

October 2016

Financial literacy annual report



Message from Richard Cordray



Director of the CFPB

Congress created the Consumer Financial Protection Bureau in the wake of the 2008 financial crisis as the first federal agency with the sole mission of protecting consumers in the financial marketplace. There were many causes of the crisis. But the problems experienced by many Americans were exacerbated by the complexity of the financial marketplace and the decisions that consumers must make to manage their finances effectively. The Dodd-Frank Wall Street Reform and Consumer Protection Act mandated that the CFPB develop and implement a strategy and initiatives to educate and empower consumers to make better-informed financial decisions. In this, our fourth Financial Literacy Annual Report, we describe our work to achieve this critical aspect of our mission.

Empowering people to take more control over their economic lives is essential to our mission. We are committed to helping all consumers increase their own capability to make sound financial choices to attain greater financial well-being and better achieve their life goals. This takes more than teaching financial facts. Our strategy to accomplish this broad task includes reaching consumers nationwide through online tools and information to help them navigate financial choices. It includes collaborating with others who can reach consumers where they are with the information and support they need, when they need it. It includes carrying out foundational research to identify and spread effective approaches to financial education.

In implementing this strategy, we are committed to providing youth with opportunities to start early to develop the knowledge and skills to build a healthy financial future. We also undertake efforts tailored to the needs of specific populations, including servicemembers and veterans, students and young adults, older adults, people with low incomes, and people who are economically vulnerable.

For example, our online tool, *Ask CFPB*, which provides answers to consumer questions about financial products and services, has served more than 12 million visitors. Library staff in more than 920 communities, representing more than 2,700 library branches, are participating in our project to help libraries become the go-to place for people to obtain reliable, unbiased financial education. We have trained over 10,000 front-line staff and volunteers in social service, legal aid, worker, and community organizations to use our financial capability toolkit, *Your Money, Your Goals*, to help the people they serve strengthen money management skills.

We also engage in foundational research to inform financial education. We have developed a consumer-driven definition of financial well-being, the ultimate goal of financial education; and a financial well-being “scale,” a measurement tool that allows financial educators and researchers to observe and quantify financial well-being. We also have identified the childhood origins of financial capability and well-being, and their building blocks, to create a developmental model for youth financial education to support parents, youth caregivers, and educators in starting youth early on the path to financial capability. We have completed groundbreaking studies of financial capability approaches and found that financial coaching can lead to improved money management for low- and moderate-income households; and how financial rules of thumb can help consumers to reduce their revolving debt. We have found that providing reminders and a small incentive to prepaid card customers to use a subaccount feature dedicated for saving can provide tangible financial benefits.

As our country continues to rise from the ashes of the financial crisis, we at the CFPB are doing all we can to protect people by ensuring that consumer financial markets work better for them – are transparent, reliable, and fair. This work goes hand in hand with our work to educate consumers and help them build their financial capability. Consumers need to be able to look ahead with hope, and financial capability can help make those hopes real. As we move forward, this important work will continue to benefit consumers, strengthen the economy, and foster a brighter future for our country.

Sincerely,



Richard Cordray

Table of contents

Message from Richard Cordray	1
Table of contents.....	3
Executive summary.....	5
1. Introduction.....	13
1.1 Financial education mandate: Educate and empower consumers to make better-informed financial decisions	15
2. Financial literacy strategy.....	20
2.1 The need for financial literacy and capability	20
2.2 The CFPB’s financial literacy strategy	23
2.3 Consultation with FLEC and alignment with the National Strategy	26
3. Financial education initiatives: Developing financial capability	31
3.1 CFPB tools and resources	32
3.2 Initiatives with others	43
4. Research initiatives: Building effective financial education practices	80
4.1 Understanding consumers and the financial marketplace	82
4.2 Understanding effective financial education practices	92
5. Conclusion	102

Appendix A:103
CFPB financial education resources 103

Executive summary

An essential part of the mission of the Consumer Financial Protection Bureau (CFPB, or the Bureau) is to empower consumers to take more control over their financial lives. Despite the availability of a wide range of information about managing money and about financial products and services, many consumers still struggle to make the financial decisions that serve their life goals. The CFPB hears every day from people experiencing difficulty in their financial lives, who often express regret that they did not know more about the risks involved in particular financial decisions at the time they made those decisions. While research shows that people in America are, on average, experiencing less financial stress and improved satisfaction with their financial condition in the last few years, significant numbers are still struggling with their household finances.¹

The Dodd-Frank Wall Street Reform and Consumer Protection Act mandates that the CFPB work to improve the financial literacy of consumers in America. The CFPB has developed a strategy and a range of initiatives to help consumers take control over their financial lives. Broadly, this strategy recognizes that financial literacy and financial capability require more than simply providing consumers with more information. Being able to manage one's financial life and make the financial decisions that serve one's life goals requires a combination of knowledge, skills, and action. For that reason, the CFPB's strategy focuses on

¹ See FINRA Investor Education Foundation, *Financial Capability in the United States 2016* (July 2016), available at usfinancialcapability.org/downloads/NFCS_2015_Report_Natl_Findings.pdf.

identifying how, where, when, and through whom the CFPB can provide assistance to consumers for maximum benefit.

The CFPB's strategy to improve financial literacy has two key aspects. First, the CFPB is seeking to provide consumers with tools and resources to increase their capability to make financial choices that support their financial well-being and ability to achieve their life goals. This includes providing tools, information, and opportunities to build money skills directly, and building channels with others who can provide consumers with financial education opportunities – in schools, workplaces, communities, and in connection with other types of services consumers may seek. Second, the CFPB is moving forward on research to identify effective approaches to financial education and better define the metrics for success. Fundamental to this strategy is identifying financial education approaches that provide youth with opportunities to develop the knowledge, skills, habits, and capabilities that will help them to become financially capable adults.

The CFPB is targeting its direct-to-consumer educational tools and resources toward assisting consumers with the financial aspects of large life decisions, such as going to college, financing the purchase of a vehicle, buying a home, and retiring; and on ongoing financial management choices that can have large life consequences, such as starting a habit of saving, managing debt, and passing along financial capability skills to one's children. The CFPB also provides a robust tool, *Ask CFPB*, to answer common questions that arise as people make choices about their financial lives and about financial products and services.

As part of its efforts to assist consumers in their financial lives, the CFPB engages in a rich and ongoing dialogue with stakeholders to share information, learn about promising practices, and identify opportunities to create or strengthen channels to bring financial education and financial capability programming to consumers. These stakeholders include financial education practitioners; federal, state, and local government agencies; and various other private and nonprofit organizations.

To serve the many organizations working to improve the financial well-being of consumers and to inform the CFPB's own efforts to do so, the CFPB's financial education research program has developed a definition of financial well-being as the ultimate goal of financial education, and in 2016, the CFPB made available a standardized and robust way to measure it. Also, the CFPB's research has identified the childhood precursors of financial capability and well-being and their critical building blocks. Based on this research, the CFPB has developed and published a developmental model for the youth antecedents of adult financial capability, and a teachers'

pedagogy for youth financial education. The CFPB’s financial education research is focused on identifying the knowledge, skills, and habits associated with financially capable consumers as well as identifying effective approaches to improving financial capability and well-being. The CFPB uses the results of this research to refine how it supports consumers’ financial decisions. The CFPB shares the results as they become available so others can look to the findings as they make choices about how to provide financial education that can lead to better outcomes for consumers in America.

