

U.S. DEPARTMENT OF THE TREASURY

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PRESIDENT'S ADVISORY COUNCIL ON FINANCIAL
CAPABILITY FOR YOUNG AMERICANS

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PUBLIC MEETING

+ + + + +

MONDAY
MARCH 10, 2014

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The Council met in the Cash Room,
U.S. Department of the Treasury, 1500
Pennsylvania Avenue NW, Washington, DC, at 9:00
a.m., John W. Rogers, Jr., Chair, presiding.

MEMBERS PRESENT

JOHN W. ROGERS, JR., Chair of the Council,
Chairman, Chief Executive Officer and
Chief Investment Officer, Ariel
Investments

JACOB LEW, Secretary, U.S. Department of the
Treasury

ARNE DUNCAN, Secretary, U.S. Department of
Education

CECILIA MUNOZ, Assistant to the President and
Director of the Domestic Policy Council

RICHARD CORDRAY, Director, Consumer Financial
Protection Bureau

JOSE CISNEROS, Vice Chair of the Council,
Treasurer, City and County of San
Francisco

TED BECK, President and Chief Executive
Officer, National Endowment for
Financial Education

SHERRY SALWAY BLACK, Director, Partnership for
Tribal Governance, National Congress of
American Indians

JOHN HOPE BRYANT, Founder, Chairman, and Chief
Executive Officer, Operation HOPE

ANNA MARIA CHAVEZ, Chief Executive Officer,
Girl Scouts of the USA

KERRY DOI, President and Chief Executive
Officer, Pacific Asian Consortium in
Employment

ROBERT GLOVSKY, Vice Chair and a Principal,
The Colony Group

TED GONDOR, Chief Executive Officer, Money
Think

RICHARD KETCHUM, Chairman and Chief Executive
Officer, FINRA

BETH KOBLINER, Financial Journalist/Author

KAY M. MADATI, Head of Entertainment & Media,
Global Marketing Solutions, Facebook,
Inc.

MARC MORIAL, President and Chief Executive
Officer, National Urban League

DEANNA M. MULLIGAN, President and Chief
Executive Officer, The Guardian Life
Insurance Company of America

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CAROL QUILLEN, President, Davidson College
AMY ROSEN, President and Chief Executive
Officer, Network for Teaching
Entrepreneurship
CHARLES SCHARF, Chief Executive Officer, Visa
Inc.

ALSO PRESENT

CYRUS AMIR-MOKRI, Assistant Secretary for
Financial Institutions, Department of
the Treasury
VALERIE JARRETT, Senior Advisor to the
President
MELISSA KOIDE, Executive Director of the
Council, Deputy Assistant Secretary for
Consumer Policy, Department of the
Treasury
LOUISA Quittman, Designated Federal Officer
Of the Council, Director, Financial
Education, Office of Consumer Policy,
Department of the Treasury

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1 P-R-O-C-E-E-D-I-N-G-S

2 (9:06 a.m.)

3 MR. AMIR-MOKRI: Good morning,
4 everyone and welcome to the Treasury
5 Department. My name is Cyrus Amir-Mokri with
6 the Office of Financial Institutions here at
7 Treasury.

8 It is great to have you all here with
9 us for the first meeting of the new President's
10 Advisory Council on Financial Capability.
11 Also, warm welcome to the members of the
12 Council. We are grateful that you have agreed
13 to serve. The subject of financial capability
14 is a priority for the administration and so we
15 look forward to the work of this Council with
16 great interest.

17 In a few minutes, we will hear
18 remarks from Secretary Lew, Secretary Duncan,
19 Cecilia Muñoz, and Director Rich Cordray.
20 Before I turn it over to Secretary Lew, though,
21 let me just make a couple of points about the
22 work of this Council.

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1 First, the mission of this Council
2 in many ways follows from the work of the
3 previous President's Advisory Council on
4 Financial Capability. That Council submitted
5 a report to the President in which it noted the
6 importance, among other things, of financial
7 education for our youth and of drawing on all
8 resources, private and public, state, local,
9 and federal to advance this agenda. Hence, the
10 focus on youth with this particular Council.

11 Second, while the previous Council
12 worked on conceptualizing a path forward, this
13 Council has been constituted to discuss and
14 share experiences on the actual implementation
15 of ideas to promote financial capability. The
16 members of this Council have been leaders in
17 achieving results in this area and we look
18 forward to hearing from them about how they are
19 working to move the dial on youth financial
20 capability.

21 Third, the members of this Council
22 come from both the public and private sectors

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1 and we also have representation from the
2 federal government and from local government.
3 Work on financial capability is a collective
4 endeavor. Accordingly, we must do our best to
5 figure out how the public and private sectors
6 and the federal, state, and local government
7 can complement each other to achieve the
8 results we all would like to see.

9 And now, I am honored to present to
10 you the Secretary of the Treasury, Jack Lew.

11 SECRETARY LEW: Thanks very much,
12 Cyrus and good morning everyone and welcome
13 here to the Department of Treasury. I am very
14 pleased to have all members of the new Council
15 here with us today, including Director Cordray
16 and Secretary Duncan will be here shortly, and
17 Cecilia Muñoz from the White House.

18 I am also pleased that we have so
19 many members of the public here this morning
20 with us.

21 President Obama created this
22 Council and brought this group of talented,

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1 committed men and women together to advise him
2 on an issue of profound importance to the future
3 of our economy, the financial capability of
4 America's young people. Whether it is
5 teenagers deciding how to spend their first
6 paycheck, college students making crucial
7 decisions about how to repay their student
8 loans, or new parents trying to save for a
9 child's education and their own retirement;
10 helping young Americans build a sound financial
11 foundation is not only important for their
12 futures, it can also strengthen our economy for
13 generations to come.

14 That is why the work that we do as
15 members of this Council could significantly
16 impact how successful we are at growing the
17 middle class and increasing economic mobility
18 and opportunity for all Americans.
19 Fortunately, there is much we can do to improve
20 financial capability, and I, like the
21 President, call on this Council to help us
22 identify those opportunities.

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1 Mastering the basics of financial
2 decision-making at an early age will equip
3 young people for the first major financial
4 decision many Americans are likely to face:
5 whether to pursue post-secondary education
6 and, if so, how to pay for it.

7 Further, we need to make sure that
8 work pays for all Americans, not just those who
9 have earned a post-secondary degree. That is
10 why the President has proposed an increase in
11 the minimum wage and an extension of the Earned
12 Income Tax Credit so that all Americans who work
13 hard will be able to be economically
14 self-sufficient. But beyond growing jobs and
15 expanding opportunity, there is more we can do
16 to make American workers and their families
17 financially secure.

18 This Council should call on
19 employers of all kinds, large and small, in the
20 private, nonprofit, and government sectors, to
21 consider how they can help their employees
22 become financially successful. Many workers

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1 look to their employers as a source of
2 information and even guidance on how important
3 money management matters beyond retirement.
4 Employers also play a critical role in
5 providing workers with information and options
6 to plan and save for retirement. These options
7 include traditional retirement plans or new
8 tools like Treasury's myRA, a safe, simple, and
9 affordable way to start saving for retirement.
10 It is geared towards workers who may not have
11 access to an employer-sponsored plan.

12 In addition to saving, we should
13 also examine how other tools could improve
14 financial outcomes. As we have worked in
15 recent years to make our financial system more
16 fair and more transparent, and to protect
17 against the worst abuses in our financial
18 system, it has become clear that when it comes
19 to protecting consumers, our best defense is a
20 good offense. In the age of smart phones,
21 mobile apps, and big data, consumers are now
22 empowered to make smart financial decisions in

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1 real time, allowing them to trade the financial
2 emergency room for preventive care. Technology
3 has given us the ability to wholly rethink the
4 definition of financial capability and it gives
5 us the ability to reshape and redefine what it
6 means to be financially literate in the 21st
7 century.

8 Be it employers, schools,
9 government, private businesses,
10 community-based organizations or families,
11 there is a role for everyone to play in the
12 effort to better prepare our youth, to navigate
13 a world full of consequential financial
14 decisions.

15 The administration has taken a
16 number of steps over the last few years to
17 advance financial capability and expand
18 opportunity. But our work is not complete. I
19 am confident that this Council will continue to
20 build on our efforts and make sure that we are
21 working in concert with other sectors of our
22 economy and society. I ask this Council to

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1 show us what is working, who is leading, and how
2 we can work together to broaden impact because
3 one approach will not suit all needs.

4 I look forward to working with my
5 colleagues across the administration and our
6 partners outside of government to identify the
7 best new ideas in financial capability and put
8 them to work for the next generation of
9 Americans. Thank you.

10 MR. AMIR-MOKRI: So, Cecilia.

11 MEMBER MUÑOZ: Thank you very much.
12 Thank you, Mr. Secretary, and thank you to all
13 of you for being here today.

14 I am Cecilia Muñoz. I am the
15 Director of the President's Domestic Policy
16 Council. And I want to start by thanking the
17 newly-appointed members of the Council for
18 your commitment to help us better understand
19 how we can prepare American's next generation
20 today for the financial challenges that they
21 will face tomorrow. And the work that you are
22 about to embark on is, to put it simply, an

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1 investment in the economic future of the
2 country. And I don't think it is a
3 particularly simple task.

4 You know and I know that the
5 challenges our young people face are very
6 different from the ones the rest of us faced
7 growing up. I learned financial
8 responsibility from my dad, who still, at age
9 90, is the kind of guy who faithfully balances
10 his checkbook every month. And when I was
11 about to ship my firstborn off to college, you
12 know you sit them down to have all the
13 conversations you are worried that you forgot
14 to have with them, and one of them was the oh
15 my gosh, I haven't taught you how to balance
16 your checkbook yet. And she looked at me with
17 that patient look that they get right before
18 they roll their eyes, and said, mom, I don't
19 have a checkbook. I have these various pieces
20 of plastic. And she does. And she is
21 constantly bombarded with credit and debit card
22 offers, other loans, and numerous other

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1 financial decisions on a daily basis that could
2 and will have a very big impact on her life.
3 And these are things that I couldn't have
4 fathomed when I was at her stage, getting ready
5 to go off to school.

6 Young people across this country
7 are facing these same choices every day and the
8 data indicates that many of them are not well
9 prepared to handle these challenges. They are
10 less likely to have bank accounts and a
11 significant percentage rely on riskier
12 non-traditional borrowing. They are also less
13 likely to have enough money set aside to meet
14 a sudden emergency. This is particularly true
15 for young people of color and for those who
16 haven't finished high school.

17 This is our challenge: all young
18 people, no matter their background, should be
19 armed with the tools to create a better future
20 for themselves and that includes financial
21 literacy skills. And this work goes
22 hand-in-hand with the President's broader

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1 agenda; we call it an Opportunity Agenda, to
2 make sure that we are increasing financial
3 security for all Americans.

4 Secretary Duncan is here. He is
5 deeply engaged in the work of making sure every
6 student is able to go to and finish college. And
7 with his leadership, the administration is
8 working to make college more affordable and
9 providing young people with clear information
10 about the opportunities available to them.

11 But we also need to know, to be sure
12 that young people have the financial smarts to
13 weigh these options and make informed choices
14 that affect their futures. This will increase
15 the likelihood that they can finish college and
16 start their careers on a strong footing.

17 So, when we talk about the
18 President's Opportunity Agenda, as Secretary
19 Lew pointed out, it also includes initiatives
20 that we are deeply engaged in, like the
21 Affordable Care Act, which also very much
22 connects to financial security, and the effort

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1 to increase the minimum wage. But ultimately,
2 higher wages aren't the whole equation. Young
3 people need to know about and have access to
4 sound products to help them spend that money
5 wisely and put some money aside for a rainy day.

