

Washington Financial Literacy Work Group Recommendations

What you have been tasked to do (taken directly from SB6272):

1. Identify current state funded efforts to support financial literacy;
2. Assess whether there are opportunities to create a centralized location of information regarding these existing state efforts; and
3. To identify whether there are opportunities for expanding partnerships with other community entities also providing financial literacy services.

Recommendations as they pertain to SB6272 directives:

1. Identify current state funded efforts to support financial literacy;

Low-income residents may not WANT to change their behavior, current financial situation immediately – provide incentive for them TO change

Remove penalties for low-income residents seeking to improve their financial education/money management status who currently receive state subsistence assistance

This is in tandem with the Washington State Asset Building Coalitions top goals

Assess data: where is the greatest need?

Low-income

Mid-income

Student

Adult

Raise the “resource limits” (DSHS terminology) income level at which point assistance is cut off

Provide a funding source for non-profits to access to accommodate the potential increase in clients

Use New Hampshire model for TANF clients/Block Grant

Data can be pulled to support

Create dedicated state funding source for financial education and related asset building activities – like individual development accounts that increase savings

Ensure public-private matches

Bring to scale to more closely meet the need

Create standards to lesson commercialization of financial institutions training

Measure outcomes and describe the results

Provide funding to non-profits providing fin ed to additional clients due to raising the “resource limits” (DSHS terminology) income level at which point assistance is cut off

Prioritize financial education funding

Students
Low-income individuals
Immigrants, and
Seniors

Institute a financial literacy mandate by integrating financial literacy concepts into all levels, K-12.

Jump\$tart Coalition’s 2008 Financial Education Survey results from Washington State:

Overall score: 48.6 % (in 2006 it was 55%; decline of 6.4%.
Comparatively, national score declined 4.1%)
Passed (60%+): 23.7%
C or better (75%+): 3.6%

Mandate/strongly encourage that integration of financial literacy into existing services for targeted populations

List examples...Programs assisting homeless, veterans, offenders, ethnic groups, etc.
Engage non-profits and public agencies
WorkSource, WorkFirst,
Part of WSHFC home ownership training; certified

Funded mandate for financial education to be taught in Washington schools

Create dedicated state funding source for financial education.

Consider funding financial education by using some or all of the profits from unclaimed property (Department of Revenue).

Mandate financial literacy as part of K-12 learning (implement FLPPP recommendations)

Incorporate into math section of WASL
How else can financial education be encouraged and incentivized
Encourage connection to parents/families
Train older students to teach younger students
Family Financial Fitness nights – pizza dinner, separate sessions for age groups
High School grad requirement
like job shadow,
maybe not part of school day,

family financial fitness night located at school but not part of school day, could be part of/replace volunteer hours, do as part of your culmination project

Funded mandate for financial education to be taught in Washington schools

Adoption of financial education standards

- Adopt J\$ standards with testing
- Could become part of final project
- Basic criteria for teachers as well
- Cert endorsement program?
- FLPPP & Pam

Use FLPPP organizational structure – for advisory council?

FLPPP continue and not sunset

- Possible reorganization to include more representation
 - MUST include non-profits
- Expand FLPPP outreach beyond K-12
- Fund FLPPP activities
- If/when a member leaves, they need to be replaced by another representative from their industry/group (non-profit)
- Define who FLPPP would report to
- Define who would determine the final makeup of FLPPP board members
- Currently legislative committee – should it continue as such?
 - Could mean regular sunset pending
 - Establish a permanent format
- Possible mirror PA Board of Education
 - Part of the Governor's office
 - Divisions
 - Adult
 - K-12
 - Senior
 - other

Needs a higher profile than it currently has

Use the PA model to establish a government division within an agency

The Office of Financial Education is housed in the Pennsylvania Department of Banking and is funded by the assessments, fees, and fines paid by Pennsylvania's regulated financial community.

The Office of Financial Education works to:
help Pennsylvania's teachers incorporate age-appropriate personal finance principles into the reading, math, and other subjects they're already teaching;

show Pennsylvania's employers how to provide personal finance tips, tools, and training to their employees in ways that complement their business objectives and boost their bottom lines; and connect existing community-based efforts and help more community-based organizations offer high-quality financial education and counseling throughout the Commonwealth.

Establish a position within the Governor's Office to raise the profile of financial literacy in Washington and help create better synergy and communication between governmental bodies.

Charged with facilitating a financial education mandate in state.

Charged with maintaining a centralized, online clearinghouse to increase teacher awareness of existing financial education training materials.

Establish a survey of fin ed in WA

Use DFI WSU AARP survey as baseline

AARP/FINRA just did survey of victim/non-victim

Get a legislative hearing on this data

WaMu credit card survey

President's Council

ASEC/EBRI employee education information

2. Assess whether there are opportunities to create a centralized location of information regarding these existing state efforts; and

Create instructors' learning center/clearinghouse

Use FLPPP model if FLPPP continued/used as advisory council/central overseer of WA fin-ed

Train the trainer sessions; train experts...

