FINANCIAL LITERACY WORK GROUP MEETING MINUTES
July 23, 2008
Highline Community College Board Room, Des Moines, WA

Present:
Lyn Peters, Communications Director, DFI; Elizabeth Acosta, DCU; DFI; Stacy Augustine, Washington Credit Union League; Cathy Brorson, Kitsap CU & CU Youth Development Council; Michelle Hardesty, DRS; Allan Morrow, WA. State Senior Citizen's Lobby; Kristen Mowat, WA Bankers Assoc.; Amy O'Donnell, WSCPA Financial Literacy; Kimberly Scott, WSCPA Member Services; Danielle Small, Tacoma Goodwill Financial Literacy program; Linda Taylor, Urban League; Lance Wrzsesinki, WSBEA; Helen Myrick, United Way; CJ Robinson, United Way of Pierce County; Brian Berghoff, DRS; Cheryl Reed, AARP; Lisa Borkowski, AG's Office; Brian Berghoff, DRS; Scott Kinney, WaMu; Orlando Cano, Legislature; Caleb Perkins, OSPI; Donna Dziak, Solid Ground; Ty Cordova, WA State Commission of Hispanic Affairs; Paul Knox, CTED; Fehi Tuivai, CCNW;

Call in: Pam Whalley, WSU

Absent: Dee Taylor, WA State Housing Finance Committee; Charles Helms, Consumer Counseling NW; Greer Bacon, Asset P&M; Rep. Tomiko-Santos; John Nofsinger, WSU; Erica Benson-Hallock, United Way;

Welcome by Lyn Peters, Director of Communications, Department of Financial Institutions:

Lyn asked if all the subcommittee members had there groups identified and had been on conference calls and in meetings to have their talking points consistent. She stressed the importance of communication between members. Short report on her trip to Washington, DC for a meeting of the Financial Literacy and Education Commission hosted by the US Dept. of Treasury. Washington State is leading the way in providing information to constituents and our actions are being watched by state and local governments. Lyn has provided the Interim Report to the Governor and the Legislators who have requested. Following the reports from the subcommittees, the discussion needs to move towards identifying "gaps and needs" to frame the next report and outlined the next steps. One main question is the idea of a centralized avenue or portal for providing financial literacy/education across the state.

Private Sector Report

Kristin Mowat and Dave Sieminski presented the sub-committee report. The survey has gathered 145 responses. The Association of Washington Businesses provided contacts which brought in many survey responses from a variety of companies including casinos. 40% use some type of FLE curriculum. Students are the most common target. The problem still exists of "a lack of measureables" in that most systems "test knowledge rather than behavior". Except for Jump$tart for high school students, there are few agreed upon standards or consistent curriculum. The instructors lack training and there is no alignment with the Essential Academics Learning Requirements (EALRs) for content, and of course no mandate from the state on the level of training. There may be specific audience targets but overall topics remain unclear. Private sector firms provide some FLE for employees, but it's mainly those in the financial industry. Some other examples include Costco, who provide some FLE to employees, and some others who partner with other organizations to provide some information.

A major gap identified is the lack of a truly adequate survey across the state and across all populations. Areas (Western vs Eastern) have different needs and ways of service delivery. Possible use of "econometric methods" or consultants in such to find more information. Pam Whalley commented that FLPPP is using econometric studies to work on student standards.

State (Agencies, non-education) Report

Linda Jekel presented for the subcommittee. 84 respondents out of a possible 120 survey contacts. Review of the subcommittee hand out, looking at types of respondents, funding by departments currently. Definition of some funding types: Chaffee Grants are provided to Foster children services; CyPres funds are from the Attorney General's office settlement funds; Enterprise funds are funds collected fees from corporations. The examples of departments having little or no coordination across regional or target constituents (DSHS Children's Administration not aware of other DSHS office FLE work). No line item or coordination throughout divisions i.e. Economic Services Administration or Aging and Disability Services. So identifying delivery options within populations is still difficult. Where and how public/private partnerships exist is still being uncovered, i.e. where the AG office provides grants for consumer education via CyPres funds. The respondents bringing up the issue of what is government's responsibility?