6 So, I hope the Council will consider
7 all of this and will also consider how its work
8 will coordinate with other initiatives across
9 this administration, including the My
10 Brother's Keeper Initiative, which was
11 recently announced by the President, to provide
12 more opportunities for boys and young men of
13 color who face particularly tough odds when it
14 comes to climbing the ladder to success. And
15 I hope we can align our work on these strategies
16 together.

17 So what you are about to embark on
18 is tremendously important. And as I said at
19 the start, sometimes the earliest lessons are
20 the ones that stay with us the longest. One of
21 the most basic financial lessons holds true not
22 only for money but for the President's policies

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1 for young people. You make investments early
2 and you watch them grow.

3 So, we thank you for your efforts
4 and I look forward to the good work we will do
5 together.

6 MR. AMIR-MOKRI: Thanks very much,
7 Cecilia. Director Cordray.

8 DIRECTOR CORDRAY: So, I find
9 already the word that repeatedly comes to mind
10 for me this morning is "amen." We have many
11 similar things to say, I think, but since we
12 each have our own distinct vantage points on
13 them, maybe it is useful for us to say them
14 nonetheless.

15 I am Richard Cordray, the first
16 Director of the Consumer Financial Protection
17 Bureau, which did not exist when the Council was
18 first convened during the President's first
19 term. We are glad to be here and be part of this
20 at this point in time.

21 Over the years, financial education
22 has become a passion that I have pursued at the

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1 local, state, and now federal levels. It is a
2 privilege to be invited and to serve on this
3 Council.

4 At the Consumer Financial
5 Protection Bureau, we are committed to helping
6 consumers make sound financial choices. We
7 are doing all we can to protect people by
8 ensuring that consumer financial markets work
9 better for them, are transparent, reliable, and
10 fair. But we also recognize that the best form
11 of consumer protection is self-protection,
12 which means helping people avoid problems in
13 the first place and know how to address problems
14 when they do occur.

15 But this has proven to be a hard
16 problem in our society. Although it is
17 important for parents to talk to their children
18 about money from an early age, many find it
19 difficult or uncomfortable to do so, leaving
20 our young people starved for information. So,
21 we need to begin by recognizing just how rarely
22 families actually engage in these discussions.

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1 This is a fundamental problem for
2 anyone who cares about the direction of this
3 country. Young people who lack the skills to
4 make effective decisions will find it harder to
5 become productive and capable citizens. They
6 will incur unnecessary debt, missed
7 opportunities to save money and develop a poor
8 credit history. These problems will block
9 them from opportunities and resources to
10 improve their futures. We are enrolling them
11 in the school of hard knocks with no reason to
12 think they will avoid repeating the same
13 mistakes others made before them.

14 We have an opportunity here with
15 this Council to see that America does better by
16 its children. Now more than ever, as we emerge
17 from the deepest financial and economic crisis
18 of our lifetimes, people need the know how to
19 manage the ways and means of their lives. The
20 choices they face in the financial marketplace
21 with instruments like mortgages, credit cards,
22 auto loans, student loans, credit reporting and

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1 more, are increasingly complex. Many consumers
2 use the "tell your story" feature of our website
3 to describe their lasting regret that they did
4 not know more at the time they made important
5 financial decisions.

6 The most obvious way to create a
7 more financially capable nation is to insist on
8 having financial education in every one of our
9 schools. In my opinion, this is an imperative
10 we cannot afford to ignore or defer.

11 Last year, we issued a report on
12 advancing K through 12 financial education.
13 The report presents five policy
14 recommendations that squarely build on the
15 great work already done by many of you and your
16 colleagues on this Council. Let me briefly
17 restate them here.

18 Our first recommendation is that
19 financial education should begin at a young
20 age, be made a priority as students approach
21 graduation from high school, and continue to
22 evolve through the various stages of adulthood.

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1 When we do not teach children about personal
2 finance, about managing household budgets,
3 saving for the future, or making informed
4 decisions about larger investments in an
5 education or a home, whether or not it includes
6 balancing a checkbook in this day and age, we
7 are failing them in very shameful and costly
8 ways. We can do this with integrated curricula
9 in our schools, so the benefits of compound
10 interest are understood in math class, economic
11 costs and risks are taught in social studies
12 class, and essay topics in English class may
13 cover how we use money, how we protect our
14 money, or how we take control of our financial
15 lives to achieve our goals.

16 Second, we recommend that as part of
17 youth financial education, students should
18 practice financial management through
19 experiential learning. Regardless of whether
20 they are simulating a banking experience or
21 playing a computer game that hones financial
22 decision-making skills or following the

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1 progress of the stock market, they will learn
2 more effectively from the experience.

3 Third, we must engage and support
4 those teachers who are interested in teaching
5 personal financial management. We need to
6 ensure that teachers have the support they
7 need. We want them to have access to training
8 and incentives to take part in, such as
9 continuing education credits and need-based
10 travel stipends. We are developing teacher
11 training resources through the bureau and
12 partnering with others to do more in this area.

13 Fourth, in addition to equipping
14 teachers with the training they need to teach
15 financial skills, we are also recommending
16 integrating financial education concepts into
17 standardized tests. Doing so would increase
18 incentives for educators to teach these topics
19 and present an opportunity to measure and track
20 the performance of students on financial
21 education content. We have been working on
22 this issue with those in charge of writing these

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1 tests.

2 Fifth, though providing financial
3 education in schools that is critical, there
4 are also enormous benefits when that education
5 is present in the home. We need parents to be
6 as involved with their children as their
7 children are learning to master the concepts of
8 personal financial management. Parents help
9 set expectations. And research has shown that
10 if parents engage their children by
11 establishing a savings account for them, these
12 children are seven times more likely to attend
13 college than those without a savings account.

14 Affecting how families approach
15 financial education will not be easy but the
16 presentation of financial education in the
17 schools will be a further stimulus to progress.

18 I look forward to working with all
19 of you to help our young people gain the
20 financial capability they need to control and
21 shape their lives. Thank you.

22 MR. AMIR-MOKRI: Thanks very much,

1 Rich. Secretary Duncan.

2 SECRETARY DUNCAN: Thanks so much
3 and I apologize for being a few minutes late.

4 I am thrilled to be here and I just
5 want to thank the CCouncil members for your
6 willingness to serve. This is a pretty
7 extraordinary group of people, very diverse,
8 many different backgrounds. And I just think
9 what you can do for young people and for the
10 country going forward could have a huge impact.
11 I am a big believer that leadership matters a
12 lot. I am a little biased. John is my best
13 friends. I think he is an extraordinary chair.
14 This has been a lifelong passion of his. And
15 the vice-chair, José, what you have done in San
16 Francisco is nothing short of remarkable. And
17 if we had more local leaders with his passion,
18 his commitment, we would be in a much better
19 place right now as a nation. So, it is a great,
20 great Council and, I think, two amazing leaders
21 and I look forward to whatever we can do to
22 partner with you to drive this agenda.

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1 I am always looking for ways to try
2 and bring people together and sort of cut
3 through the traditional battles. I think, I
4 could be wrong, I think this is an issue of no
5 natural enemies. Whether it is union and
6 management, teachers and principals, public
7 and private sector, I think we can all unite
8 behind the cause of putting our young people in
9 a position to manage their lives and their
10 finances in a much more thoughtful and
11 strategic way than they do today. The huge
12 need is out there. Everyone here knows that.
13 That is why we are here.

14 Just one very quick story. I was
15 back home in Chicago. I met with a group of
16 students on the south side of Chicago Saturday
17 night in a pretty tough community, about 40
18 kids. And I didn't tee this up but literally
19 the last young man to speak was just
20 extraordinary and actually goes to a pretty
21 good high school in Chicago. You know he is
22 getting good grades. He is going to be

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1 successful. And he just asked me straight up,
2 he said how come no one is teaching me about
3 finances. I am going to get a good job. How
4 am I going to be able to manage my money when
5 I get older? And it was just an unbelievably
6 poignant question that I think far too many
7 children around the country today can ask. And
8 today, we don't have a great answer on that. I
9 mean our kids deserve better. They are asking
10 for it. And if we can take to scale what works,
11 if we can work together across sectors, across
12 the traditional lines that divide us, I think
13 we can do something pretty special for kids and
14 for the country. So, I thank all of you for
15 your leadership and look forward to working
16 together.

17 MR. AMIR-MOKRI: Thanks very much.
18 And with that, I will turn it over to the
19 Chairman of the CCouncil, John Rogers.

20 CHAIR ROGERS: Well, thank you.
21 It is great to be back again and great to see
22 so many people here. And we really do seem to

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1 have a lot of shared values here and the
2 comments we have all had a chance to talk about
3 today.

4 What I just wanted to pick up on a
5 little bit is what Arne talked about is that
6 when we grew up, we went to the same high school.
7 And Arne took, I think, eight years of German
8 and he has been to Germany one year. I took
9 around four years of French. I have been to
10 France three or four times. And if you think
11 about it, the values and the things that we have
12 to teach to our kids to get kids prepared for
13 life, I think sometimes we have our priorities
14 wrong. We have got to make sure that we have
15 robust financial literacy programs, starting
16 in grade school, that build over time the same
17 way math skills and science skills, and English
18 skills build over time, so that you are truly
19 prepared to participate fully in our American
20 democracy. And I think that is something that
21 just becomes lost. And so the question that
22 Arne was asked the other day was perfectly

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1 appropriate.

2 I think that is why when Arne was
3 working with -- when we were working together
4 20 years ago, Arne and his sister Sarah came up
5 with the idea of creating a small public school
6 on the South Side of Chicago. And after a
7 couple of years up and running, we decided that
8 we needed to have a robust financial literacy
9 program for these intercity kids who were
10 coming from, often, disadvantaged backgrounds,
11 which fits perfectly with the President's
12 mandate where he has talked about the
13 importance of financial literacy, in
14 particular, in disadvantaged communities.

15 And we created a program that was
16 sort of patterned after the program that my
17 father had for me as a child. My father had
18 been a Tuskegee airman. He had come up kind of
19 the tough way but he felt that it was very
20 important for me to get exposed to the stock
21 market as a child. So, many of you have heard
22 this story. Every birthday and every

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1 Christmas after I was 12, I got stock
2 certificates instead of toys. And of course it
3 wasn't fun going to the Christmas tree and
4 getting an envelope, but eventually I just
5 became totally fascinated and loved the stock
6 market and loved investing.

7 And so what we did at the Ariel
8 Community Academy was every first grade class
9 would get a \$20,000 class gift. The kids would
10 watch us manage it, watch professionals manage
11 it for the first six years and then the kids
12 would start to pick real stocks with real money
13 in 6th, 7th, and 8th grade and work with our
14 analysts on how to analyze companies and do
15 research, come down to our offices and start to
16 learn about financial services careers and what
17 it is like to be an analyst and what it is like
18 to work in a downtown office building. And we
19 thought that was something that would be really
20 important for them to have that exposure, so
21 they could fully participate and understand
22 what is going on in the financial parts of our

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1 economy.

2 And then when the kids graduate in
3 the 8th grade, they would take \$20,000 and give
4 it back to the next first grade class, take a
5 portion of the profits, and this was Arne's
6 idea, and create a philanthropic gift for the
7 school or the community to teach the kids the
8 importance of giving back, because they had
9 been given an opportunity.

10 And then the kids would have a
11 chance at the end to keep a portion of the
12 profits, if their money had grown over the years
13 that they had been investing it. And every
14 child that put their money into a 529 program
15 we would match it with \$1,000 so the kids would
16 learn the importance of matching. Because we
17 all know today as more and more retirement plans
18 disappear, traditional pension plans
19 disappear, you have to be your own financial
20 manager and understand how to get involved in
21 a defined contribution plan to prepare for your
22 future.

