

Why GAO Convened This Forum

Giving Americans the information they need to make effective financial decisions can be key to their well-being, and to the country's economic health. The recent financial crisis—during which many borrowers did not fully understand the risks associated with alternative mortgage products—underscored the need to improve individuals' financial literacy. Further, economic, demographic, and technological trends that have affected the need for financial literacy continue, including the retirement of the baby boomers; the emergence of new financial products; and increasing costs for health care, higher education, and retirement. GAO convened a forum on October 20, 2011, to discuss (1) needs and priorities in improving financial literacy; (2) roles and responsibilities of, and collaboration among, the government, nonprofit, and private sectors; (3) lessons learned from federal public health and nutrition literacy initiatives; and (4) GAO's potential role in addressing financial literacy issues.

Forum participants included representatives of federal, state, and local government organizations; academic experts; nonprofit practitioners; and representatives from the private sector. Comments expressed during the proceedings do not necessarily represent the views of all participants, the organizations they represent, or GAO. Participants were given the opportunity to comment on a draft of this summary.

View [GAO-12-299SP](#). For more information, contact Alicia Puente Cackley at (202) 512-8678 or cackleya@gao.gov.

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HIGHLIGHTS OF A FORUM

Financial Literacy: Strengthening Partnerships in Challenging Times

What Participants Said

Participants highlighted the following themes during the forum:

Focus on key populations. Participants discussed a number of areas that should be the most sustained focus of the nation's financial literacy efforts in the coming years. Among other areas, efforts should target kindergarten through 12th grade education; the workplace; the preretirement years; and special populations that may be particularly vulnerable, including low-income communities, the Hispanic community, and older Americans. Materials should be tailored as appropriate to meet these populations' characteristics and circumstances.

Identify the most effective approaches and target efforts accordingly. More research is needed to identify the most effective approaches to improving financial knowledge and behavior. Targeting products appropriately, improving delivery mechanisms, and leveraging technology are also important.

Enhance the role of employers in improving their employees' financial literacy. Employers have a key role to play in improving the financial literacy of their employees—for example, by encouraging them to save for emergencies and retirement. Further, financial literacy stakeholders need to do more to persuade employers of the business benefits of supporting healthy financial behaviors by employees.

Leverage the unique role of the federal government. The federal government has a unique role to play in promoting greater financial literacy. For example, the government can use its convening power and other tools to draw attention to the topic, take advantage of existing connections with certain populations, and make certain legal and regulatory changes to support greater financial literacy.

Increase coordination and partnerships within and across levels of government and different sectors. Opportunities exist to further increase coordination and partnerships among entities involved in financial literacy. Such efforts could help federal, state, and local government agencies; private sector entities; and nonprofits conserve scarce resources and reduce any duplication of effort.

Identify lessons from other initiatives designed to improve consumer behaviors. Financial literacy practitioners can learn from efforts in other fields, such as health and nutrition, that have sought to educate consumers and influence their behavior. Participants discussed similar challenges, such as the difficulty of influencing people to change their behaviors and the possibility of developing a financial literacy equivalent of the Department of Agriculture's "MyPlate" nutrition graphic.

Participants also discussed ideas for GAO and the Comptroller General to support or raise awareness about financial literacy or partner with others to do so. Among other ideas, they said that GAO could help in efforts to identify the best programs and methods for improving financial literacy, develop a financial literacy initiative for GAO employees that could serve as a potential model for other government agencies, and identify opportunities for federal agencies to leverage existing distribution channels to provide additional financial education.