

**TO: Private Sector Sub-Committee  
Financial Literacy Task Force**  
**FROM: Stacy S. Augustine  
Greer Gibson Bacon, CFP®**  
**DATE: April 25, 2008**  
**SUBJ: MEETING MINUTES**

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The meeting was called to order by co-chairs Stacy Augustine and Kristin Mowat. Attending were sub-committee members Greer Bacon, Scott Kinney (via telephone), Paul Mahoney, and Dave Sieminski. Absent was committee member Ty Cordova. The meeting was held in the Library Boardroom at Highline Community College.

The purpose of the Financial Literacy Task Force is:

- 1a. Identifying current efforts to support financial literacy and
- 1b. Determining if there are opportunities to create a central depository for them;
2. Determining if there are opportunities to develop/expand relationships with other purveyors of financial literacy services; and
3. Providing a written report to the Governor by December 1, 2008, including findings and recommendations.

This sub-committee will study these issues in regards to private entities, such as banks and credit unions, broker/dealers (B/D) and registered investment advisors (RIA), mutual fund companies, other, and their respective professional/trade/self-regulatory organizations (SRO).

Several entities affiliated with the securities industry provide financial literacy services for consumers and professionals. The latter is important because individuals conveying financial information to consumers should be properly trained. A partial list includes:

Financial Industry Regulatory Authority (FINRA). Broker/dealers are members of this SRO, which licenses broker/dealers and their employees, and provides consumer information. For example, it lists all professional designations and its educational/other requirements, provides investor alerts, other. Consumers can check a financial advisor's disciplinary record via its database.

Certified Financial Planner™ Board of Standards. This entity grew out of the College for Financial Planning and it licenses all CFP® designees, based on specific education, examination, experience, ethical requirements. Also, it provides consumer information, including education, a referral service, licensing/disciplinary histories of all CFP® licensees, other. *The CFP® Board offers grants for financial literacy projects.*

National Endowment for Financial Education (NEFE). This entity grew out of the College for Financial Planning, also. Its primary mission is financial literacy and its sponsors many programs, such as the NEFE High School Financial Planning Program (HSFPP) with partners the U.S. Department of Agriculture (USDA), Credit Union National Association (CUNA), others. *NEFE offers grants for financial literacy projects.*

Financial Planning Association (FPA). Members include financial planners, accountants, attorneys, bankers, B/D and RIA firms, other who advocate high standards of professional competence and ethical conduct in financial planning. It offers consumer information about financial planning topics, Planner-Search, pro bono services (9/11, Hurricane Katrina victims, military personnel, other).

Foundation for Financial Planning. The list of contributors/matching contributors is very extensive, including individuals, banks and credit unions, B/D and RIA firms, and non-financial companies, such as Boeing and Microsoft. *The Foundation offers grants for financial literacy projects.*

Many bank and credit union entities provide financial literacy services, also. A partial list includes: WSECU (Washington State Employees Credit Union), BECU (Boeing Employees Credit Union), Kitsap (Kitsap Community Credit Union), STCU (Spokane Teachers Credit Union), FDIC (Federal Deposit Insurance Corporation), NEFE (National Endowment for Financial Education), and the NFEC (Native Financial Education Coalition).

A survey is needed to determine which entities have a financial literacy programs, whether their programs are proprietary or non-proprietary, target audience, delivery method, other. An electronic survey will be developed/broadcast to financial industry participants (ABA and FPA members, insurance industry professionals, others) to get to that information. It will be broadcast via DFI with results compiled prior to our next meeting.

These gaps in financial literacy were identified:

- √ Quality of presenters. Some teachers aren't comfortable teaching this subject, and some volunteers aren't qualified to teach some financial literacy subjects (primarily to adults).
- √ No mandate in law to teach financial literacy in schools. High school students and graduates receiving credit card offers. High school graduates financing their college careers. High school graduates renting their first apartments and budgeting for their expenses for the first time. Financial literacy-related questions aren't a part of the WASL.
- √ Lack of financial literacy information delivered to military personnel.
- √ General malaise among many consumers who assume that they will be protected and aren't asking the right questions to protect themselves.
- √ Lack of focus on minority populations.
- √ Lack of focus on women.
- √ People who aren't in the mainstream workforce such as stay at home parents (who often are responsible for the family finances).
- √ Elderly populations, especially with respect to fraud (since they often have money to steal). Confusion about financial advisors. Issues of trust.
- √ Mortgage borrowers because of the complexity of the mortgage process.

Generally, the demographics are summarized as: (1) young people, (2) adults/seniors, (3) teachers of financial literacy programs. Geographic gaps and funding resources should be identified, as well.

Our next meeting is scheduled for May 23, 2008 at 10:00 AM via teleconference. Kristin Mowat will advise dial-in information prior to that time.

cc: Lyn Peters, DFI, Director of Communications