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1 So, we thought that that was
2 something that was really very, very important.
3 And it was consistent with some of the research
4 that we had done at Ariel with the Aon Hewitt
5 report that Mellody Hobson, our President led,
6 that showed that when you looked at defined
7 contribution plans, often people of color,
8 African Americans, Latinos, and others would
9 often have half as much saved for retirement as
10 the majority community, even with the same
11 educational opportunities, even with the same
12 job descriptions and job titles, literally
13 would have half as much saved for retirement
14 because of all types of cultural reasons, past
15 discrimination, lack of familiarity with the
16 financial markets.

17 So, we thought this was so, so
18 important for us to make sure that kids learned
19 the importance of how to get engaged and
20 involved in becoming their own financial
21 managers, once they started their careers.

22 And then finally we think this is

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1 also important, of course some of the things
2 that came out today we talked about, but if you
3 want people to participate fully again in our
4 capitalist democracy, understanding these
5 issues around finance is incredibly important.
6 And we think that as time goes on, it will help
7 have a fully informed community that can engage
8 in all the kind of dialogues and discussions
9 that happened here in Washington, TARP, or what
10 have you and having financial literate
11 societies will really help a lot.

12 And then finally, I just think it is
13 so important that again, coming from the
14 beginning that we decided to focus on youth.
15 Because last time in the last Council, we
16 focused on a lot but now we really realized if
17 we can get financial literacy embedded into the
18 core curriculums of public schools, we will
19 really be able to make a difference for our
20 young people.

21 So, I am excited for us to have this
22 opportunity to be back to work hard on this

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1 important issue and appreciate again all of us,
2 and appreciate our exciting Council for coming
3 together today. Thank you.

4 MR. AMIR-MOKRI: Thanks very much,
5 John.

6 And let me now introduce Melissa
7 Koide, who is the Executive Director of the
8 Council and also Deputy Assistant Secretary of
9 Treasury for Consumer Policy.

10 MS. KOIDE: Thank you, Cyrus.

11 Really, such appropriate and, I
12 think in many ways, inspirational remarks we
13 have heard so far. Now we want to actually turn
14 it over to the Council members and hear from
15 you. Why are you here? What are you doing
16 with respect to financial capability in youth
17 and what do you want to get out of this Council?
18 I think that is the right way for us to start
19 this discussion.

20 So, we can begin with Ted, if you are
21 ready. Welcome back, Ted.

22 MEMBER BECK: Thank you. Thanks,

1 Melissa. My name is Ted Beck. I am the CEO of
2 the National Endowment for Financial
3 Education, commonly known as NEFE. I also
4 serve as the Chairman of the National JumpStart
5 Coalition.

6 As background, NEFE is based in
7 Denver, Colorado. We fund research around
8 financial capability. We also provide
9 programs. We have been providing a high school
10 program for over 30 years and educated over nine
11 million students in that program.

12 And six years ago, we launched a
13 college program that has actually done very
14 well. It is now in over 700 campuses being
15 actively used across the country. We also work
16 with nonprofit partners, bringing financial
17 capability training to their communities.

18 One of the things I think we would
19 really like to contribute not only in NEFE but
20 the community I think we represent, first of
21 all, we will be publishing several research
22 papers between now and the summer. Actually,

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1 three that are very focused on the financial
2 capability of young people. So, I think that
3 will be a strong support item for the Council.

4 Also, our work in colleges, I think
5 has great potential. We are actually involved
6 with over 250 community colleges. And that is
7 yielding a lot of information about how we can
8 reach a very important group that we think is
9 underserved and really represents a
10 cross-section of the United States.

11 Also NEFE and a group of like-minded
12 organizations over the last few years have
13 developed a teacher training program that we
14 are now rolling across the country. We have
15 found that America's teachers are really not
16 trained to teach personal finance. And we now
17 have what we think is a very promising and
18 effective program that we might be able to bring
19 to play for this community.

20 Finally, I think there is a major
21 area of opportunity. If you look at our world,
22 we really don't have quality standards and any

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1 sort of hurdles that we are supposed to achieve
2 if we are going to be rolling programs into
3 schools. I think the work of this Council
4 could really do great things to help us set
5 those sorts of guidelines and goals for us.

6 As far as the Council itself goes,
7 this is a very important group. The nonprofit
8 community looks to this Council for leadership
9 in helping identify what are the best
10 standards, what is working out there. And you
11 could really be spokespeople for what we need
12 to be doing because the nonprofit community, I
13 think, will follow this leadership. So, I am
14 very pleased to be a member of the Council again
15 and I look forward to working with you all.
16 Thank you.

17 MEMBER BLACK: Good morning
18 everyone. It is an honor for me to be here. I
19 work with the National Congress of American
20 Indians. For those who don't know, it is a
21 70-year-old organization that works primarily
22 with tribal governments across the United

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1 States and there are 567 federally-recognized
2 tribal governments. We work primarily to
3 protect the rights of tribes and American
4 Indian and Alaskan Native people in the United
5 States; however, we do a variety of
6 programming. And one of the programs I work on
7 is the Partnership for Tribal Governance is
8 really to help tribal governments themselves
9 build the capacity to provide services to their
10 citizens. And through that, we work with them
11 on a variety of different areas, including
12 financial education.

13 NCAI also administers the Native
14 Financial Education Coalition, which is a
15 coalition more than, close to 15 years old of
16 organizations, nonprofits, for-profit,
17 business, government folks are very interested
18 in improving the financial capability in native
19 communities. So, I am very excited about that.

20 We also have a youth commission.
21 We also are working to set up youth cabinets
22 across the country. And those would be

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1 cabinets at tribal governments themselves.

2 We also work very closely with the
3 Center for Native American Youth. That is a
4 D.C.-based organization working on Native
5 youth.

6 I just wanted to just share, too,
7 that 42 percent of our population is below the
8 age of 25 in American Indian and Alaskan Native
9 communities. So, it is definitely a focus to
10 really work with that generation, with that
11 population in a variety of different ways.

12 And those of you who may have seen
13 the front page of the *Washington Post* this
14 morning know that we have substantial
15 socioeconomic issues remaining in Indian
16 country. It was an article about high suicide
17 rate in native communities.

18 And while there are economic
19 successes happening in Native communities, we
20 need to do so much more to really promote those
21 kinds of economic successes so that our youth,
22 our children can really feel like they have a

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1 future in this country.

2 And I wanted to just -- I was on the
3 previous Council and I feel that this is a
4 second opportunity really to work to elevate
5 the successes in Indian country, as well as the
6 needs for financial literacy.

7 And one of the things I wanted to
8 just end with is really recognizing the role
9 that President Obama and the administration has
10 really played in developing a nation-to-nation
11 relationship with the tribal governments in
12 this country and really recognizing the role of
13 tribal governments in the American family of
14 governments. And I think as tribal
15 governments are building their capacity,
16 really looking at financial education and
17 economic success is one of those key areas.

18 So, I thank you very much for the
19 honor to be here.

20 MEMBER BRYANT: Good morning,
21 everybody. Good morning, Mr. Chairman. I
22 want to thank you again for your leadership. I

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1 have been around for a minute. I was honored
2 to play a role in the last committee in the
3 underserved where we stood up actually
4 commitments for a hundred local financial
5 literacy Councils. So, it is nice to see this
6 Council's mission is to go into the community
7 because I believe that was certainly a passion
8 of our committee and had a role in bringing FEMA
9 into the FLEC. It was another deliverable of
10 the last committee.

11 I am Chairman of Operation Hope, two
12 million clients, two billion dollars in private
13 capital directed at underserved neighborhoods,
14 22,000 volunteers. Important for this Council
15 we are in 4,000 all urban intercity, low-wealth
16 schools.

17 Like Chairman Rogers, John, this is
18 personal to me, my mom and dad divorced when I
19 was about five. I remember them arguing over
20 money. The number one cause of divorce in
21 America is money. Number one cause of
22 domestic abuse is money. And that put a

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1 searing affect in my brain.

2 And when I was nine I remember a
3 banker coming into my classroom and teaching me
4 financial literacy. I was in Compton,
5 California. And I remember asking the banker
6 what do you do for a living and how did you get
7 rich legally. And I was dead serious. I never
8 saw anybody with a suit on before in my
9 classroom. And he told me he financed
10 entrepreneurs. I said I don't know what an
11 entrepreneur is, but I want to be one.

12 And that kept me focused. It got my
13 aspirations high. It got me engaged.

14 Fast forward. I was homeless six
15 months of my life when I was 18 but none of that
16 got me off track because I was really focused
17 on my dreams. Why is that relevant to today?
18 I think the real challenge for this dropout
19 crisis which we have in America which is a true
20 crisis is that we disconnected education from
21 aspiration. And kids are dropping out because
22 they don't see a reason to stay in school that

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1 moves their life forward.

2 So, we are going to do something
3 about it. Hopefully, working with this
4 Council we are going to open 2000 Hope Business
5 in a Box Academies. I won't go into detail
6 about what that is here in my opening remarks,
7 but it basically emulates my life experience
8 growing up.

9 And to summarize, is an experience
10 of one of the kids. We were in intercity
11 Atlanta. Young men were in a restroom. One of
12 my employees was there. The stall was closed.
13 A young man kicks the door in, a high school
14 student. Bunk this mess, he said. Well, he
15 didn't say bunk. This is BS. He had lost the
16 pitch event at the HOPE Business in a Box
17 Academy. You know we should have won. You
18 know we should have won.

19 His friend then said, yes, but you
20 know the other group had matching uniforms.
21 Another guy said yes, but you know the other
22 group, they prepared, they had really prepared

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1 remarks. And then the first guy said but that
2 is all right. We are going to win this next
3 time. In order to win next time, you have got
4 to come back to school.

5 And in short, I see that as like the
6 high school football experience for every kid.
7 I think that is what we have to do with this
8 group is to find ways to really connect the
9 focus on financial literacy and financial
10 capability with the reality that kids want a
11 good job and a shot at economic opportunity.

12 We have got to reconnect education
13 with aspiration. I just think it is that
14 simple. You do that and all the lights come on.
15 And so we have opened 65 locations in 100 days.
16 I am on a tear to do this all across the country
17 and I think that we can do that and reshape
18 America.

19 MEMBER DOI: I am Kerry Doi with
20 Pacific Asian Consortium in Employment, better
21 known as PACE in Los Angeles.

22 I am really humbled to be asked to

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1 sit on this Council and it is a great honor,
2 especially when I look around the table and take
3 a look at everybody's bios. I don't know how
4 much I will have to contribute to the Council
5 but definitely look forward to engage in
6 discussions around policies with regard to
7 financial education, which is a term that we
8 prefer at PACE as opposed to financial literacy
9 because it oftentimes implies that people are
10 illiterate, perhaps financial empowerment
11 might be a better term.

12 I was born on a pineapple plantation
13 in Hawaii, well the common term today is in farm
14 worker housing. We were poor but didn't know
15 it because we thought everybody lived like
16 that.

17 But I don't remember very much
18 having any toys but we had the ocean as our
19 playground. And so we would chop down some
20 bamboo and use it for fishing poles or use it
21 for spears to catch fish. And in spite of the
22 fact that Hawaii is paradise and because it is

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1 paradise the rich people in the world buy
2 property, as a result, the cost of living gets
3 driven up. The local residents that are used
4 as labor as servants to these rich people that
5 come into Hawaii. And Hawaii is paradise but
6 the "aloha spirit", the "aloha lifestyle",
7 sharing and receiving love and welcoming
8 visitors, there is, oftentimes, trouble in
9 paradise.

10 And then I fell off the pineapple
11 truck and ended up in LA. And in LA there are
12 one and a half million Asian and Pacific
13 Islander residents. To put it into
14 perspective, it is almost double the entire
15 population of the city of San Francisco and more
16 than the entire population of the state of
17 Hawaii.

18 We focused on Asian and Pacific
19 Islander communities and oftentimes we get
20 lumped into one category, which we are in the
21 census. But there are tremendous differences
22 between all of the Asian cultures. And

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1 oftentimes for shock value I tell people that
2 we, blacks and whites have had 400 years of
3 history in the United States to learn to hate
4 each other and Japan has had 5,000 years of
5 hostilities with China. . . .