Highlights of education initiatives

The CFPB has undertaken a broad array of education initiatives this year, as well as continued or expanded upon prior initiatives. These initiatives are described in more detail in various sections of this report. Here are some highlights:

CFPB tools and information to assist consumers directly in making financial decisions:

- *Ask CFPB* (consumerfinance.gov/askcfpb/) provides “when you need it” answers to common or vital questions about financial products and services including credit cards, mortgages, student loans, bank accounts, and credit reports.
- *Paying for College* (consumerfinance.gov/paying-for-college/) helps students and families evaluate their higher education financing options – comparing college costs and financial aid, and learning about college money and loan options. For people with student loans at the repayment stage, this tool offers information to assess repayment options.
- *Owning a Home* (consumerfinance.gov/owning-a-home/) helps consumers understand the basics of mortgages, orient themselves in the market and process for home loans, and consider various factors that may affect their own mortgage decision.
- *Planning for Retirement* (consumerfinance.gov/retirement/before-you-claim/) is a new interactive educational online tool, built in collaboration with the Social Security Administration. The tool helps people as they decide when to claim their Social Security benefits and understand how the age at which they choose to claim affects the amount of their benefits.
- *Know Before You Owe: Take control of your auto loan* (consumerfinance.gov/consumer-tools/auto-loans/) is another new set of resources to

help consumers understand what is involved when financing an automobile. The resources, including an *Auto loan shopping sheet: Compare auto loans* (consumerfinance.gov/f/documents/201606_cfpb_auto-loan-worksheet.pdf), encourages consumers to shop around for an auto loan and focus on the total cost of the loan, not just the monthly payment.

- *CFPB en Español* (consumerfinance.gov/es/) provides Spanish-speaking consumers, who make up the second-largest language group in the United States, a central point of access to the CFPB's most used consumer resources available in Spanish.

CFPB collaborations with community institutions, government agencies, and other organizations to strengthen the infrastructure to deliver financial education:

- Libraries are trusted institutions and serve as a central neighborhood resource. The CFPB is working with libraries, national library and service organizations, and community networks to identify resources and community partnerships that can help libraries offer financial education programming. Resources for libraries are available at consumerfinance.gov/library-resources/.
- The *CFPB Financial Education Exchange (CFPB FinEx)* (consumerfinance.gov/adult-financial-education/) is an online and in-person information exchange designed to provide financial education practitioners with centralized access to CFPB tools, research on consumer financial behavior and effective practices, and other financial education resources. Through *CFPB FinEx*, the CFPB supports financial education practitioners. *CFPB FinEx* includes a printable, shareable inventory of CFPB tools, research, and other resources, which is available at consumerfinance.gov/f/201603_cfpb_finex-resource-inventory.pdf.
- Employers, including the federal government, can play an important role in helping their employees avoid financial distress and in promoting financial well-being. The CFPB's report, *Financial wellness at work* (consumerfinance.gov/data-research/research-reports/financial-wellness-at-work/) identifies practices employers can implement that strengthen financial capability. For public service organizations, the CFPB developed a toolkit, *Employer's Guide to Assisting Employees with Student Loan Repayment* (consumerfinance.gov/f/201409_cfpb_pslf_toolkit_employers.pdf). The guide is for employers who want to help employees tackle student debt. Public service employers may take a pledge to help their employees in this effort. The pledge can be found at consumerfinance.gov/pledge/.

- The CFPB is working with the Department of Labor’s Employment and Training Administration to assist municipal leaders and local workforce boards in 24 communities to integrate financial capability services into their youth employment programs. Innovations and lessons from this work will be shared with municipal leaders and the Department of Labor’s broader workforce system, which includes American Job Centers nationwide.
- Volunteer Income Tax Assistance (VITA) sites assist approximately 3.5 million low-income households each year to prepare their tax returns and, when eligible, apply for the Earned Income Tax Credit. The CFPB offers training and materials that site managers and volunteer tax preparers at VITA sites can use to encourage consumers to save a portion of their tax refunds, plus a report on best practices in encouraging savings at VITA tax sites (consumerfinance.gov/static/fin-ed-resources/tax-preparer-resources/cfpb_tax-prep_ready-set-save-workbook_2016.pdf).
- The CFPB developed a new consumer information booklet, *Your home loan toolkit: A step-by-step guide* (consumerfinance.gov/f/201503_cfpb_your-home-loan-toolkit-web.pdf). The *Toolkit* guides consumers through the process of shopping for a mortgage and buying a home. The booklet is delivered by lenders to millions of consumers who take out a mortgage each year. It is available in English and Spanish.
- The CFPB continues to offer and expand the reach of *Your Money, Your Goals* (consumerfinance.gov/your-money-your-goals/), a toolkit for use by front-line staff and volunteers in social services, legal aid, worker, and community organizations. The toolkit allows users to help the people they serve strengthen their financial capability and personal money management skills.
- The CFPB offers a series of virtual, on-demand video trainings, *Military financial educator forums* (consumerfinance.gov/servicemembers/on-demand-forums-and-tools/) on consumer financial topics for service providers who deliver financial, educational, or legal counseling to servicemembers and their families worldwide.
- The CFPB and the Federal Deposit Insurance Corporation (FDIC) collaborate on *Money Smart for Older Adults*, a curriculum for preventing and responding to financial exploitation such as scams and identity theft, and preparing financially for unexpected life events. MSOA is offered by community organizations around the country that interact with older adults, family members, or caregivers, in Spanish as well as English. Community organizations can order the instructor materials from the FDIC at

[fdic.gov/consumers/consumer/moneysmart/olderadult.html](https://www.fdic.gov/consumers/consumer/moneysmart/olderadult.html). Participant guides are available for download at consumerfinance.gov/f/201306_cfpb_msoa-participant-guide.pdf and are available for order through pueblo.gpo.gov/CFPBPubs/CFPBPubs.php.

Initiatives to support youth financial capability:

- The CFPB's *Money as You Grow* (consumerfinance.gov/money-as-you-grow/) website serves parents who want to prepare their children for a financially capable adulthood. It provides a developmental framework for how children develop financial capability, and activities and conversation starters parents can use at each stage of development. These resources are divided into three age groups: early childhood, middle childhood, and teen and young adulthood. Early childhood resources focus on building skills and attitudes that can later be translated to financial choices, such as planning and problem-solving, staying focused, and delaying gratification. Middle childhood is a good time to start speaking more explicitly about financial concepts, moving toward teen and young adulthood, when people start to earn money and make financial decisions on their own.
- The CFPB's youth financial education initiative builds on existing efforts by teachers and policymakers to integrate financial education into K-12 curricula. This work includes a guide to help educators connect with tools, information, and insights to enhance K-12 financial education efforts and a tool for analyzing and identifying appropriate and promising youth financial education curricula. These tools can be found at consumerfinance.gov/youth-financial-education/.
- The *Youth Personal Finance Pedagogy for teachers* (consumerfinance.gov/f/documents/092016_cfpb_PedagogyModel.pdf) is a framework for teaching personal finance skills to children, based on the CFPB's research-based developmental model. The pedagogy is designed to help teachers work with their students to improve executive functioning skills such as planning and problem-solving; to create and encourage positive financial habits and effective money management; to build financial research skills to compare and contrast options; and to help teachers to design safe opportunities for youth to practice financial decision-making.

Research is an important underpinning of the CFPB's financial education initiatives. Examples of foundational and practical research to support financial education initiatives are detailed in Section 4, and include:

- Research on the definition of financial well-being, as the ultimate outcome of financial education, and what questions can best quantify it, resulted in the 2016 release of a scale (consumerfinance.gov/data-research/research-reports/financial-well-being-scale/) to measure individual financial well-being. Among other things, the scale can help financial educators and researchers gauge the effectiveness of financial education approaches.
- The CFPB's report *Building blocks to help youth achieve financial capability: A new model and recommendations* (consumerfinance.gov/data-research/research-reports/building-blocks-help-youth-achieve-financial-capability/) examines the development of the youth precursors to the knowledge, skills, habits, and norms that are associated with adult financial well-being. This developmental model is designed to help youth caregivers and educators start youth early on the path to financial capability.
- CFPB-sponsored, rigorous research is identifying effective financial education approaches. CFPB research found that financial coaching led to positive financial behaviors and improved financial well-being for low- and moderate-income households (urban.org/sites/default/files/alfresco/publication-pdfs/2000448-An-Evaluation-of-the-Impacts-and-Implementation-Approaches-of-Financial-Coaching-Programs.pdf). CFPB research found that financial rules of thumb can be effective to help consumers reduce their revolving debt (urban.org/research/publication/evaluation-impacts-two-rules-thumb-credit-card-revolvers-o). Insights can inform the field as to the role of these approaches in financial education.
- The CFPB has conducted research on consumer experiences in the financial marketplace and is sharing what it has learned in a *Consumer Voices* series of reports, as well as digests for financial educators and worksheets for consumers. Reports have covered credit reports and scores (consumerfinance.gov/data-research/research-reports/consumer-voices-on-credit-reports-and-scores/), financial rules to live by (consumerfinance.gov/about-us/blog/creating-your-own-financial-rules-to-live-by/), and automobile financing (consumerfinance.gov/f/documents/201606_cfpb_consumer-voices-on-automobile-financing.pdf). The CFPB also analyzes consumer complaints for special populations such as servicemembers, students, and young adults.
- Research pilots with anonymized information from financial services providers is providing insights into how innovations in the marketplace, such as a prepaid card with

a subaccount feature dedicated for saving, can support consumer financial well-being (consumerfinance.gov/data-research/research-reports/tools-saving-using-prepaid-accounts-set-aside-funds/).

