C.: November 15, 2004.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (www.gao.gov). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to www.gao.gov and select "E-mail Updates."

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#). Subscribe to our [RSS Feeds](#) or [E-mail Updates](#). Listen to our [Podcasts](#). Visit GAO on the web at www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Website: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Katherine Siggerud, Managing Director, siggerudk@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800 U.S. Government Accountability Office, 441 G Street NW, Room 7149 Washington, DC 20548