6 Asian and Pacific Islanders in LA
7 are spread out throughout the city and the
8 county. And where we open our doors for a
9 variety of services, we don't exclude others.
10 And so as a result APIs are only about a third
11 of the clients that come walking through our
12 doors. We see as many people from El Salvador
13 and Mexico, from Peru and Guatemala. We have
14 as many African Americans, as well as Africans
15 from Africa come in that provide services --
16 that we provide services to. And so as a
17 result, we have the capacity to speak over 40
18 different languages and dialects.

19 And one theme that stretches
20 throughout is the need for financial education.
21 And so we started to develop that program. And
22 we actually begin at a very early age that is

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1 pre-school in piggy bank learning. And for
2 these three and a half year olds, it necessarily
3 requires the engagement of the parents. And so
4 we see that it is not only with the individual
5 but we have to work with the entire family if
6 we are going to begin the process of financial
7 education.

8 And as opposed to reinventing the
9 wheel, we really look forward to seeing what
10 other kinds of creative concepts can be used to
11 enrich our programs. And so we look forward to
12 participating. Thank you.

13 MEMBER GLOVSKY: Thank you very
14 much. I am Bob Glovsky from Boston. I want to
15 thank the President for the appointment. It is
16 an honor to be here with this group and to work
17 with Secretary Duncan and Chairman Rogers and
18 Vice-Chair Cisneros, Director Cordray.

19 I come at this a little bit
20 differently, I think, than others. I have
21 actually been a practitioner for over 35 years.
22 I probably should say over 20 because it just

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1 makes me feel old.

2 I am the Vice Chair of a group in
3 Boston called The Colony Group. We have got
4 about three and half billion dollars of assets,
5 just under \$3.4 billion. We do financial
6 planning, wealth management for individuals
7 and their families, their kids. We spend a lot
8 of time with the kids and talking to them. We
9 are a fee-only fiduciary RIA, independent.
10 That is a little bit about what I do most of the
11 time.

12 In the past, I have also done a radio
13 show in Boston for ten years called The Money
14 Experts. All we do is answer questions for
15 individuals, individuals with little means and
16 little knowledge but a thirst for learning and
17 doing the right thing.

18 Along the way, I created and
19 directed the Boston University Program for
20 Financial Planners. It is a classroom and
21 online program. And I was the director for
22 over 20 years. It is now the fourth largest

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1 certified financial planner program in the
2 country and the largest in a not-for-profit
3 institution.

4 I was also Chair of the Certified
5 Financial Planner Board in 2010. That is the
6 group that created the comprehensive exam and
7 creates standards for people who want to become
8 certified financial planners.

9 A couple other issues that I think
10 might be helpful by way of background. My wife
11 and I recently created and endowed a financial
12 literacy program for all high school seniors,
13 similar to what the CFPB described in their
14 report with metrics for graduation and really
15 trying to watch it evolve. And hopefully, all
16 of the seniors will graduate understanding a
17 little bit about credit card debt, about
18 student loans and about how to deal with issues
19 like that as they start their lives and their
20 careers.

21 I would also say that I am the father
22 of four millennials. And that probably makes

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1 me the most qualified. I think this Council is
2 exceedingly important. Millennials and I
3 would say all Americans, all young Americans;
4 they are saving at a very low level. They have
5 high rates of debt, student loans and credit
6 cards. They need to learn how to be
7 financially self-sufficient and secure. The
8 FINRA study showed us that. They cannot rely
9 on their parents or the government, as they grow
10 old. They need to learn how to invest, not just
11 save but also invest. They have been investing
12 pretty conservatively on a short-term basis and
13 we need to teach them how to invest longer term.
14 I think all of those are important.

15 What I would like to see the Council
16 achieve besides we have talked a lot about
17 financial education, it is also practical.
18 How do we get people in this country to actually
19 act? It is not just to learn but to act, act
20 in their own best interest and in society's best
21 interest. So, I would like to see doable
22 steps, measurable actions, so we bring

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1 information and the delivery system together,
2 so that at the end of the day, action is actually
3 taken because I think it is critical. To just
4 inform people, to educate people, that is
5 great. That is a great step. But without the
6 action, nothing really gets done at the end of
7 the day. And as a practitioner, I really
8 understand how implementation can be critical
9 to actually doing good. And that is,
10 hopefully, what I can help contribute here.
11 So, thank you.

12 MEMBER GONDER: Hi, there. My
13 name is Ted Gonder. I am a millennial with a
14 background in startups, entrepreneurship,
15 technology, and the viral spread of ideas. It
16 is an honor and a privilege to serve on this
17 Council alongside some of the thought leaders
18 in the space that I have admired from a very
19 young age.

20 I am also the CEO and co-founder of
21 Money Think, which is the only movement of young
22 people working to restore the economic health

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1 of the U.S. through financial mentoring and
2 mobile technology.

3 On the financial mentoring side, we
4 have trained just over a thousand college
5 volunteers to mentor and serve as positive
6 financial role models for just over 7500
7 intercity 11th and 12th graders in 30
8 communities across ten states.

9 We, through our work in the
10 classrooms, have observed that this particular
11 age group, kind of 16 to 18, 16 to 19 is facing
12 a shift from sporadic income to steady income
13 and a shift from financial dependence to
14 financial independence. These students also
15 face the densest concentration of
16 life-changing financial decisions they have
17 ever had to face and might ever have to face.
18 So, we view it as a window of opportunity to
19 administer sort of preventative treatment as
20 was said earlier.

21 On the mobile technology side, we
22 have had the honor and privilege of working with

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1 some of the world's leading practitioners in
2 design thinking, technology development, and
3 rapid problem solving and have built some
4 mobile technology solutions that are being
5 piloted and rolled out across the country.

6 As the youngest person on this
7 Council, I feel a particular humility and
8 seriousness with regard to my role. My parents
9 were born into poverty and saved every penny and
10 worked hard, took chances, so that I could have
11 all the opportunities that they never had. But
12 in my youth, I was a bit of a knucklehead and,
13 occasionally, squandered those opportunities.
14 And it wasn't until I was 14 as an unengaged
15 student always getting into trouble, that a
16 tutor who had grown up in Ghana, who had saved
17 money for a plane ticket to come to the U.S. to
18 study and pursue the American dream came into
19 my life and turned my mirrors into windows.
20 And this young man was 19. I was 14. I related
21 to him because he was young but I respected him
22 because he was just a little bit older than I

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1 was. And he taught me not just math and got my
2 grades to go up, but he also taught me how to
3 set goals, taught me how to think about my life
4 like adventure, and my decisions like
5 investments.

6 And so, it was natural when the
7 economy collapsed in 2008 and I was in college
8 in the University of Chicago to start a small
9 community initiative called Money Think, to
10 create a tutoring program that would focus on
11 money skills, rather than academics between
12 college students and local high school
13 teenagers. And between 2008 and today, that
14 program has grown as a grassroots organization
15 and now kind of a technology laboratory to be
16 in multiple cities across the country.

17 I have seen our students help their
18 mothers keep the heat on in the winter by using
19 simple budgeting skills, save money for their
20 little sisters and brothers to get eyeglasses
21 so that they can see the board in class, earn
22 college scholarships, earn recommendation

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1 letters from their college mentors who get to
2 know them over the course of an entire year. And
3 it has been an awesome opportunity. Some of
4 these students are now my closest friends.

5 These students and me are some of
6 the lucky ones, though, to be honest. There
7 are 6.7 million young people in the U.S. that
8 are both out of work and out of a job. And this
9 represents nearly two percent of today's
10 American population.

11 Young people, historically
12 struggle to have their voice heard. And so in
13 my kind of humble post on this Council, I aim
14 to represent and channel that voice. What I
15 hope to achieve is really a win-win for the
16 future. And what I hope this Council achieves
17 is a win-win for the future.

18 I hope that everyone will come away
19 from this driving student-centered
20 technologically-enhanced approaches to
21 learning. When you speak to a student on their
22 level, they listen. And when you put a program

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1 in their pocket like with a smart phone, you
2 unlock new pathways to productivity,
3 prosperity, customized learning, and
4 measurement. You reduce the costs of scaling.
5 You get real-time behavioral data that can work
6 from lesson to lesson and you build an evidence
7 base to attract the capital and craft the
8 partnerships to create the cure to financial
9 distress and even the odds for future
10 generations.

11 So, it is an honor to be on this
12 Council and I look forward to learning from all
13 of you.

14 MEMBER KETCHUM: Good morning.
15 And my experience with having a millennial son,
16 heck, if you pulled it together at 14, you are
17 like at least a year ahead of the average, at
18 least for boys. So, well done.

19 I'm Rick Ketchum. I'm CEO of
20 FINRA, which is the largest non-governmental
21 regulator working with the SEC of the
22 securities industry with a mission of

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1 protecting investors and maintaining market
2 integrity. I am also pleased to be the
3 Chairman of the FINRA Investor Education
4 Foundation. The FINRA Foundation and its many
5 partnerships is focused on providing
6 underserved Americans with the tools they need
7 for financial success.

8 For example, our grant-making
9 partnerships with the American Library
10 Association and United Way Worldwide reaches
11 vulnerable communities across the nation.
12 They have leveraged opportunities to engage
13 youth in financial education, both in school
14 and out of school and they have piloted
15 innovative strategies in the workplace, at
16 adult-based education programs, and the
17 communities colleges help young adults achieve
18 financial goals. Several are closely involved
19 with the Cities for Financial Empowerment
20 Coalition, including San Francisco. And I
21 wanted to particularly note that I am very
22 pleased that Treasurer Cisneros has joined us

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1 in this new version of the advisory committee
2 and, I think, will provide terrific leadership.

3 We also reach youth through our teen
4 financial literacy project known as Generation
5 Money. Generation Money is a multi-media
6 partnership with the Consumer Federation of
7 America and Channel One. It reaches five
8 million middle school and high school students
9 annually, addressing the personal finance
10 skills that are most important for teens to
11 master and use in every situation.

12 Beyond outreach and education, we
13 strongly believe the data is critical to
14 refining and directing financial capability
15 efforts where they are needed most. That is
16 why we developed working closely with the
17 Treasury and with two earlier versions of the
18 Advisory Council, the National Financial
19 Capability Study, which has been, I am pleased
20 to have been mentioned a couple of times today.
21 Each wave of that study surveyed more than
22 25,000 American adults, allowing us to fine

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1 tune our analyses to specific subpopulations,
2 and that includes millennials, the generation
3 of Americans born between 1978 and 1994.

4 The report that we summarized and
5 made available today demonstrates that
6 particularly in lower income households and
7 households with dependents, but really across
8 the board millennials face special challenges,
9 from the standpoint of financial capability. In
10 one way or another, in the midst of their
11 education or just on the other side of it, they
12 face the Great Recession and the tremendous
13 challenges from both being able to find jobs and
14 to work through issues in that environment.

15 The data demonstrates things that
16 are not surprising. It demonstrates persons
17 that are way too much dependent on non-bank
18 lending, while they had more access than
19 earlier generations to some form of financial
20 capability instruction, their absorption of
21 that is simply not demonstrated from a testing
22 standpoint. And their exposure as they move

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1 through an environment where those who have
2 moved forward, even those that have moved
3 forward from an educational standpoint are way
4 more burdened by student loans both in
5 percentage and size that all of us in earlier
6 generations can barely even relate to.

7 So, all that, I think, really
8 demonstrates what has been a point made across
9 the board, which is we need to move financial
10 capability, education, and communication away
11 from accidental occasional fortunate
12 interactions to an environment where it is
13 focused and concentrated and very much looking
14 to evaluate and identify what works.

15 So, it is a pleasure to be involved
16 in this advisory committee, particularly with
17 a strong focus on financial capability for
18 youth.