The Appendix to this report provides a list of the CFPB's current tools and resources for consumers and for those who work with consumers, and research reports related to financial capability and the consumer financial marketplace.

1. Introduction

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) mandates that the Director of the Consumer Financial Protection Bureau (CFPB, or the Bureau) submit an annual report on the CFPB's activities and strategy to improve the financial literacy of consumers to the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives.² The CFPB is pleased to submit the fourth of its annual reports on the CFPB's financial literacy work. The report covers the time period from October 2015 through September 2016, including significant ongoing financial education activities initiated in prior reporting periods.

Enhancing financial literacy is an integral part of the CFPB's consumer financial protection function.

The CFPB is the nation's first federal agency focused solely on consumer financial protection. Created by the Dodd-Frank Act, the CFPB's mission is to help consumer financial markets work for American consumers, responsible providers, and the economy as a whole,

- by making rules more effective;
- by consistently and fairly enforcing those rules; and
- by empowering consumers to take more control over their economic lives.

² Consumer Financial Protection Act of 2010, Pub. L. No. 111-203, § 1013(d)(4), 124 Stat. 1955, 1971 (codified at 12 U.S.C. § 5493(d)(4)).

Enhancing financial literacy is an integral part of the CFPB’s consumer financial protection function. The CFPB’s statutory objectives under the Dodd-Frank Act include “exercis[ing] its authorities under Federal consumer financial law for the purpose[] of ensuring that ... consumers are provided with timely and understandable information to make responsible decisions about financial transactions.”³ Similarly, among the CFPB’s “primary functions” under the statute is “conducting financial education programs.”⁴ This financial education mandate is further reflected in numerous other provisions of the Dodd-Frank Act that charge the CFPB with researching, developing, promoting, and implementing financial literacy programs and activities, which are discussed further in Section 1.1, below.

The CFPB’s financial literacy work is performed chiefly through its Division of Consumer Education and Engagement. This division includes the Office of Financial Education; the Consumer Engagement Office, which works to create an interactive, informative relationship between the CFPB and consumers; and the four offices that address the issues and needs of special populations, including financial education needs. These four special population offices are the Office of Servicemember Affairs, the Office for Students, the Office of Financial Protection for Older Americans, and the Office of Financial Empowerment.

Many other parts of the CFPB contribute to this financial education mission. For example, the CFPB’s Office of Research contributes to the research elements of the CFPB’s financial education strategy. The CFPB’s Office of Fair Lending and Equal Opportunity and the Office of Consumer Response also provide education to the public. The CFPB’s *Know Before You Owe* initiatives draw widely on many parts of the CFPB. The CFPB’s Division of External Affairs works to keep the public and a broad range of stakeholders informed about the CFPB’s work.

³ 12 U.S.C. § 5511(b)(1).

⁴ 12 U.S.C. § 5511(c)(1).

1.1 Financial education mandate: Educate and empower consumers to make better-informed financial decisions

The CFPB’s financial literacy mandate is set forth more specifically in § 1013(d) of the Dodd-Frank Act. Section 1013(d)(1) directed the establishment of an Office of Financial Education to “be responsible for developing and implementing initiatives intended to educate and empower consumers to make better-informed financial decisions.”⁵ Further, the statute directs the Office of Financial Education to “develop and implement a strategy to improve the financial literacy of consumers that includes measurable goals and objectives, in consultation with the Financial Literacy and Education Commission, consistent with the *National Strategy for Financial Literacy*, through activities including providing opportunities for consumers to access” various types of information, education, tools, and services.⁶ The Office of Financial Education is also responsible, with the CFPB’s Office of Research, for conducting research related to financial education and counseling.⁷

Other CFPB offices develop financial education and policy initiatives to support the financial well-being of particular segments of consumers identified by the Dodd-Frank Act. These offices focus on servicemembers, students, older consumers, and “traditionally underserved” consumers and communities.

1.1.1 Servicemembers

The Dodd-Frank Act mandated the establishment of an Office of Servicemember Affairs to “be responsible for developing and implementing initiatives for service members and their families,”

⁵ 12 U.S.C. § 5493(d)(1).

⁶ 12 U.S.C. § 5493(d)(2).

⁷ 12 U.S.C. § 5493(d)(3)(B).

including initiatives intended to “educate and empower service members and their families to make better-informed decisions regarding consumer financial products and services.”⁸ The Office of Servicemember Affairs works to improve consumer financial protection for servicemembers, veterans, and their families in a number of ways. The Office works with the Department of Defense and the Department of Veterans Affairs to provide opportunities for servicemembers, veterans, and their families to receive financial education relevant to their needs. The Office monitors complaints submitted by servicemembers, veterans, and their families. The Office coordinates consumer protection efforts among federal and state agencies related to consumer financial products and services offered to, or used by, military families.⁹ Information about CFPB initiatives and tools that address servicemember financial challenges can be found at consumerfinance.gov/servicemembers/.

1.1.2 Students

The Dodd-Frank Act directed the Secretary of the Treasury, in consultation with the CFPB’s Director, to designate a Private Education Loan Ombudsman within the CFPB “to provide timely assistance to borrowers of private education loans.”¹⁰ The Private Education Loan Ombudsman position is currently held by the Assistant Director of the Office for Students. The Office for Students works to enhance the ability of students and young adult consumers to make financial decisions, including monitoring complaints about student loans, providing information and tools to help students and young adult consumers understand the risks from student loans and other financial products, and identifying policy and marketplace issues with special impact on students and young adult consumers.¹¹ Information about

⁸ 12 U.S.C. § 5493(e)(1)(A).

⁹ 12 U.S.C. § 5493(e)(1).

¹⁰ 12 U.S.C. § 5535(a).

¹¹ 12 U.S.C. § 5535(c).

CFPB initiatives and tools that address student and young adult financial challenges can be found at consumerfinance.gov/students/.

1.1.3 Older Americans

The Dodd-Frank Act mandated establishment of an Office of Financial Protection for Older Americans (Office for Older Americans). The functions of the Office for Older Americans include, among other things, “activities designed to facilitate the financial literacy of individuals who have attained the age of 62 years or more ... on protection from unfair, deceptive, and abusive practices and on current and future financial choices, including through the dissemination of materials to seniors on such topics.”¹² More specifically, the Office for Older Americans develops materials that help older consumers, their caregivers, aging networks, and service providers, among others, recognize warning signs of unfair, deceptive, or abusive practices. In addition, the Office for Older Americans works to educate older consumers about financial decisions that may affect their retirement security. The Office for Older Americans works with federal and state agencies, community organizations, and other entities that educate and assist older consumers.¹³ Information about CFPB initiatives and tools that address financial protection for older consumers can be found at consumerfinance.gov/older-americans/.

1.1.4 Traditionally underserved consumers

The Dodd-Frank Act mandated that the CFPB include a unit whose functions include providing “information, guidance, and technical assistance regarding the offering and provision of consumer financial products or services to traditionally underserved consumers and communities.”¹⁴ “Traditionally underserved consumers” includes unbanked and underbanked

¹² 12 U.S.C. §5493(g)(1).

¹³ 12 U.S.C. §5493(g)(3).

¹⁴ 12 U.S.C. §5493(b)(2).

consumers.¹⁵ The Office of Financial Empowerment directs its efforts toward strengthening financial consumer protection and enhancing the financial capability of low-income and economically vulnerable consumers who make up the traditionally underserved. Information about CFPB initiatives for low-income and economically vulnerable consumers can be found at consumerfinance.gov/empowerment/.