Content, teaching styles, etc.

Explore certification of financial educ – create standards and measures;

Explore funding support for Certified Financial Counselors or other certified achievement (standards based)

need incentives to use (like WSHFC down payment assistance/interest reduction incentives).

Goldendale PUD deposit back program

Creating partnership/collaboration of teachers & experts

PA or Wisc. was looking at giving CE to teachers getting fin-ed training

WA CU League has that partnership model with teachers

Provide "experts" resource contact list

Web-based training and resource option

Provide trainer exchange/ratings, Q/A, blogs options, etc.

Online Q/A forum for trainers and students – indexed

Calendar of events, training opportunities for both staff and customers
Explore existing web site and tools: Beehive, NYC
(<http://www.nyc.gov/html/ofe/html/home/home.shtml>) CFE model
(www.cfecoalition.org), DFI
Employer assistance (COSTCO model)

Create incentives for businesses that provide financial education resources to their staff which result in higher than average levels of retirement savings.

Ensure competent lead organization to manage and continually update clearinghouse system

Use asset building coalitions to maximize coordination and partnership at state and local levels
Expand alternatives like Working Wheels to offer best deals for clients
Don't reinvent, use what exists and works, like Beehive

Work with the 211 system to include a web portal with access.wa.gov or dfi.wa.gov for a centralized place for inquiries and get referrals on financial education topics

Provide resources/FTE
Screening fee for fin-ed curriculums to be placed on 211 or access.wa.gov or dfi.wa.gov to provide funding for FTE to update curriculum
211 has a national model – look at other states to see what 211 is doing in fin ed

Sustainable curriculum/program
Specifically for educators

3. To identify whether there are opportunities for expanding partnerships with other community entities also providing financial literacy services.

Provide programs/Curriculum for Alternative Education

Religious groups/schools
Ethnic groups (Tribal)
Home School
After School Programs
Boys and Girls Clubs
YMCA/YWCA
Communities In Schools
Pre-K/Daycare

Provide Financial Education Training for Educators

Money Management education so educators are comfortable with their own finances

Tips and tools for teaching financial education

Establish a demonstration project through local asset building coalitions to bring financial fitness to scale in one community

Employers participation

Do huge marketing, social marketing to lead consumers to resources

Focus on the small before expanding

Some examples to use

Working benefits

Bank on sf

Foreclosure forum

ID theft – shred it

Cccservice of tri-cities

Nyc office of financial empowerment

Costco employer fin ed program

UPS program

Establish an advisory council with government, private for-profit, and private non-profit representations to advance the importance of life-long learning on financial education

Increase awareness of current programs and tools

Reaching out to all educators, not just WEA members

Don't reinvent curriculum.

Use government curriculum, such as <http://www.mymoney.gov/>

Work with experts on getting grants and donations used to provide assessment and outcome measures for financial education.

Work with businesses to stress importance of educating their employees.

Employees worried about personal finances are not as productive.

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Money Management education so educators are comfortable with their own finances
Tips and tools for teaching financial education

Recommendations outside of SB6272 directives:

Provide incentives for participation in financial education

Funded by private-public match? Gas cards?
Employers support (train expert within each company)
Possible state partial funding? License fees
Take into account topic/audience/venue for specific incentives that apply/pertain to that audience
Example anti-smoking program
If tested not pos got \$\$
Given \$\$ up front for joining, matched if succeed, if fail, lose match
Bank on SF
Incentives weren't bringing ppl to class, got them to sign up
Had to offer monetary incentive to get someone to go to fin ed course
There was no staff to follow up to make sure those with the second chance accounts followed through
Bank on Seattle King County
Start with incentive
Complete, get savings bond
Difficult to coordinate, follow-up
Price point is \$50, if below, blown off
Credit unions offer lower % mortgage, cc, etc. if fin-ed course completed
Certificate voucher for CD and bump up rate, Kitsap CU fin ed has been booked for months
Place holder cost \$25-\$50 get back or matched when you show up?
Tacoma Goodwill
Get \$\$ at end of completion
IDA
If you don't do certain things, lose match
\$100 savings deposit for completion

Establish broad based financial literacy marketing and outreach campaign

Social marketing
Offer in an array of settings: whole families, individuals, etc
Target organizations, businesses and other locations where low and moderate income individuals cluster
Use 211 call system as portal for customer information and referral – Build on success of statewide EITC campaign experience
Maximize free and guerilla marketing, churches/religious, social and employer groups
Do different themes throughout the year

Have a “celebrity” endorse
Generate revenue

Establish broad-based financial literacy marketing and outreach campaign.

Produce a series of public service announcements.
Utilize the 211 call system.

Provide a marketing campaign (like healthy living) to advance the importance of life-long learning on financial education

Use the term “financial education” rather than “financial literacy.

Use Jump\$tart financial education for definition with examples.

Do outreach on how lack of financial education has hurt the Washington economy due to people over-extended in credit for houses, cars, and credit card debt

Don't limit to Washington data, use national data to refer to WA
Use Fed data on savings rate