19 MEMBER KOBLINER: Hi, I'm Beth
20 Kobliner. I am a financial journalist. I
21 wanted to start with two really fast stories.
22 One is about my middle son, who was about five

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1 or six years old at the time. We were putting
2 him to bed and he looked me in the eyes, with
3 his big brown eyes and he said, Mommy, I have
4 a question for you. And I thought, oh, what is
5 the meaning of life. Where are babies from?
6 He is like how do I get compound interest?

7 (Laughter.)

8 MEMBER KOBLINER: Exactly. My
9 kid, when you hear your mom talk about personal
10 finance all the time. And then I think back to
11 my childhood. My parents were both born in
12 1929, deep in the Depression. They had no
13 money, either of their families. And yet when
14 my dad became a teacher, he was offered the
15 opportunity to put half of his salary into his
16 403(b) plan at the time, and he did. And he had
17 an intuitive sense of this. And I think that
18 is probably why I have decided to spend -- I have
19 been spending my life talking to young people
20 about these issues, these personal finance
21 issues that are so important.

22 I think today we have a unique

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1 opportunity and obligation on this Council to
2 offer the President concrete action-oriented
3 recommendations. One thing is clear to me,
4 that the time is absolutely right for action.

5 In June the first results of the
6 first ever PISA International Financial
7 Literacy Test of 15-year-olds will be released.
8 And I hope I am wrong but I fear America's scores
9 may be disappointingly low and signal that we
10 really have our work cut out for us.

11 Previously, I was fortunate enough
12 to serve on the Council under John Rogers'
13 amazing leadership. And on the Council, I was
14 on the youth subcommittee chaired by Amy Rosen
15 and we created an online interactive tool
16 called MoneyAsYouGrow.org. We sifted through
17 dozens of reports, research, curricula, and
18 came up with the 20 essential things parents
19 need to teach kids from ages 3 to 23.

20 We had no marketing, no PR budget.
21 But the site has had more than one million
22 visits since its launch at the White House and

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1 it continues to grow at about 25,000 visits per
2 month.

3 The effort went viral, thanks
4 mostly to moms passing it around on social
5 media. It was on Pinterest and Facebook. And
6 I was thinking about the fact that it is one
7 thing to see a cat riding ice skates and have
8 that go viral but when it comes to personal
9 finance, anyone who has written about it or
10 talked about it knows it is news when it goes
11 viral.

12 Clearly, *Money As You Grow* struck a
13 chord. And I think it is offering evidence
14 that families are hungry for this information.

15 So, real quickly. For the Council,
16 I have two specific issues I think we can
17 tackle, one for teens, one for toddlers. First
18 the teens. College grads have a much higher
19 lifetime earnings potential than people who
20 don't go to college. We all know that. One
21 way to increase enrollment is to get more
22 families to fill out the FAFSA, the Free

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1 Application for Federal Student Aid
2 application. More than one million high
3 school seniors who should fill out the FAFSA
4 don't. That means millions of dollars in Pell
5 Grants are just being left on the table.

6 One recent study found that when a
7 professional helps a family fill out the FAFSA,
8 they not only get more financial aid for that
9 child but we see a 20 percent increase in
10 college enrollment.

11 So what can the Council do? Well,
12 here is some ideas. Let's bring together
13 partners to create a FAFSA Corps, like
14 AmeriCorps, Peace Corps, to teach families to
15 fill out the FAFSA. Let's offer college
16 incentives to use work study dollars to train
17 college students, a little bit like what Ted
18 does, to help.

19 The President recently launched a
20 terrific financial aid toolkit for high school
21 counselors. Let's make sure these high school
22 counselors know about it. Let's support the

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1 efforts of the First Lady and Arne Duncan, who
2 has been the champion on financial literacy in
3 this country, as well as the FAFSA form. He has
4 been going around talking to colleges -- high
5 school students about this with the First Lady.

6 And let's work to make February Fill
7 out the FAFSA Month and get financial partners
8 to sponsor PSAs at accounting firms to help.
9 So that is teens.

10 Now, toddlers. Everyone knows
11 there is real momentum for universal Pre-K.
12 The President has spoken about it in his last
13 two state of the union addresses and research
14 shows that preschoolers are actually capable of
15 understanding basic financial concepts. Some
16 of those include value and exchange, delaying
17 gratification, and making choices.

18 Let's get financial literacy
19 content into the universal Pre-K efforts by
20 bringing together educators, behavioral
21 economists and gaming experts. Even banks
22 seems to be willing partners.

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1 In 2012, PNC Bank teamed up with
2 Sesame Street to create a financial education
3 initiative, which showed that such efforts not
4 only teach preschoolers but they actually found
5 that the parents of these preschoolers who
6 participated and watched the Sesame Street show
7 on financial literacy, also ended up, the
8 parents ended up improving their savings as
9 well.

10 It is worth noting that the most
11 visited section of MoneyAsYouGrow.org by far is
12 the one for three to five year olds. We have
13 a real opportunity here.

14 Right now, there is a lot going on
15 in the financial literacy world. ETS, the
16 Educational Testing Service is talking about
17 developing a financial literacy test for high
18 school students in order to assess what kids
19 need to know, particularly focusing on
20 underserved populations.

21 FLEC, the Financial Literacy and
22 Education Commission is zeroing in on youth in

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1 a reinvigorated way, thanks to Melissa Koide.
2 CFPB under Richard Cordray is shedding light on
3 paying for college and, again, Arne Duncan, our
4 relentless supporter of all things financial
5 literacy.

6 We need to support all of these
7 efforts. I am truly humbled to be part of this
8 amazing Council with some of the older members
9 and the amazing new members. Thank you for
10 listening.

11 VICE CHAIR CISNEROS: Hi, I'm José
12 Cisneros. I am the Treasurer of the City and
13 County of San Francisco. I am honored to serve
14 as the Vice Chair of this Council and join all
15 the other members working on this important
16 topic.

17 In San Francisco, we have set an
18 aggressive agenda for municipal work in the
19 area of financial empowerment. I am proud that
20 we have one of the finest offices of financial
21 empowerment in the country and that we get to
22 work with many local and national partners over

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1 the years to establish San Francisco as a
2 recognized leader in the field.

3 Many of you I know are familiar with
4 our Bank on San Francisco program. Seven years
5 ago we launched the Bank on Program to respond
6 to the need for access to healthy and affordable
7 financial products for our underserved
8 residents. And today almost 100 cities and
9 states across the country have created their
10 own Bank On programs in their communities to
11 begin to take a serious look at the role local
12 and state governments can play in building the
13 financial security of our most vulnerable
14 constituents.

15 Since then, we have launched a range
16 of programs and services focused on four key
17 areas. First, increasing access to safe and
18 affordable products. Also, delivering
19 effective financial education and counseling.
20 Also helping families save and build assets.
21 And finally, providing protection to consumers
22 in the financial marketplace.

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1 When we have undertaken all these
2 efforts, we focused on leveraging the unique
3 powers of local government to convene the
4 stakeholders involved to influence partners
5 that we might have engaged on doing this work
6 and using local government to integrate
7 financial empowerment initiatives right into
8 the systems and programs and services we
9 provide to the residents of our city every day.

10 And in 2011, we started the
11 Kindergarten to College Program. San
12 Francisco is the only city in the country that
13 automatically enrolls every entering
14 kindergartner in our public schools into a
15 college savings account program from the first
16 day of school. We created K2C because, as
17 local leaders, we believe that every child
18 should start off in the financial mainstream,
19 not shut out in the fringes and that every
20 family should have the opportunity to save for
21 their dreams.

22 We were pleased to have Secretary

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1 Duncan and Chair Rogers join us for a working
2 discussion of our program last year. And we
3 were up-front and open about it because
4 launching Kindergarten to College wasn't easy.
5 We faced many obstacles, particularly in
6 finding the right account structure to
7 automatically open thousands of accounts for
8 five-year-olds, as well as securing public
9 dollars to put seed deposits into these
10 accounts and private funds to provide matching
11 funds for families.

12 However, our efforts are starting
13 to pay off. Today, more than 13,000
14 kindergartner through 4th graders in San
15 Francisco have Kindergarten to College savings
16 accounts. And more than 1500 families have
17 started saving. And so far these families have
18 saved more than \$550,000 of their own family
19 money for their children's education. That
20 means our savings participation rate is about
21 12 percent, a number that is four times higher
22 than the percentage of families saving in

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1 traditional college savings accounts across
2 the U.S.

3 But even more remarkable, most of
4 our savers are low-income families. For
5 example, at Gordon J. Lau Elementary School, 86
6 percent of students there are enrolled in the
7 national school lunch program. And at that
8 school today, more than 20 percent of the
9 families are successfully saving for their
10 kids' college education.

11 I would like to work with all of you,
12 with the federal agencies here, and all of the
13 partners, to make sure that programs like
14 Kindergarten to College are available in more
15 cities across the country.

16 K2C is more than just a college
17 savings program. It ties financial education
18 to a real life savings account. It creates a
19 culture of savings by being universally
20 available and most importantly, it builds
21 aspirations that college can and should be a
22 reality for every child in our country.

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1 I am excited to work with all of you
2 to develop recommendations and initiatives
3 that go well beyond bringing financial
4 education to the classroom because there is so
5 much more to be done. We need better products
6 in the market to support young Americans and
7 their families in saving and building financial
8 security. And this includes transactional
9 products, as well as savings accounts.

10 We need to provide better financial
11 education at all stages and life cycles,
12 including in the classroom, and when our young
13 people transition to college, and then,
14 ultimately, to the workforce.

15 We need to ensure our students can
16 finance their educations without drowning in
17 debt when they graduate.

18 And finally, we need to focus on
19 inter-generational approaches. Financial
20 capability is a family affair and we cannot
21 ignore the impact a financially insecure home
22 life has on our young people.

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1 So, I would like to thank the
2 President for forming this Council and allowing
3 me to work with all of you to make this a
4 reality. Thank you very much.

5 MEMBER MADATI: Thank you. Good
6 morning everybody. I am Kay Madati. I come to
7 this honored and esteemed Council from
8 Facebook, where my day job is focused on helping
9 brands and companies leverage their platform to
10 market to consumers.

11 But I think the more important stuff
12 that I might bring to this endeavor is focused
13 on the work I do outside of work, which has been
14 that in and around a passion project for me,
15 which is charter schools. I had the privilege
16 to open one in Brooklyn that opened doors in
17 2000 and then did it again in Atlanta, both
18 kindergarten through 8th grade schools, and
19 both doing extremely well and making a big
20 difference in the communities that they serve
21 in both of those locations.

22 So, I bring a passion really focused

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1 on empowering young people and young families,
2 actually, because I think this is a family
3 endeavor as much as it is a young person's
4 endeavor, into having the tools to be able to
5 be successful in this world.

6 The why this Council and why am I
7 honored and privileged to be a part of it, I
8 think it allows me to bring the expertise of my
9 day job and tie it directly to my passion
10 projects outside of work and bring those two
11 world together in a unique way.

12 I certainly think that there is no
13 one road to success along this path. I think
14 somebody mentioned earlier on the leveraging of
15 technology and innovation should be a
16 foundational part to this and I hope that my
17 experiences in most of my working career in
18 those areas can be leveraged in that way.

19 And so what do I want us to achieve?
20 We have clearly identified and many people have
21 talked passionately about many of the gaps that
22 we see out in the marketplace and how

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1 ill-equipped some of our young people are to
2 deal with some of the choices that will lead to
3 the foundations of their financial security in
4 the future.

5 So, I would love to see us really
6 tackle those with the understanding that
7 particularly now in today's day and age that
8 leveraging technology innovation, digital,
9 social as both a communications mechanism and
10 also an empowering mechanism can be a big part
11 of how we do that.