1.1.5 Other financial education functions

Consumer complaints

A vital part of the CFPB's work to empower and engage consumers is hearing directly from them about the challenges they face in the marketplace, bringing their concerns to the attention of companies, and assisting in addressing their complaints.¹⁶ This work is managed by the Office of Consumer Response, which is part of the CFPB's Operations Division, and is supported by subject matter experts throughout the CFPB.¹⁷ The Office of Servicemember Affairs and the Office for Students help to monitor and provide subject matter expertise to address complaints specific to the populations they serve. The Office of Servicemember Affairs, Office for Students, and Office for Older Americans have issued periodic reports on what the complaints from these populations reveal about their experiences.

Information about consumer complaints is available to the public through the Consumer Complaint Database. The database is available on the CFPB's website at consumerfinance.gov/data-research/consumer-complaints/ and serves as an additional informational tool to inform consumer decision-making around financial products and services.

¹⁵ See 12 U.S.C. § 5493(b)(1)(F).

¹⁶ See 12 U.S.C. § 5493(b)(3); see also 12 U.S.C. § 5511(c)(2).

¹⁷ This work is also discussed in a separate annual report to Congress. See CFPB, *Consumer Response Annual Report* (April 2016), available at consumerfinance.gov/data-research/research-reports/2015-consumer-response-annual-report/.

Consumers can submit complaints at consumerfinance.gov/complaint/ or by calling the CFPB toll-free at 855-411-CFPB (2372), where U.S.-based contact centers provide services to consumers in more than 180 languages and to consumers who are deaf, have hearing loss, or have speech disabilities.¹⁸

Fair lending and access to credit

The Dodd-Frank Act charges the Office of Fair Lending and Equal Opportunity with “providing oversight and enforcement of federal laws intended to ensure the fair, equitable, and nondiscriminatory access to credit for both individuals and communities that are enforced by the CFPB.”¹⁹ Among other things, the statute directs the Office of Fair Lending to work with “private industry, fair lending, civil rights, consumer and community advocates on the promotion of fair lending compliance and education.”²⁰ The Office of Fair Lending, as well as other offices throughout the CFPB, work to promote awareness of fair lending and access to credit issues, and help consumers protect themselves from credit discrimination. The CFPB does this through public dialogue such as speeches, presentations, field hearings, and webinars; and through educational resources including blogs and *Ask CFPB* questions and answers for consumers.²¹

¹⁸ Complaints also can be submitted by mail to Consumer Financial Protection Bureau, P.O. Box 4503, Iowa City, Iowa 52244, or by fax to 855-237-2392.

¹⁹ 12 U.S.C. § 5493(c)(2)(A).

²⁰ 12 U.S.C. § 5493(c)(2)(C).

²¹ This work is also discussed in a separate report to Congress. See CFPB, *Fair Lending Report of the Consumer Financial Protection Bureau* (Apr. 2016), available at consumerfinance.gov/data-research/research-reports/fair-lending-report-2015/.

2. Financial literacy strategy

Managing one's finances can present a complex set of challenges in today's financial marketplace. Financial products are numerous and complex, requiring individuals to make choices from an array of options. In addition, there are substantial costs to attaining many significant life goals, such as going to college, owning a home, or retiring. Further, consumers are increasingly responsible for saving for and managing the funds for their retirement. In this context, not having the skills to make sound financial decisions can have severe consequences for people's abilities to reach their life goals.

2.1 The need for financial literacy and capability

Many studies provide evidence of specific ways that consumers in the United States could use help in developing effective habits and skills around money management and personal finances. The Board of Governors of the Federal Reserve System's 2015 Survey of Household Economics and Decisionmaking shows that many consumers are not well prepared for a financial disruption and would struggle to cover emergency expenses.²² For example, 46 percent of respondents said they either could not cover an emergency expense of \$400 or would cover it by selling something or borrowing money.

²² See Board of Governors of the Federal Reserve System, *Report on the Economic Well-Being of U.S. Households in 2015* (May 2016) at 44, available at [federalreserve.gov/2015-report-economic-well-being-us-households-201605.pdf](https://www.federalreserve.gov/2015-report-economic-well-being-us-households-201605.pdf).

According to results of the *2015 National Financial Capability Study* released in 2016, there is evidence of diminished financial stress and improved financial satisfaction over the last three to six years. At the same time, half of American adults say they have not formed a savings cushion to protect themselves for three months in case of an emergency. Also, more than half of American adults surveyed indicate that they have not tried to figure out how much they need to save for retirement, although more than half are worried about running out of money in retirement, and the act of planning for retirement has been shown to be a strong positive indicator of retirement wealth.²³

Many Americans also say they did not comparison shop before obtaining financial products such as a credit card.²⁴ While many say they compared prices when shopping for a car, almost half of American adults surveyed did not compare loan prices or terms before taking an auto loan.²⁵ The FINRA survey suggests that many student loan holders did not fully understand what they were getting into when they took out their loans, and a majority said that if given the chance to do it all over again they would take a different course of action.²⁶ Many American adults who believe they are adept at dealing with day-to-day financial matters still use credit in costly ways.²⁷

²³ FINRA Investor Education Foundation, *Financial Capability in the United States 2016* (July 2016) at 3, available at usfinancialcapability.org/downloads/NFCS_2015_Report_Natl_Findings.pdf.

²⁴ FINRA Investor Education Foundation, *Financial Capability in the United States 2016* (July 2016) at 22, available at usfinancialcapability.org/downloads/NFCS_2015_Report_Natl_Findings.pdf.

²⁵ Board of Governors of the Federal Reserve System, *Report on the Economic Well-Being of U.S. Households in 2015* (May 2016) at 44, available at federalreserve.gov/2015-report-economic-well-being-us-households-201605.pdf.

²⁶ FINRA Investor Education Foundation, *Financial Capability in the United States 2016* (July 2016) at 23, available at usfinancialcapability.org/downloads/NFCS_2015_Report_Natl_Findings.pdf.

²⁷ These costly ways include paying only the minimum amount due each billing cycle, making late payments, thereby triggering late fees, or using the cards for cash advances and other costly nonbank borrowing methods. See FINRA Investor Education Foundation, *Financial Capability in the United States 2016* (July 2016) at 31, available at usfinancialcapability.org/downloads/NFCS_2015_Report_Natl_Findings.pdf.

Research released by the CFPB in 2013 found that the amount spent in the United States on financial education of all types is dwarfed by the amount spent on consumer financial marketing. For every dollar spent on financial education in a year, \$25 is spent on consumer financial marketing.²⁸ These results highlight the need for high-quality sources of unbiased financial information and effective, scalable methods for providing financial education to consumers.

Financial education experts say that providing consumers with information is only part of the solution. Being able to manage one's financial life and make the financial decisions that will serve one's life goals require a combination of knowledge, skills, and access. Together, these abilities are known as "financial capability."²⁹ Consumers need to be able to analyze the costs, risks, and consequences of particular financial services, products, and decisions. They need to be able to make effective choices and recover from poor ones, and to know where to go for help. They need to be able to take other actions to improve present and long-term financial well-being in an evolving financial landscape. Financial education experts have consistently suggested that more research is needed to further determine what financial education approaches are most effective in developing financial capability and to further identify meaningful ways to measure financial knowledge, behavior, and well-being.³⁰

²⁸ See CFPB, *Navigating the Market: A comparison of spending on financial education and financial marketing* (Nov. 2013), available at consumerfinance.gov/f/201311_cfpb_navigating-the-market-final.pdf.

²⁹ See, e.g., Department of the Treasury, Amended Charter, President's Advisory Council on Financial Capability § 3 (2010); Financial Literacy & Education Commission, *Promoting Financial Success in the United States: National Strategy for Financial Literacy 2011* at 8 n.4, available at [treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20\(2\).pdf](https://treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20(2).pdf); Organisation for Economic Co-operation & Development, International Network on Financial Education, *Measuring Financial Literacy: Questionnaire and Guidance Notes for Conducting an Internationally Comparable Survey of Financial Literacy* (2011) at 3, available at oecd.org/finance/financial-education/49319977.pdf.

