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. 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.

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. 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.

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3GAO-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.

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.

Alicia Puente Cackley
Director, Financial Markets and Community Investment

Enclosure
List of Congressional Committees

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Vice Chairman
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United States Senate

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Chairman
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House of Representatives

The Honorable Darrell Issa
Chairman
The Honorable Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform
House of Representatives
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<th>Agency</th>
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<th>Cost estimatea</th>
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<td>Department of Labor</td>
<td>Wi$eUp</td>
<td>Eight-module financial education curriculum targeting women that is offered online or in a classroom setting. Includes an &quot;Ask the Experts&quot; feature and</td>
<td>Act of June 5, 1920, ch. 248, § 2, 41 Stat. 987, codified at 29 U.S.C. § 13</td>
<td>$170,000 (FY 2010)</td>
<td>Estimate of FY 2010 costs provided by agency staff</td>
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<td>Federal Deposit Insurance Corporation</td>
<td>Money Smart Financial Education Program</td>
<td>Financial education curriculum designed to help low- and moderate-income individuals outside the financial mainstream enhance their financial skills and develop positive banking relationships.</td>
<td>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.</td>
<td>$1,500,000 (FY 2011)</td>
<td>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</td>
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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).

\(^a\)Cost data are provided for the most recently available fiscal year.
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