12 Selfishly, I would love to see that
13 happen earlier in kid's education and
14 integrating this into school programs and
15 curriculums is also a passion for me. We have
16 done some work in our charter schools to this
17 end that I would love to see that be a part of
18 the charter that we kind of activate.

19 So, I am humbled by the breadth and
20 depth of the experiences that everybody on this
21 Council brings. I am honored to participate
22 and I look forward to getting into the hard

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1 work.

2 MEMBER MORIAL: Thank you very
3 much. Good morning. I am Marc Morial. I am
4 the President of the National Urban League.
5 And let me certainly thank John Rogers, Arne
6 Duncan, Jack Lew, Melissa we want to thank you,
7 Rich Cordray, José Cisneros and President
8 Obama, the President for giving us a chance to
9 serve the nation on this very important issue.

10 I was not, but I am going to tell a
11 little story because I think it makes a point.
12 And this is a true story by a well-known
13 activist and social critic who shared the story
14 with a group of us several years ago. He said
15 that he was all of a sudden feeling very ill,
16 headaches, backaches, hyperventilation, knee
17 aches, all sorts of health challenges for the
18 first time in his life.

19 And so as a vegetarian and
20 naturalist, he drank beet juice, and carrot
21 juice, and kale juice and did all sorts of
22 holistic things. He tried out acupuncture.

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1 And none of it did a thing. So, he broke down
2 and said well, maybe I need to go to the
3 traditional doctor.

4 And he went to the traditional
5 doctor and he was prescribed all sorts of pills
6 and medications and injections and bed rest.
7 And none of it worked.

8 And then all of a sudden he had a
9 conversation with a friend of his and his friend
10 said, he said Dick, why don't I just pay off all
11 your debts. He says once his debts were paid
12 off, miraculously, the headache went away. The
13 backache went away, his problems all went away.

14 And I think the lesson certainly is
15 that debt and poor financial decision-making
16 can be disabling to families, to individuals in
17 ways that many of us may not be able to imagine.

18 I just want to make a few quick
19 points. We, at the National Urban League, have
20 been in the business of financial literacy,
21 financial education, and financial capability.
22 I tend to like the term financial empowerment,

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1 for a long time. And we have been on this
2 journey because we are a do-tank. We provide
3 direct services to over two million people each
4 year through a network of 95 affiliates and in
5 the work we are doing now, we are trying to
6 integrate, if you will, financial education and
7 empowerment into our after school programs,
8 into our job training programs, into our
9 entrepreneurship programs because of the
10 thought that financial decision-making in the
11 21st century has to be the part of every single
12 thing that we do.

13 I'm struck at the financial
14 decisions that very young people make every
15 day. Young people have these devices (holds up
16 a cell phone). It is a beautiful thing. It is
17 not free. It is not free. And with the
18 device, you have the opportunity to make
19 further financial decision-making by
20 downloading games, by paying for apps. Turn on
21 the television at home. Go to the on-demand
22 channel and there is another opportunity for

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1 young people to make financial decisions.

2 Young people today are making
3 financial decisions at an earlier age, be it
4 because those phones are tied usually to a
5 parent or grandparent's credit card, they are
6 making financial decisions not only for
7 themselves but also for you. So, this decision
8 has to be seen in, this issue, in today's
9 context, not in the context in which we all grew
10 up a generation or two, or three, or so ago.
11 But in today's world, the very real, real
12 decisions, the very real financial decisions
13 that young people are making at an earlier and
14 earlier age.

15 So, here is where I think an
16 opportunity is. There is a discussion around
17 common core state standards. We are
18 intimately involved in that. That creates an
19 opportunity to integrate, if you will,
20 financial education not as an extra, not as
21 something that is ancillary, but something that
22 is intimately involved in how we teach courses

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1 like math, how we help people apply the
2 principles that they are learning in school in
3 real decision-making.

4 There is a further opportunity
5 here. Director Cordray and his work at the new
6 agency creates this whole new world of
7 conversation about consumer empowerment,
8 consumer protection, consumer information.

9 What I think we have to do as a
10 commission, we have limited time. The clock
11 is, indeed, running. What we don't want to do
12 is reinvent the wheel.

13 I had an opportunity like several of
14 you to serve on the previous commission that
15 made a whole set of important recommendations
16 that I hope provides a starting point for what
17 we do.

18 The second thing I think we want to
19 do is keep it real. Keep it real. Create a set
20 of steps, action steps that can be actualized
21 at the local level by those institutions,
22 nonprofits, schools, for-profits, regulators,

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1 et cetera who really, truly understand the
2 value of impacting this.

3 And thirdly, we need to hear from
4 some young people. In this process, I don't
5 know if that says we ought to do a field hearing
6 but we need to hear from the young people
7 themselves, high-schoolers, and college
8 students. Get their perspective not
9 anecdotally, not through hearsay, but through
10 some sort of direct engagement with this
11 commission. I think it would be illuminating.
12 I think it would educate us. I think it would
13 empower us. And I also think that we would find
14 that young people know more than we think they
15 know. And I think we would also find that there
16 is a great energy and thirst for being better
17 educated and better informed about our economic
18 system and the world that they live in and the
19 world that they face.

20 So, those are recommendations.
21 But in sum, I am just proud to be able to be a
22 part, John, and work with all of the members of

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1 the commission.

2 MEMBER MULLIGAN: I am Deanna
3 Mulligan. I am the CEO of The Guardian Life
4 Insurance Company of America, based in New York
5 City. I am honored to be a part of this
6 commission and thank you for inviting me. I am
7 new to the Council but I am very excited about
8 working on one of the most important and
9 compelling issues that I think we face for the
10 next generation of Americans and also, as some
11 people have pointed out this morning, for our
12 democracy.

13 Guardian is a mutual life insurer.
14 We are owned by our policyholders. We were
15 founded in 1860. So, we have just finished our
16 153rd year as a financial institution. And
17 being owned by our policyholders, we return
18 about 70 percent of our profits to our
19 policyholders every year in the form of
20 dividends.

21 Our mission, part of our charter is
22 to provide financial security for as many

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1 people as possible, individuals, small
2 businesses, and families. And part of our
3 mission as a mutual company is also to be of
4 service in our community.

5 In terms of the financial literacy
6 Council and what I am hoping and Guardian is
7 hoping to accomplish here, we are a Fortune 250
8 company and we are a financial institution. And
9 we believe that large corporations and
10 financial institutions can be a force for good
11 in society and can definitely contribute to
12 this effort.

13 Like everyone else in this room, we
14 have observed the challenges of Americans not
15 only in managing their money on a daily basis
16 but in preparing for retirement. And many
17 Americans, particularly middle income and
18 lower income Americans are hopelessly
19 under-insured, meaning that sometimes their
20 families are unprotected in the case of an early
21 death or disability of the main breadwinner of
22 the family. That is one of the issues that we

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1 work on on a daily basis.

2 And as we have been working on those
3 issues over the past three years that I have
4 been CEO, we have been trying to figure out how
5 we can contribute to making people more aware
6 of their needs and obligations, in terms of
7 providing for their families.

8 And we have also decided that we
9 needed to channel our corporate giving and our
10 philanthropic efforts in a way that can serve
11 the community in a very fundamental basis. So,
12 in doing so, we decided to put all of our efforts
13 into financial literacy for community
14 colleges. And we have engaged some experts,
15 because we are not education experts, to help
16 us in doing that. There are many experts in the
17 room. I am sure we can learn more from you
18 going forward and we look forward to that.

19 But one of the things that we have
20 noticed and part of what I would hope that this
21 Council might be able to address and
22 accomplish, in working with community college

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1 students, it is not just the education. The
2 curriculum we use, we have looked at many
3 different curricula, are very similar. The
4 basics of what to do and even how to do it are
5 familiar and are easily taught.

6 One of the issues and challenges
7 that our students have faced is all of the, I
8 will call it, "surround sound" of their life.
9 So, if they can't get to class, if they have an
10 emergency, if they don't know how to open a bank
11 account, if people at home are threatened by the
12 fact that they are suddenly becoming more
13 financially capable, how do they move forward
14 and achieve their goals.

15 So, we are looking into how to
16 provide more mentorship opportunities. And
17 our employees, and even some of our clients have
18 volunteered to be mentors to the students where
19 we are providing this financial literacy
20 education and we believe that mentorship,
21 combined with education, is the way to make this
22 real and actionable.

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1 So we very much hope to gain ideas
2 from this Council. We definitely want to
3 contribute our expertise and collaborate. And
4 we salute the idea of this Council, in terms of
5 making financial education and literacy more
6 real and to implement going forward. And I am
7 very honored to be a part of it. There is so
8 much expertise in this room; it is very
9 heartening to see. And I look forward to
10 working with all of you to make the
11 recommendations of this Council. Thank you.

12 MEMBER QUILLEN: Good morning. My
13 name is Carol Quillen and I am the President of
14 Davidson College. Davidson recruits talented
15 kids from all backgrounds and educates them for
16 lives of leadership, service, and
17 disproportionate impact. At Davidson, we work
18 to make equal opportunity real. When we
19 consider candidates for admission, we do so
20 irrespective of their ability to pay and we meet
21 demonstrated financial need for all admitted
22 students through grants and campus employment.

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1 I am really privileged to be a part
2 of this group. I see myself, in some sense, as
3 the bridge to higher education. So, I would
4 talk about sort of four roles that I hope to play
5 on this Council and four kinds of conversations
6 that I hope I can inspire.

7 First, I hope I can take the
8 creative energy of this Council back to the
9 higher ed sector and inspire conversations in
10 different parts of that sector about how we can
11 ensure that all of our students continue the
12 education in financial literacy and financial
13 capability that they should begin as toddlers.

14 Second, I hope that we can convene
15 conversations with partners who share
16 Davidson's commitment to access to make sure
17 that talented kids understand how to get to
18 college, how they can pay for college, why
19 college is worth it, and can chart a meaningful
20 course for themselves through the institution
21 that they choose to attend.

22 So, Davidson is committed to

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1 working with partners like QuestBridge and the
2 Posse Foundation, and the College Advising
3 Corps, and edX, and the College Board, and local
4 schools, we work with CMS to develop a pipeline
5 to these talented kids that makes clear why
6 college is affordable, why it is worth it, and
7 how their families can pay for it.

8 Third, and I think most
9 interestingly, the economy is changing rapidly
10 in ways that I need to understand more clearly
11 than I do. And we, in higher education, need
12 to make sure that the education we offer is
13 actually worth what it costs, given the world
14 our kids will enter.

15 Our kids are entering a world that
16 is very different from the one I entered when
17 I graduated from the University of Chicago and
18 they need to have had different classroom and
19 experiential opportunities for the four years
20 that we, at Davidson, have them, so that they
21 can succeed.

22 So, for example, we need to make

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1 sure that our curriculum is student-centered
2 and that from the moment our kids arrive on our
3 campuses, they are grappling with questions to
4 which no one knows the answer, so that they are
5 prepared to create their own job or to be
6 entrepreneurial in an economy where the job
7 they hold may not exist when they enter college.

8 So, reimagine the kind of education
9 that we offer so that our students develop the
10 talents and capacities that they need to plan
11 for themselves a meaningful life of financial
12 independence and autonomy. This requires
13 thinking about what we do in a serious and
14 foundational way within the many different
15 sectors of higher education.

16 And then finally, I think we really
17 need to convene conversations within higher ed
18 about our institutional role at this moment in
19 our country's history. What is the role of
20 Davidson as an institution in promoting an
21 educated workforce, equal opportunity for all
22 Americans in a democratic society? We need to

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1 take much more responsibility for building
2 strong, wide bridges to K-12 and for building
3 strong, wide bridges to the employers our kids
4 will see after they leave us.

5 So, this is, in some sense, a
6 conversation where we rethink our societal role
7 as an institution. And at Davidson, we are
8 privileged to be a conduit to the rest of the
9 higher education sector for the conversations
10 that take place within this commission. I
11 can't tell you what a privilege it is to be here.
12 I am sure I will learn more than I contribute
13 and thank you very much for your time.