³⁰ See, e.g., CFPB, *Feedback from the financial education field* (May 13, 2013) at 11, available at consumerfinance.gov/f/201305_cfpb_OFE-request-for-information-report.pdf; U.S. Government Accountability Office, GAO-11-614, *Financial Literacy: A Federal Certification Process for Providers Would Pose Challenges* (June 2011) at Highlights, available at gao.gov/assets/330/320293.pdf.

2.2 The CFPB's financial literacy strategy

The CFPB has developed a strategy to improve consumers' financial capability and help consumers make better-informed financial decisions.³¹ Broadly, this strategy recognizes that financial literacy and financial capability require more than providing consumers with more information. Being able to manage one's financial life and make financial decisions that serve one's life goals requires a combination of knowledge, skills, and action. For that reason, the CFPB has pursued a strategy that focuses on identifying how, where, when, and through whom the CFPB can provide assistance to consumers for maximum benefit. The CFPB then develops and implements initiatives to carry out these approaches.

The CFPB's strategy has two key aspects:

- Education initiatives to reach consumers; and
- Research to identify and build effective practices.

Fundamental to both of these aspects is developing approaches to provide youth with opportunities to develop the knowledge and skills that will serve them as adults.

³¹ This financial literacy strategy is reflected in Goal 2 of the CFPB's strategic plan, which is to empower consumers to live better financial lives. See CFPB, *Consumer Financial Protection Bureau Strategic Plan FY 2013 - FY 2017* (Apr. 2013) at 16-23, available at consumerfinance.gov/strategic-plan/#goal2.

2.2.1 Education initiatives to reach consumers

The CFPB seeks opportunities to engage consumers at those moments when they are most receptive to learning about financial decisions. To this end, the CFPB has developed education initiatives to engage with consumers in a broad array of times and places. The CFPB does this through the tools and resources the CFPB makes available to consumers directly on the CFPB's website and elsewhere, and through other government agencies, community institutions, and others who can reach consumers at opportune moments. This work includes helping to build financial capability training into the provision of other products or services consumers may seek.

The CFPB provides tools and resources directly and also helps to build financial capability training into the provision of other products or services consumers may seek.

The CFPB's direct-to-consumer educational tools and resources focus on assisting consumers with the financial aspects of large life decisions, such as paying for college, buying a home, financing an auto, and retiring. The CFPB's tools and resources also provide assistance to consumers with ongoing financial management choices that can have significant life consequences, such as building an emergency savings cushion, managing debt, and passing on financial knowledge and skills to their children. The CFPB also provides a robust tool, *Ask CFPB*, to answer common consumer questions that arise as people make financial choices.

The CFPB seeks to support financial decisions today in a manner that will develop and sustain skills for future decisions and lay a foundation for future financial well-being. For example, students applying to college who use the *Financial Aid Shopping Sheet* and the *Paying for College* web tools are developing comparison-shopping skills they can apply to other major financial decisions. People seeking financing for a vehicle who use the CFPB's *Auto loan shopping sheet* to shop for and compare automobile financing options, and seek the best loan for their situation, similarly develop comparison-shopping skills they can apply to other products and services. The interactive *Planning for Retirement* tool helps consumers make an informed plan about when to claim Social Security benefits. The CFPB's *Youth Personal Finance Pedagogy* seeks to support youth educators in helping young people develop the foundational knowledge, skills, and personal attributes that support greater financial capability in adulthood, as appropriate at each stage of their development.

The CFPB focuses on ways to effectively reach consumers broadly and inclusively. The CFPB has developed targeted efforts to reach consumers with limited English proficiency and people with disabilities.³² The CFPB undertakes efforts that are tailored to the needs of specific populations such as servicemembers, students, older consumers, and low-income and economically vulnerable consumers. The CFPB focuses on ways to reach consumers in their communities, such as through schools, workplaces, and libraries, and as they make financial decisions. This entails broad and varied outreach with consumers and with organizations that serve consumers in order to build relationships, share information and promising practices, and connect to networks through which a larger portion of the public can be reached with timely and meaningful assistance and resources.

Section 3 of the report further discusses the CFPB's financial education initiatives.

2.2.2 Evidence-based research and evaluation to promote effective practices

The CFPB is conducting evidence-based research to expand the base of knowledge about what works to achieve positive financial outcomes and build greater financial well-being, and to support and build the field of financial education. The CFPB is using the results of the research to inform its own financial education work and is actively spreading the knowledge gained from the research to financial educators and others who can use it in their work in communities.

This financial education aspect of the CFPB's research aims to understand consumer perspectives and experiences in the financial marketplace and to identify and understand best practices in financial education. The CFPB seeks to incorporate that understanding into the development and delivery of financial education. Having completed foundational research that determined how to define financial well-being as the end goal of financial education, the CFPB has focused more recently on identifying the knowledge, skills, and habits associated with

³² For example, the CFPB developed and posted for public comment a Language Access Plan for providing limited English proficient consumers with access to CFPB resources. *See* 79 Fed. Reg. 60840 (Oct. 8, 2014).

financially capable consumers, as well as effective approaches to improving financial capability and well-being. This effort includes research into the childhood origins of adult financial well-being. By uncovering the developmental building blocks of adult financial capability, the CFPB seeks to increase understanding of approaches to youth financial capability and to provide recommendations for education and policy leaders that go beyond teaching financial facts.

The CFPB is synthesizing its latest research and input from the financial education field into a set of principles for effective financial education. These principles are a reflection of current knowledge about effective strategies for improving the knowledge, skills, behavior, and personal attitudes associated with financial well-being. The CFPB hopes that the principles can support further development of effective policies and programs across the field.

Section 4 of the report discusses the CFPB's financial education research.

2.2.3 Measurable performance goals

The CFPB incorporates measurable performance goals and objectives into its financial education work. For example, the CFPB tracks metrics on usage of online resources, such as the number of unique visits and views to areas of the CFPB's website that provide consumer tools, information, and assistance. When the CFPB offers new resources or materials through existing programs hosted by community providers or others, the CFPB builds in a measure of the number of people served through the programs. The CFPB is evaluating additional ways to assess the impact of its financial education efforts. As part of its financial well-being project, discussed later in the report, the CFPB has developed a tool to measure consumer financial well-being, and now is deploying a major effort to identify what knowledge and other factors affect financial well-being and how to measure these factors. The CFPB will use the learnings from this research to foster enhanced financial education and financial capability work by others, and further hone and target the CFPB's own financial education work.

2.3 Consultation with FLEC and alignment with the National Strategy

The CFPB's strategy to improve the financial literacy of consumers has been informed by its consultations with the Financial Literacy and Education Commission (FLEC, or the Commission). Congress established the Commission in 2003 with the mandate to improve the

financial literacy and education of Americans and to coordinate financial education efforts in the federal government through, among other things, development of a national strategy to promote financial literacy and education.³³ The Commission currently comprises representatives from 22 federal agencies and the White House Domestic Policy Council.

The Commission is chaired by the Secretary of the Treasury, and the CFPB's Director serves as Vice-Chair.³⁴ The CFPB is also an active member of the Commission's committees.³⁵ In these capacities and in its own work, the CFPB is actively engaged in furthering the *National Strategy for Financial Literacy (National Strategy)* and FLEC's current "Starting Early for Financial Success" strategic focus. The "Starting Early" strategic focus is intended to serve as a vehicle for achieving coordination of resources and activities among the Commission member agencies, as well as with other levels of government and the private and nonprofit sectors.³⁶ A number of the CFPB's activities are aligned with this strategic focus, including its youth initiatives and workplace financial education initiative. In addition, the CFPB's financial education research initiatives are consistent with the Commission's research priorities.³⁷ The CFPB also has played an active role in the Commission's public meetings and committee meetings.³⁸

³³ See Financial Literacy and Education Improvement Act, Pub. L. No. 108-159, Tit. V, § 513, 117 Stat. 2003 (2003) (codified at 20 U.S.C. §§ 9701-9709).

³⁴ 20 U.S.C. § 9702(c)(1); see Department of the Treasury, *Resource Center: Financial Literacy and Education Commission*, treasury.gov/resource-center/financial-education/Pages/commission-index.aspx.