Who determines what are the standards or the "essential learning requirements" of financial literacy. The definition of Financial Literacy remains a question, although the Jump$tart standards are the best baseline we have available, and the skills on which to build the ongoing education. Certain demographics need certain training, i.e. low-come don't look for information on bonds need very basic financial life skills. Trying to get data for measurements, like how many 401K accounts there are or what is the current savings rate data for Washington.

Do we need to change the "mind-set" before behaviors? The need for a marketing campaign for financial education which can work against overwhelming commercial interests. Making the safe financial behaviors "sexy". A national campaign linking "fiscal fitness with physical fitness" at WaMu. Awareness that financial difficulties are crossing income strata, middle income people being affected. Personalizing behaviors like the "Check your Carbon Footprint" campaign or an online measuring tool. Using the President's Challenge in combination with K-12 education to prevent later life difficulties.

Non-Profit Sector Report

Dani Small presented for the subcommittee. New slides were added to the existing Non-Profit report. Their recommendations are linked closely to who they serve. Non-profit committee suffers difficulty in finding where the funding comes from. Their Gaps and Needs are more obvious though.

CJ Robinson provided a handout about WIN211: Washington Information Network providing info and referrals through a centralized location for state services available. Real potential for linking FL education services to this existing call center and toll-free phone number.

Importance of using incentives. Examples:
Working with banks / credit unions to provide a better rate on banking to FL class participants.
Providing low beginning balance CDs to people who can prove they took FL classes.
Having landlords accept people with poor credit history once they have completed a course.

Mention of the "Bank on San Francisco" model and maybe adapting it to Seattle, recognizing from that experience that incentives are mandatory.

The work of the King County Building Asset Building Collaborative and the work of the Consumer Council were highlighted, as well as the work of Goodwill Industries, in providing financial education. Fehi Tuivai pointed out that it's difficult to get small employers to offer training, and to get low-income people into class if their employers don't allow it during work hours. Need to prove to employers that money management training can provide more secure employees.

"Not an income, but a spending problem".

State - Education Report

Lance Wrzesinski presented for the subcommittee. The report currently provided outlined the basic text of the survey still being refined. Presentation to school employees and admin people at a couple upcoming events. Trouble with contacting teachers during summer break.

Caleb Perkins: Existing opportunities for FL delivery: the EALRs in Social Studies class include an "economics class" component and some FL is included. "Civics Class" assessment could be used in measurement. Adding another graduation requirement to WASL would be very difficult. Looking at where to start (what grade) and how long a training time. Short term intensives and/or integration into curriculum. Getting away from an "as needed" mentality: training before a crisis occurs.

Jump$tart standards used and working with FLPPP to set goals. The existing tools should be promoted through a centralized source. "Measure, tally, sustain, evaluate, accountability of curriculum".

How to present gaps and needs to OSPI and legislature in a palatable way. Groups other than mainstream subjects are lobbying for reinstatement after WASL, i.e. Tribal history, environmental education, etc. The Legislature avoids mandates in this area but will provide "recommendations" instead. The use of funding sources other than mandates. Finding grants to address specific educational topics. The use of "budget dust", the smaller dollars available from budget line items, such as use of pilot projects as a model to prove efficacy. Use of short-term tactics to prove the value of a program prior to attempting to get a funding mandate.

The State – Education committee will be reviewing their survey ideas before it goes out beginning next week and running into September. They will be looking especially at creating partnerships between public and private entities. They are behind the idea of a central website, easily accessed, with consistent materials for teachers/administrators. The subcommittee agrees that the most important goal now is the determination of "proof of effectiveness".

General Discussion:

Recommendations should number no more than 24, which was the number in the Taskforce report supplied to the Governor previously.

Use of the Homeowners Task Force report to gain successful conclusions or to provide useful resources.

Recommendations become bills for differing policy or political reasons.

Non-profits and private industry subcommittees should be able to speak to legislature and/or lobbyists with a common voice, agreed on gaps and needs and methods of corrective action.

Upcoming legislative session will primarily be about the budget, so the importance of the financial literacy of the populace and its effect on the WA state tax base should be stressed.

More discussion for the next meeting will include the importance of a central site, such as a consumer web portal such as Access Washington. How to consolidate information and provide across the state in both written/published form for libraries, a web portal, and possibly a phone link.