14 MEMBER ROSEN: Good morning. I'm
15 Amy Rosen. And Chairman Rogers, it is good to
16 see so many old friends around this table. And
17 I would like to welcome our new members and say
18 that I believe that the White House has really
19 done an excellent job of adding assets to this
20 group and I am truly optimistic that our work
21 will be impactful.

22 Also, I applaud the team at the

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1 White House for bringing to the table not only
2 our friends from Treasury but the Secretary of
3 Education and Director Cordray, both great
4 champions of this cause. And I think together
5 we will be stronger and certainly much smarter
6 for them being here as partners.

7 For those of you who don't know me,
8 I have spent the last decade or so dedicated to
9 helping those to even the playing field for all
10 young Americans being educated in public
11 schools and assure all have an opportunity for
12 a high quality education. I have proudly
13 served as the Chair of KIPP Schools in Newark,
14 where high expectations and great educators are
15 really proving what is possible.

16 I run a global NGO called the
17 Network for Teaching Entrepreneurship,
18 commonly known as NFTE, just to confuse you a
19 tad. We have worked with more than a half a
20 million young people from economically
21 challenged neighborhoods throughout the world
22 to teach them the knowledge and the skills

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1 necessary to really spark this entrepreneurial
2 mindset that will be necessary for them to be
3 able to plan for successful futures and find or
4 create a job.

5 As John Bryant said, connecting
6 school with real life opportunity, or rather
7 lack thereof, is the leading reason that young
8 people in America quit school.

9 We are currently leading a research
10 coalition to create an Entrepreneurial Mindset
11 Index, which will hopefully become an easy to
12 use measurement tool and incentivize others to
13 invest in this work as well.

14 As those of you who have been
15 hanging around me for the last few years and
16 know well, like Marc Morial, I believe we have
17 an opportunity through the adoption of the
18 Common Core by 48 states. And now, thanks
19 again to my friend David Coleman, a completely
20 reimagined SAT test to integrate not only key
21 knowledge but actually young people the
22 opportunity to act on that knowledge directly

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1 into everyday classes for every student in
2 public schools. My dream is that this work
3 will become part of their everyday math and
4 English classes.

5 While I have no objections to
6 financial education classes that are currently
7 offered as elective and believe that some are
8 truly outstanding and need to continue to do
9 this work, I fear that exposure to them is far
10 too random and dependent on what zip code and
11 what school a young child happens to be in.

12 Furthermore, we have learned the
13 hard way that if it is not tested, chances are
14 that it won't be consistently taught. And
15 results of studies such as today's release by
16 FINRA, certainly back up the notion that this
17 hit and miss nature of this work is not enough.

18 Through the work of the last
19 Council, we have really proven that teachers
20 and school leaders alike responded well to the
21 exemplars that they can adopt and align with the
22 core and learning concepts embedded into their

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1 everyday curriculum. This Council can move
2 quickly to take that work to the next level,
3 through convenings, influencers, and real
4 actions.

5 In addition, given the gravity of
6 the issue and the incredible opportunity that
7 technology offers, to echo Ted Gonder, there is
8 an opportunity for new kinds of tools for
9 schools and perhaps even with more potential,
10 a direct to consumer play with the interjection
11 of games that involve real-life decisions,
12 rewards, and incentives for millions of young
13 people to engage in their own PDAs.

14 This panel really does have the
15 ability to spark the interest of developers,
16 investors, educators, and industry leaders to
17 seriously invest in these efforts.

18 Lastly, I have spent much of this
19 last year doing a deep dive into the grim
20 picture of employment challenges that will be
21 facing our young people during the next 25
22 years. The numbers are moving in the wrong

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1 direction in virtually every continent. And
2 with our U.S. youth employment number closing
3 in on 20 percent, it is already three times as
4 hard for a young American to get a job as an
5 older adult.

6 This is bound to get profoundly
7 worse as this world gets considerably younger,
8 with adding another two billion young people
9 with huge influxes from India, China, and
10 Africa. There is a direct correlation between
11 those who have financial knowledge and those
12 that are able to be successful in the workplace
13 or become job creators.

14 NFTE recently did an alumni study of
15 our U.S. students all from high free and reduced
16 lunch program schools and their peers. They
17 stayed in school longer. They were employed at
18 a higher rate. They formed businesses at twice
19 the national average, and they just earned more
20 than their peers.

21 Finally, burdening our college
22 graduates with unpayable debt is unfair and

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1 immoral. Making sure that they can make
2 well-informed decisions by the time they are 17
3 and faced with these choices must happen. This
4 work is critical and will make a huge difference
5 for literally millions of American young
6 people.

7 I am grateful to President Obama for
8 again using the bully pulpit of his office, as
9 well as his personal time, to shine a light and
10 appoint this panel to make progress on behalf
11 of the underserved young people in this
12 country.

13 MEMBER SCHARF: Thank you very
14 much. I am Charlie Scharf. I am the CEO of
15 Visa. I am honored to represent our company on
16 this Council. I am one of the new members. I
17 am from the private sector, obviously. And I
18 hope and think that we can contribute to this
19 very important effort.

20 Quite simply, financial education
21 shouldn't and cannot be something which is
22 reserved for the few. If you listen to some of

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1 the stories that some people have here and you
2 listen to what we hear as we talk about people
3 away from this room, luck should not determine
4 if you are capable of making financial
5 decisions. And it is financial decisions
6 which ultimately are a means to broader
7 success.

8 Savings, not spending beyond your
9 means, using credit wisely, bank accounts,
10 payment cards, including debit, credit, and
11 prepaid cards, and investing, we believe are
12 all core concepts and all need to understand
13 these. Some are complicated but they are
14 understandable. And Director Cordray and the
15 CFPB are working hard to ensure that this is the
16 case and something that we are totally in
17 support of as well.

18 And quite frankly, when you just
19 look at what has happened over the last five
20 years, there is a demonstrated need to move the
21 education process forward within people's
22 lives. Proactively helping people be

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1 successful and preventing financial problems
2 needs to be foundational in this country.

3 As the global leader in electronic
4 payments, Visa is committed to enhancing the
5 financial capability of all Americans. We
6 invest in technologies that increase financial
7 inclusion and enable greater financial
8 responsibility. It is both our business and we
9 also direct our philanthropic efforts towards
10 this.

11 Our flagship financial literacy
12 initiative, Practical Money Skills for Life, is
13 a free program to help parents, teachers,
14 students, and consumers of all ages learn the
15 essentials of personal financial management.

16 For nearly two decades, Visa has
17 been a leader in developing innovative
18 public-private partnerships with governments,
19 schools and banks, and non-governmental
20 organizations to deliver free programs that
21 help people effectively learn the fundamentals
22 of personal finance, including budgeting,

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1 saving, responsible spending, and the wise use
2 of credit.

3 To date, more than 30 million people
4 have been reached through these education
5 programs, which are game-based, have
6 extraordinary engagement, and they just work.

7 We have partnered with 42 state
8 governments to deliver free financial
9 education games to every middle and high school
10 in each state. We have seen that financial
11 education works and public-private
12 partnerships can be very effective here.

13 Fueling sustainable economic
14 growth, is the core of what visa does every day
15 and it is why championing greater financial
16 flexibility is in our DNA. Sustainability is
17 achieved when there is an understanding of the
18 consequences of people's actions and we know
19 this can be taught. Our deep commitment to
20 financial capability is rooted in this belief.
21 For more than 15 years, we have been helping
22 parents and teachers bring personal financial

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1 education to millions of young Americans.

2 I look forward to contributing our
3 thoughts and advancing this very worthy effort.

4 MEMBER CHÁVEZ: Good morning.
5 Thank you, Chairman Rogers for this
6 opportunity. I would like to thank also
7 President Obama and his staff at the Department
8 of Treasury for the opportunity to be here with
9 you all.

10 My name is Anna Maria Chavez and I
11 am the CEO of Girl Scouts of the USA, which is
12 the largest development organization for girls
13 in the world. We create leaders and have been
14 doing that for 102 years.

15 I think this morning it is really
16 important to highlight the fact that these
17 issues around financial literacy skills are
18 more important now than ever.

19 I would like to say that Girl Scouts
20 has known the importance of facilitating these
21 issues with girls for over a century. And what
22 I would like to do as the representative of Girl

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1 Scouts is to bring the voice of youth to this
2 table.

3 I am very, very aware that the
4 average age of my bosses is eight-years-old --
5 they are very focused on ensuring that I
6 understand that with the skills that they need
7 every day come from the adults that surround
8 them. Our organization is powered by
9 volunteers. These are individuals, both men
10 and women, who dedicate their lives to teach
11 these amazing girls that their voice matters.
12 And the girls have taught us that they are not
13 a problem to be solved but an investment to be
14 made in.

15 I would like to also share that we
16 have done a lot of research around girls and
17 youth in this country and we recently did a
18 report, a survey that was done on American girls
19 around financial literacy issues. So, both
20 Girl Scouts and non-Girl Scouts.

21 And what it revealed was that girls
22 are very confident and optimistic about their

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1 financial futures but their current knowledge
2 is not very high. They know that money is
3 important but they don't know the financial
4 principles and instruments to use like credit
5 cards and what does that mean. And
6 unfortunately, only 12 percent of girls
7 surveyed say they feel confident about making
8 financial decisions. So, there is a
9 disconnect. Because I have also seen that
10 girls, when they do have an opportunity to
11 create revenue, they invest it in incredible
12 ways.

13 We run the largest entrepreneurial
14 program for girls in the world. It is called
15 our cookie program.

16 (Laughter.)

17 MEMBER CHÁVEZ: And they raise \$800
18 million in one quarter of a year and it is all
19 run by them. And they are investing back in
20 their local community. They are funding all of
21 your animal shelters, your meal sites, your
22 senior centers, the local public parks. And

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1 they know that it is really important to give
2 back.

3 But clearly --

4 MEMBER BRYANT: Anna, you got 28
5 bucks out of me last week.

6 (Laughter.)

7 MEMBER CHÁVEZ: Thank you. Thank
8 you. I appreciate that.

9 So, what I would like to say is that
10 the work of this Council is important because
11 we have got to connect the fact that girls and
12 young men want to invest in this country but
13 they need the tools and the opportunities to do
14 so.

15 What I'd really like the Council to
16 achieve is really to identify and develop
17 strategies to pilot financial opportunities
18 for youth in this country. I also think it is
19 important that we serve as conveners around
20 this conversation. You know I am one of
21 hundreds of nonprofits in this country working
22 with youth every day. How do we scale the ideas

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1 that come out of this Council so that they are
2 all focused and moving in the same direction?

3 In addition, I think it is important
4 that we do have the voice of the youth at the
5 table today and in the future because I see when
6 adults, with all good intentions, get around a
7 table and start creating solutions for the
8 youth, sometimes there is a disconnect if we
9 don't clearly understand what the youth want.

10 I also think that we do need to go
11 out and get the voice of a consumer, as we say,
12 the youth in this country, to really figure out
13 what they want to develop and what they want to
14 be partners in.

15 So finally, I would just like to say
16 thank you for allowing girls to have a voice at
17 this table. I will do my best to ensure that
18 we represent them to bring data from our own
19 research institute, but also to serve as a
20 convener around these important issues in this
21 country.

22 Thank you.

1 CHAIR ROGERS: Thank you. I would
2 like to thank everybody for the extraordinary
3 warm remarks. And again, there seems to be so
4 much passion around them and so many consistent
5 values that continue to come out throughout
6 this morning.