³⁵ These committees are the Financial Capability, College and Career Readiness for Young People Committee, Starting Early for Financial Stability and Long-Term Savings & Investing Committee, and Research and Evaluation Committee.

³⁶ See Financial Literacy & Education Commission, *Minutes of Public Meeting* (Oct. 18, 2012), available at treasury.gov/resource-center/financial-education/Documents/Minutes%2010%2018%2012.pdf.

³⁷ Financial Literacy & Education Commission, *Research Priorities Applied to the 2013-2014 Strategic Focus, "Starting Early for Financial Success"* (May 2013), available at treasury.gov/resource-center/financial-education/Documents/Starting%20Early%20Research%20Priorities%20May%202013.pdf; Financial Literacy and Education Commission, *Research and Evaluation Working Group, 2012 Research Priorities and Research Questions*,

The CFPB is working with the Department of the Treasury and the other Commission members to update the *National Strategy*. The update will focus on what the Commission and its members have learned about financial education and capability since the *National Strategy* was released in 2011, developments in the financial education field, especially through the work of the Commission, and opportunities to continue to implement the *National Strategy*. The vision and goals of the *National Strategy*, which are described below, remain the same. The Department of the Treasury published the proposed updates for public comment on behalf of the Commission in April 2016.³⁹

The *National Strategy* establishes a guiding vision of “sustained financial well-being for all individuals and families in the United States.”⁴⁰ The CFPB has worked to define and develop measures of financial well-being in order to allow meaningful assessment of the effectiveness of financial education efforts. The CFPB undertakes this work not only to inform its own efforts, but also to inform the work of other FLEC agencies and others working in financial education

available at [treasury.gov/resource-center/financial-education/Documents/2012%20Research%20Priorities%20-%20May%202012.pdf](https://www.treasury.gov/resource-center/financial-education/Documents/2012%20Research%20Priorities%20-%20May%202012.pdf). The CFPB’s Office of Financial Education staff co-chairs the Commission’s Research and Evaluation Working Group, which developed these research priorities to coordinate research efforts among the FLEC agencies. The CFPB’s financial education research work is discussed in Section 4, below.

³⁸ See Financial Literacy and Education Commission Public Meeting (November 18, 2015) (preparing for financial security through saving and investing), *materials available at* [treasury.gov/resource-center/financial-education/Pages/flec11182015.aspx](https://www.treasury.gov/resource-center/financial-education/Pages/flec11182015.aspx); Financial Literacy and Education Commission Public Meeting (February 4, 2016) (leading practices in post-secondary education and next steps for financial inclusion), *materials available at* [treasury.gov/resource-center/financial-education/Pages/flec02042016.aspx](https://www.treasury.gov/resource-center/financial-education/Pages/flec02042016.aspx); Financial Literacy and Education Commission Public Meeting (June 29, 2016), *materials available at* [treasury.gov/resource-center/financial-education/Pages/flec06292016.aspx](https://www.treasury.gov/resource-center/financial-education/Pages/flec06292016.aspx).

³⁹ Department of the Treasury, *Comment Request for the Financial Literacy and Education Commission on the Draft National Strategy Update, Entitled Promoting Financial Success: National Strategy for Financial Literacy Update*, 81 Fed. Reg. 21445 (Apr. 11, 2016), [federalregister.gov/articles/2016/04/11/2016-08227/comment-request-for-the-financial-literacy-and-education-commission-on-the-draft-national-strategy](https://www.federalregister.gov/articles/2016/04/11/2016-08227/comment-request-for-the-financial-literacy-and-education-commission-on-the-draft-national-strategy). The comment period closed on May 11, 2016.

⁴⁰ See Financial Literacy & Education Commission, *Promoting Financial Success in the United States: National Strategy for Financial Literacy 2011* at 7, available at [treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20\(2\).pdf](https://www.treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20(2).pdf).

inside and outside the government sector. In a January 2015 report on the first phase of this research, the CFPB released a U.S. consumer-derived definition of financial well-being, and in December 2015, the CFPB released a set of questions, or “scale,” to measure financial well-being consistent with the consumer-derived definition. This work is discussed in Section 4.1.1, below.⁴¹

The *National Strategy* identifies four goals to help move the nation toward that guiding vision. The CFPB’s strategy aligns with each of these goals. The first goal of the *National Strategy* is to “increase awareness of and access to financial education.” The CFPB’s strategy likewise seeks to provide individuals and families with access to reliable, clear, timely, relevant, and effective financial information and educational resources disseminated through many channels, such as schools, employers, libraries, financial education practitioners, social workers, and others who provide products or services to consumers.

The second goal of the *National Strategy* is to “determine and integrate core financial competencies.” Core competencies are basic topic areas in financial management: earning, spending, saving and investing, borrowing, and protecting. The CFPB’s strategy includes providing tools and informational resources that help consumers develop and enhance their knowledge and skills in these basic areas of managing their personal finances.

The third goal of the *National Strategy* is to “improve financial education infrastructure.” The CFPB’s strategy relies on working with other governmental, private, and nonprofit organizations to reach consumers. In this way, the CFPB helps to develop, or enhance, existing infrastructure for delivering financial education to diverse constituencies and sharing information. For example, the CFPB’s youth employment pilot with the Department of Labor, known as Youth Employment Success (YES), will provide targeted technical assistance in up to 24 municipalities. Through the pilot, the CFPB and the Department of Labor are collaborating to work with local leaders to integrate financial knowledge and skill-building services into existing

⁴¹ See CFPB, *Financial well-being: The goal of financial education* (Jan. 2015), available at consumerfinance.gov/data-research/research-reports/financial-well-being/, and CFPB, *Measuring financial well-being: A guide to using the CFPB Financial Well-Being Scale* (Dec. 2015), available at consumerfinance.gov/data-research/research-reports/financial-well-being-scale/.

youth employment and training programs. Additionally, the CFPB developed its *Youth Financial Education Curriculum Review Tool*, a resource that educators can use when selecting and updating financial education curricula.

Goal four of the *National Strategy* is to “identify, enhance, and share effective practices.” The CFPB seeks to use evidence-based approaches in its financial education initiatives. The CFPB is conducting rigorous research and evaluation of financial literacy, education strategies, and metrics, and is sharing the results of this research widely as they become available. For example, to support the *National Strategy* vision and growing global consensus that individual financial well-being is the ultimate goal of financial literacy, the CFPB commissioned research to understand how children and youth develop the skills, attitudes, and habits that lay the foundations for financial well-being later in life. A paper presenting the results of this research, *Foundations of Financial Well-Being*, along with nine other new academic research papers on financial literacy and capability, were published in a special issue of the *Journal of Consumer Affairs* in conjunction with the Commission.⁴² In 2016, results of two randomized controlled trials studying the effectiveness of specific financial education approaches were published. This research is discussed in Sections 4.2.1 and 4.2.4, respectively.

These elements of the *National Strategy* are consistently reflected in the CFPB’s financial education and research initiatives, many of which are described in Sections 3 and 4 of this report, respectively.

⁴² See 49 *Journal of Consumer Affairs*, Special Issue on Starting Early for Financial Success (Michal Grinstein-Weiss & Margaret S. Sherraden, eds., Spring 2015), available at onlinelibrary.wiley.com/doi/10.1111/joca.2015.49.issue-1/issuetoc.

3. Financial education initiatives: Developing financial capability

The CFPB has developed a broad range of education initiatives to implement its financial literacy strategy to serve consumers in America. These initiatives are designed to provide consumers with actionable financial information and tools at important moments in their financial lives, and opportunities to develop the skills to navigate the financial marketplace and manage their financial lives effectively. The CFPB is approaching these tasks in two ways. First, the CFPB is engaging consumers directly through interactive tools, social media, a CFPB digital library of consumer information, and CFPB print publications. Second, the CFPB is reaching consumers by leveraging existing public, private, and nonprofit networks and efforts.

The CFPB's financial education initiatives are designed to provide consumers with opportunities to access a broad range of financial information, tools, services, and other resources to support financial capability. These include resources to assist with understanding and managing credit and one's individual credit records; evaluating credit products such as mortgages, credit cards, or student loans; preparing for education expenses and other major purchases; reducing debt and improving the consumer's financial situation; developing long-term savings strategies;

saving at the time of income tax filing; and providing opportunities to access savings, borrowing, and other financial services.⁴³

3.1 CFPB tools and resources

The CFPB has developed extensive resources to provide consumers directly with impartial information about the financial marketplace and tools for financial decision-making. One channel for communicating with consumers and those who help them is the CFPB’s website, consumerfinance.gov. The website now features financial education sections for distinct audiences. Consumer Tools contains tools and resources for individuals to use on their own. Education Resources adds more materials and programs for those who work with consumers.

Highlights of some of these resources are described below.

3.1.1 Ask CFPB

In March 2012, the CFPB launched *Ask CFPB*, an interactive online tool that gives consumers “when you need it” answers to questions about financial products and services. *Ask CFPB* now provides answers on topics including credit cards, mortgages, student loans, auto loans, bank accounts, and credit reports, as well as informing people of their rights when facing financial challenges such as debt collection. *Ask CFPB* is available at consumerfinance.gov/askcfpb/.

Ask CFPB gives consumers “when you need it” answers to questions about financial products and services.

Consumers can navigate *Ask CFPB* by typing in search terms or choosing a financial product category. Consumers can narrow a search to specific topics, such as “credit report” or “debit card” from any search page. Consumers can access information about financial issues applicable

⁴³ See 12 U.S.C. § 5493(d)(2).

to specific populations, such as servicemembers, students, older consumers, or parents. Answers to common questions are available in Spanish at consumerfinance.gov/es/obtener-respuestas/. Ask CFPB has served more than 12 million visitors since its launch.

3.1.2 Consumer Experience Program

The CFPB's Consumer Experience Program provides actionable information and online tools to help consumers navigate major financial decisions. In 2016, a tool focused on the decision of when to start collecting Social Security was added to the series, which now includes modules focused on key moments throughout the financial life cycle: paying for college, owning a home, and planning for retirement.

Paying for College

Paying for College comprises three resources targeted to students and families evaluating their options when financing a higher education: *Student financial guides*, *Compare financial aid offers*, and *Repay student debt*. The resources address the entire life cycle of financing college, from comparing college costs and financial aid offers, to shopping for a loan,

through assessing options to repay student loan debt after graduation. The CFPB first launched *Paying for College* in 2012 and continues to develop the resources based on user experience.

The *Paying for College* resources described below are available at consumerfinance.gov/paying-for-college/.

Paying for College is a set of online resources targeted to students and families evaluating their options when financing higher education.

STUDENT FINANCIAL GUIDES

Choosing a loan helps students and families understand their options for financing the cost of college. This tool helps consumers to make informed choices by showing the future costs and risks of different financing options. For example, private student loans can be more expensive for borrowers and do not offer as many consumer protections or options as federal loans to reduce or postpone payments. The tool includes expert advice on the different types of student loans and a plain-language explanation of the terms, conditions, costs, and fees associated with these different products. A printable one-page action guide details steps that students and families can take to evaluate financing options.

Student banking: Managing your college money guides current and prospective college students through what may be their first major set of choices in the financial services marketplace. Users can learn about financial aid disbursement options and bank accounts, and the costs and risks of different options. Current and prospective college students can use *Managing your college money* to help them get settled financially, even before they get to campus.

COMPARE FINANCIAL AID OFFERS

Financial aid offer letters that prospective students receive from schools can be confusing. Descriptions of the different types of available financial aid can vary widely. *Compare financial aid offers* allows users to make apples-to-apples comparisons among financial aid offers from different colleges and universities. Users can take the financial aid offer letters provided by their schools and build a personalized visualization of future costs of particular college and financial aid package choices – including an estimate of the monthly payment upon graduation that would be required to pay back the combined types of student loans. This tool uses data from the Department of Education to fill in information that may not be included in the applicant’s financial aid offer letter, giving users a more complete picture of their options. The tool also allows servicemembers, veterans, and eligible family members to calculate military educational benefits to which they may be entitled.

REPAY STUDENT DEBT

Approximately 42 million Americans collectively owe more than \$1.3 trillion in federal and private student loan debt.⁴⁴ Many borrowers are eligible for a wide range of alternative repayment plans and other consumer protections, but they may not understand their options. *Repay student debt* guides users through a series of questions and provides a set of recommendations tailored to their answers. Borrowers can learn about repayment options that may lower their monthly payment or provide short-term relief if they are facing financial

⁴⁴ See U.S. Department of Education, *Federal Student Aid Portfolio Summary*, available at studentaid.ed.gov/sa/sites/default/files/fsawg/datacenter/library/PortfolioSummary.xls.

difficulties. Borrowers in default can learn about options that might hold the key to repairing their credit, going back to school, or bringing their loans back into good standing.

The CFPB released version 2.0 of *Repay student debt* in May 2015. The tool now features sample instructions that student loan borrowers can send to their student loan servicers when seeking an affordable payment on a private student loan, requesting a cosigner be released from a loan obligation, or directing a student loan servicer to apply a prepayment in a manner that is in the borrower's best interest.

Owning a Home

Owning a Home is a suite of tools and resources to educate, support, and empower consumers to shop effectively for a mortgage and to make better, more informed decisions throughout the mortgage process. It helps consumers understand the basics of mortgages, orient themselves to the market and the steps of the home loan process, and consider factors that may affect their own mortgage decision. The tools and resources aim to create a culture of shopping in the mortgage market by helping consumers understand what types of mortgages may be available to them, get organized to successfully navigate the mortgage shopping process, and learn what questions to ask along the way. *Owning a Home* is informed by and supports the CFPB's broader *Know Before You Owe* effort to make mortgage costs clearer and easier to understand. The *Owning a Home* tools and resources described below are available at consumerfinance.gov/owning-a-home/.

KNOW THE PROCESS

The mortgage process is complex, and many consumers find it difficult to know whether they are on the right track. In September 2015, the CFPB launched an interactive guide, *Know the process*, to help consumers navigate the mortgage process. The guide includes action steps, information, and tips that take consumers from the beginning of the process, when they are preparing to buy a home, through closing, when they sign for their mortgage loan. The guide includes four sections: *Prepare to shop*, *Explore loan choices*, *Compare loan offers*, and *Get ready to close*. The guide also includes links to the other *Owning a Home* tools and resources, described below, which allow consumers to consider factors specific to their situations. This guide is available at consumerfinance.gov/owning-a-home/.

EXPLORE INTEREST RATES

When starting the process of obtaining a mortgage loan, many consumers struggle to understand what a “good” loan offer looks like for them, or what they can expect. In January 2015, the CFPB launched a tool that helps consumers explore the range of interest rates they might expect to be offered, and how much they might be able to save – for example, by shopping among different lenders, changing their down payment amount, or improving their credit score. The tool helps consumers orient themselves to the market and understand how shopping around for different offers or terms might affect their bottom line. This tool is available at consumerfinance.gov/owning-a-home/explore-rates/.

UNDERSTAND LOAN OPTIONS

The kind of mortgage a consumer chooses has a big impact on how much the consumer ends up paying – up-front, monthly, and over the life of the loan. *Understand loan options* is a consumer guide to understanding the basics of mortgage loans and the key choices that make up a loan option, such as loan term, loan type, and interest rate type. Knowing what kind of loan options exist can prepare a consumer for talking to lenders and getting the best deal. This resource is available at consumerfinance.gov/owning-a-home/loan-options/.

INTEGRATION WITH NEW DISCLOSURES

As discussed further in Section 3.2.8, below, the CFPB published a rule in December 2013 that provides for new mortgage disclosure forms that became effective for use as of October 3, 2015.⁴⁵ These forms are the Loan Estimate and Closing Disclosure. The new forms make it easier for consumers to understand and compare terms of different mortgage loans. The forms also include links to webpages on the CFPB’s website that provide consumers with timely information at the junctures in their mortgage journey when they receive each of these

⁴⁵ More information about the new disclosures is available on the CFPB’s regulatory implementation page at [consumerfinance.gov/policy-compliance/guidance/implementation-guidance/tila-respa-disclosure-rule//](https://consumerfinance.gov/policy-compliance/guidance/implementation-guidance/tila-respa-disclosure-rule/) and at consumerfinance.gov/know-before-you-owe/.

disclosure forms: consumerfinance.gov/mortgage-estimate/ and consumerfinance.gov/mortgage-closing/.