7 So with that, I think we are going
8 to turn it over to Melissa to lead us in the next
9 part of our conversation.

10 MS. KOIDE: And we are committed to
11 honoring our time with you, which means I am
12 going to, instead of giving you a readout from
13 the last President's Council, I just don't
14 think we have enough time to do it, and an update
15 on what the administration has been doing along
16 with other federal agencies in support of
17 enacting those recommendations, what I am going
18 to do, if it is alright with you, Chairman
19 Rogers, is highlight a set of themes. I think
20 many of them we heard from the Council members
21 today, which can help to begin to set what will
22 be our agenda for this Council going forward.

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1 I think then we can allow a few
2 minutes for a conversation and feedback from
3 you all around this table. We are then going
4 to open it up for a small number of comments from
5 the public, and then I think we will be ready
6 to close it out with comments by you, Chairman,
7 as well as Valerie Jarrett, when she arrives.
8 Does that sound all right? Okay.

9 So, some of the themes that frankly
10 were themes that came out of the prior Council
11 but I think are also very specifically
12 identified in the remarks of this new Council
13 include action steps, priorities. The first
14 one is enabling more children to attain high
15 quality financial education through their
16 schooling. I think that was across the board.
17 People recommend really focusing on getting
18 financial education into the classroom, so that
19 they are equipped with a grounding in basic
20 financial concepts.

21 I think it's important also, skill
22 sets in terms of decision-making, which have

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1 real bearing for the choices that they will be
2 making throughout their lives.

3 A second theme that I think we heard
4 in a priority for us is engaging cities and
5 communities as models for building the
6 financial capability of young people.

7 Another theme that I think we all
8 recognize is championing college readiness so
9 the young people are making more informed
10 decisions both about where they decide to go to
11 school, how they are going to pay for that
12 education, and really importantly, how they are
13 going to manage the financing, the debt that
14 they may take on when they come out.

15 Another theme that I think we heard
16 is the importance of leveraging technology, as
17 well as innovation to give more young adults
18 access to safe and affordable financial
19 products and services.

20 And then another theme, again, a
21 priority for us as well, is enlisting employers
22 to help young employees begin to save early, to

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1 manage their budgets, and to begin taking
2 advantage of career opportunities that put them
3 on a sure path to financial security.

4 So, we have just been joined by
5 Valerie. Thank you for coming.

6 MS. JARRETT: My pleasure.

7 MS. KOIDE: Before I turn it over to
8 Valerie, I wanted to open it up to the Council
9 and see if you feel like we have captured some
10 of the priorities that you have identified that
11 you would like to see us drive towards as a part
12 of this new Council.

13 Don't be shy.

14 MEMBER MADATI: You have financial
15 education in classrooms on the list.

16 MS. KOIDE: Top of the list.

17 MEMBER MADATI: Absolutely.

18 CHAIR ROGERS: I think one of the
19 things that Marc brought up is the idea that we
20 have to be able to really follow through on the
21 initiatives of the last Council and really
22 build on that so we aren't starting from

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1 scratch. And I think that is an important
2 point to continue to reemphasize.

3 MEMBER MORIAL: I think we want to
4 also capture this connection with Common Core
5 Standards in a very specific and intentional
6 way because it is a game changer. And the idea
7 of, there was a comment over here, that
8 suggested that financial education I think,
9 Amy, it was yours, doesn't sit kind of outside
10 as the specialty elective kind of concept for
11 just a few but really be fully integrated. So,
12 I think that is important.

13 And the other thing I would add is
14 unleashing the power of the NGO non-profit
15 community-based organization to community in
16 doing this because so many of us come from that
17 community and are intimately involved in the
18 delivery of financial education, literacy
19 capability, and empowerment services. So, I
20 would add that.

21 MEMBER ROSEN: If I could just add
22 on to that, I think that to add to the Common

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1 Core integration is this opportunity with the
2 SAT that is now being reimagined. And I do
3 think that the leadership at the College Board
4 is committed to this issue as well. So, there
5 is a moment in time here that we could really
6 dig in.

7 And while it took us a while to come
8 to the Common Core realization last time
9 around, the window is shutting in the sense that
10 a lot of innovation is happening now. So on one
11 hand, it is late. On the other hand, there is
12 a lot more opportunity to really promote and
13 work on what is working well. So, I think we
14 have to move quickly on that.

15 Secondly, you mentioned technology
16 and certainly I did as well. You know I think
17 the last Council had a lot of conversations but
18 we never really figured out how best to leverage
19 that opportunity. So, I do think that is a
20 really important one and I am particularly
21 thankful for the White House for actually
22 giving us some expertise on this panel on that

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1 front as well. Thanks.

2 MEMBER KOBLINER: And the one thing
3 I just wanted to add was pre-K, that the
4 President has been so committed to universal
5 pre-K and there is really good research coming
6 out about what those little brains can
7 understand when it comes to basic concepts. So
8 maybe our language could be pre-K.

9 VICE CHAIR CISNEROS: And being no
10 surprise that I am excited about the
11 opportunity to bring cities and local
12 governments into this work. We have a number
13 of cities really geared up and ready to engage
14 on a lot of this, not the least of which our own
15 Coalition of Cities for Financial Empowerment,
16 but many others that are working through great
17 groups like the National League of Cities, the
18 Conference of Mayors, and many other
19 opportunities.

20 One of the areas that we are
21 actually seeing some exciting work on is in
22 summer youth opportunities that are growing in

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1 terms of ways that can integrate financial
2 education.

3 MEMBER MULLIGAN: And I would just
4 like to add that in the private sector there is
5 a lot of investment from the philanthropic
6 standpoint of private sector organizations and
7 companies that could be harnessed and brought
8 to bear on this as well. And I think the
9 private sector is hungry to learn more about how
10 to best apply their philanthropic dollars to
11 this topic. So, I am very grateful for the
12 opportunity to be able to be a part of that.
13 Thank you.

14 MS. KOIDE: That is really an
15 important point. Thank you.

16 CHAIR ROGERS: So, Melissa, should
17 I introduce Valerie?

18 MS. KOIDE: I would welcome that.

19 CHAIR ROGERS: Valerie really
20 doesn't need any introduction but I have known
21 Valerie all my life. We grew up on the same
22 block in Chicago. And I got to know her really

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1 well in Chicago as a very, very, very successful
2 business leader and businesswoman in Chicago.
3 And she knows a lot about the issues that we are
4 here to talk about.

5 You know her mom is an
6 extraordinarily pioneering leader in early
7 childhood education and someone who believes in
8 a lot of the themes and ideas that we have talked
9 about.

10 Valerie was the Chairman of the
11 Chicago Stock Exchange. She was the leader of
12 Habitat, which is a large real estate company
13 in Chicago. That is where she got to know a lot
14 about not only the stock exchange, but also an
15 extraordinary amount about real estate
16 throughout her career.

17 She was on the Executive Committee
18 at the University of Chicago, so the kind of
19 issues we have talked about today about
20 education and the importance of having the
21 kinds of opportunities for young people to be
22 able to go to the university of their choice or

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1 the college of their choice and be able to
2 afford it. To those things Valerie brings a
3 lot of expertise and experience.

4 And of course in Chicago, she was a
5 leader in all of the issues around economic
6 development and how do you build strong
7 communities and diverse communities throughout
8 our urban areas, throughout then Chicago.

9 Now she is doing similar work as an
10 advisor to the President on a national level.
11 We know that she gives the President -- helps
12 guide him and advises him on all kinds of
13 issues. But she brings a special passion for
14 helping others, a special passion for issues
15 facing disadvantaged communities and the types
16 of challenges that the President has given us
17 for this Council to make sure that we are
18 bringing financial literacy to disadvantaged
19 communities.

20 So, it is just really an
21 extraordinary privilege for me to be able to
22 introduce Valerie Jarrett.

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1 MS. JARRETT: Thank you, John.
2 Thank you.

3 (Applause.)

4 MS. JARRETT: It is always smart to
5 have one of your best friends introduce you. So
6 thank you for that. And thank you for your
7 leadership. This is obviously an issue that is
8 very important to John and the other members who
9 have agreed to sign on. So, on behalf of the
10 President, I want to thank you for your service.

11 This is something the President
12 cares passionately about and part of it is
13 triggered, really, by the experience the
14 President had when John formed Ariel Capital.
15 And John, if he hasn't already told the story,
16 I will tell the story about how -- did you tell
17 it already?

18 CHAIR ROGERS: We talked a little
19 bit about it.

20 MS. JARRETT: Okay, so when your
21 dad gave you stock when you were 13-years-old.
22 It makes a big difference. It made a great

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1 impression. And I believe it is part of what
2 has led to John's not only acumen in business
3 but his commitment to give back to other young
4 people, to ensure that they have the advantages
5 that he had when he was young.

6 And I think, as the President has
7 said, this is a year of action. And he is going
8 to use everything within his power and he refers
9 to both the telephone and also the pen to make
10 sure that we can ensure that everybody in our
11 country has an equal opportunity to achieve
12 their dreams. And for our young people in
13 particular, he is committed to making sure that
14 your future isn't determined by the zip code in
15 which you were born.

16 And so you are going to see in the
17 course of the year a series of initiatives. We
18 had a great convening a couple of months ago
19 with college and university presidents from
20 around the country. Over 80 showed up and
21 right now we have over 150 committed to target
22 disadvantaged young people and try to attract

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1 them to want to go to college, apply to college,
2 and succeed once they are there. So, that is
3 on the higher side.

4 Even higher than that, we had a
5 great meeting with group of CEOs around the
6 country and asked them to work with us to see
7 how we could get the long-term unemployed, give
8 them a fair shot to get back into the workplace.
9 And that is going along well.

10 But we all know that part of our
11 objective is to make sure that from preschool
12 on young people are excited and are stimulated,
13 and have at their fingertips what they will need
14 in order to be responsible adults.

15 And I know Cecilia Muñoz was here
16 earlier and talked about the new initiative the
17 President mentioned called My Brother's Keeper
18 that is designed to help boys and young men of
19 color not get left behind and compete.

20 And as we face this global
21 marketplace, what is so important now is that
22 all of our young people grow up and have the

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1 skills that they need to not only manage their
2 own personal finances, but also be good
3 citizens and give back to the community. And
4 the work that you are going to do here is just
5 vitally important.

6 And I agree with what Amy said,
7 there is a moment right here. We have this
8 opportunity and we should take full advantage
9 of it. And it doesn't require Congress, and
10 that is a good thing. It doesn't mean that we
11 won't pursue legislation at some point in time,
12 but there is so much that we can do just with
13 those of you who are in this room and around this
14 table and the constituencies that you work with
15 to help our young people become financial
16 capable and literate.

17 So, I thank you for your service and
18 I thank everyone who showed up to participate.
19 I think that it is great that we have such an
20 enthusiastic group of folks committed to making
21 sure every child gets that fair chance.

22 So, thank you for allowing me to pop

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1 in and say some closing remarks.

2 (Applause.)

3 CHAIR ROGERS: Melissa? Thank
4 you, Valerie.

5 MS. KOIDE: Thank you very much. I
6 want to make sure that we give the public -- I
7 know that there are individuals who received
8 confirmation numbers. They wanted to share
9 some comments with the Council.

10 MS. QUITTMAN: Mr. Chairman, we
11 could propose that people, in the interest of
12 time, submit their comments via email.

13 There is an email box
14 PACFCYA@treasury.gov. And I do appreciate
15 everybody who did submit comments and asked to
16 participate, but we will certainly share those
17 emailed comments with the Council.

18 MS. KOIDE: Did everyone hear the
19 address? I won't be able to repeat it.

20 MS. QUITTMAN:
21 PACFCYA@treasury.gov.

22 MS. KOIDE: Thank you. We look

1 forward to getting your comments and we will
2 close.

3 CHAIR ROGERS: Well, thanks very
4 much. Thanks everybody for staying this whole
5 time and being so attentive. And it is great
6 to be out on time. Thank you, all of the panel
7 members, the Council members, and we look
8 forward to seeing you this summer.

9 Meeting adjourned.

10 (Whereupon, at 10:59 a.m., the
11 foregoing matter was adjourned.)

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