In addition, in September 2015, the CFPB released interactive sample disclosure forms that help consumers understand the details and terms used on the forms. The interactive sample disclosure for the Loan Estimate form is available at consumerfinance.gov/owning-a-home/loan-estimate/. The interactive sample disclosure for the Closing Disclosure form is available at consumerfinance.gov/owning-a-home/closing-disclosure/.

CLOSING RESOURCES

Closing on a home and mortgage can be stressful. A mortgage loan is a major financial commitment, and consumers need to review the loan contract and other materials carefully. However, there are a lot of documents to review. In October 2014, the CFPB released two resources to help consumers navigate the process: a closing checklist and a guide to key closing documents. Both resources were updated in September 2015 and are available at consumerfinance.gov/owning-a-home/process/close/.

These tools are complemented by the CFPB's revised settlement booklet, *Your Home Loan Toolkit*. The *Toolkit* booklet is further described in Section 3.2.8.

Planning for Retirement

Planning for Retirement is an interactive online educational tool to help people make an informed decision about when to claim Social Security. More than 2 million consumers make this important financial decision each year. Many consumers start collecting benefits at the earliest possible claiming age without understanding that claiming early may reduce their total benefits, and thereby reduce their financial security in retirement. The tool helps consumers understand how their claiming age affects their benefits, provides tips relevant to their situation, and prompts consideration of retirement needs and goals. The *Planning for Retirement* tool is available in English at consumerfinance.gov/retirement/before-you-claim/. The tool is available in Spanish at consumerfinance.gov/retirement/before-you-claim/es/.

ESTIMATES OF BENEFITS AT DIFFERENT CLAIMING AGES

Consumers can plug in their date of birth and highest annual work income to see their estimated monthly benefits based on their claiming age. They can see the difference in benefits associated with claiming at a variety of ages between age 62 and age 70. Estimates are based on current formulas from the Social Security Administration (SSA), not a user's actual earnings record.

Consumers can also compare how their estimated annual benefits at each claiming age compare to their annual work income.

CUMULATIVE VALUE OF BENEFITS

By selecting different claiming ages consumers can see how the one-time decision may affect them in the long run. The tool shows the estimated cumulative value of benefits by age 85. Consumers can see that waiting several years to begin claiming their monthly benefits can result in more money each year later in life.

IMPACT OF DIFFERENT LIFE FACTORS

The tool provides tips to help users consider the relationship between claiming age and other related factors, such as marital status, other expected sources of income, plans for working after age 60, and general expectations of longevity. For example, on average, Social Security replaces only about 40 percent of a worker's income. That means a consumer's retirement savings, pension, 401(k), individual retirement account (IRA), or other resources will need to fill the gap. Claiming at the full Social Security benefit age or later can minimize this gap and maximize a consumer's monthly benefit. If a consumer claims before his or her full retirement age, the monthly benefit could be reduced by as much as 30 percent.

3.1.3 CFPB en Español and other languages

According to 2014 census data, 39 million people in the United States speak primarily Spanish at home.⁴⁶ Recognizing the need for Spanish-language digital resources, the CFPB offers a version of its website that provides Spanish-speaking consumers with a central

CFPB en Español provides Spanish-speaking consumers a central point of access to the CFPB's most-used consumer resources available in Spanish.

⁴⁶ U.S. Census Bureau, *2014 American Community Survey 1-Year Estimates*, factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk.

point of access to the CFPB’s most-used consumer resources translated into Spanish. The website has four major components: *Ask CFPB* content in Spanish; a consumer complaints page that highlights the complaint process and the phone number consumers can call to submit a complaint in Spanish; an About Us page with Spanish-language videos and introductory content about how the CFPB works to protect consumers; and a home page that offers details on the CFPB’s resources for consumers in search of a mortgage and those who already own a home. The website is available at consumerfinance.gov/es/. The CFPB’s website also includes financial education resources in Chinese, Vietnamese, Korean, Tagalog, Russian, Arabic, and Haitian Creole, available at consumerfinance.gov/language/.

3.1.4 Publications and advisories

The CFPB has created a range of publications for consumers that provide straightforward information about money management and other financial issues. These publications include brochures about checking a credit report, avoiding checking account fees, tax time savings, how to avoid foreclosure, what to do when unable to pay credit card bills, and other topics. The CFPB makes many of these resources available in English and Spanish, as well as eight other languages, and provides them for download or bulk ordering at pueblo.gpo.gov/CFBPubs/CFBPubs.php. For example, the CFPB’s *Newcomer’s Guides to Managing Money* are available in English, Spanish, Chinese, Arabic, French, Haitian Creole, Tagalog, Korean, Vietnamese, and Russian. A list of current publications is provided in [Appendix A](#).

Between October 2015 and August 2016, the CFPB distributed close to 6 million copies of its publications. Among the most popular during that period were *Understand your credit score*, *My new money goal* worksheet, *How to become debt-free*, and *How to rebuild your credit*. Roughly 2.7 million of these publications, or 46 percent, were distributed via the more than 920 library systems participating in the CFPB’s community financial education initiative discussed at Section 3.2.3, below. The CFPB hosts a list of printed materials curated especially for libraries, which libraries can order through the government at no cost. The list is available at <https://orders.gpo.gov/cfplibraries.aspx>.

The CFPB periodically issues consumer advisories on its website that provide guidance to consumers on particular challenges that come to the CFPB’s attention through the complaint process, the news, or other means. The CFPB’s consumer advisories can be found by going to consumerfinance.gov/about-us/blog/, clicking “show” in the Filter Posts box, and choosing the topic “consumer advisory.”

Tax refund informational inserts

Over the past four tax years, the CFPB, through the Department of the Treasury's Bureau of the Fiscal Service, has provided informational inserts with over 35 million tax refund checks sent to consumers, using a Treasury program available to federal agencies. For the 2016 tax year, the inserts linked the receipt of the tax refund check with a message to consumers about the benefits of saving, including setting aside money for sudden expenses, big financial investments, or major purchases. Approximately 11 million consumers who received these inserts were offered the opportunity to receive more information about these savings opportunities by navigating to consumerfinance.gov/tax-time-saving/.

3.1.5 Financial education practitioners

Financial education practitioners comprise a broad range of individuals and organizations that help consumers take charge of their financial lives. They may be housing counselors, credit counselors, financial advisers and coaches, librarians, tax preparers, K-12 teachers, or people working in community-based financial education programs. They may be financial educators or may provide services related to financial education such as research, evaluation, policy analysis, training and technical assistance, funding, and social and human services. They may be in universities, state and local education agencies, nonprofit organizations, or financial institutions.

The CFPB learned through outreach efforts during its first two years that there was widespread demand from the financial education community for a mechanism to learn about the CFPB's consumer financial education work and to share and learn about ideas and best practices from the CFPB and each other. The CFPB also learned about challenges faced by the financial

education community, which include the diversity of approaches, providers, and standards of quality in this broad field.⁴⁷

The CFPB has considered and developed a number of approaches to these challenges. In consultation with FLEC, the CFPB has explored the possibility of a designation for qualified institutions, such as universities, state and local educational agencies, nonprofit agencies, and financial institutions, as centers of excellence to develop and implement effective financial literacy programs.⁴⁸ A 2011 study and report by the Government Accountability Office (GAO) on the feasibility of certifying organizations that provide financial literacy programs underscored the challenges involved.⁴⁹ The report concluded that such a process would likely pose its own significant challenges, including burden and cost on the covered institutions and agencies.⁵⁰ The report recognized the difficulty of creating a single process for certifying such a diverse field, especially where there is a lack of consensus about which financial literacy strategies and approaches are most effective.⁵¹

⁴⁷ See CFPB, *Feedback from the financial education field* (May 13, 2013) at 11, available at consumerfinance.gov/f/201305_cfpb_OFE-request-for-information-report.pdf.

⁴⁸ For example, a 2015 FLEC report surveyed existing campus-based and noncampus-based financial education programs for postsecondary students. See Financial Literacy & Education Commission, *Opportunities to Improve the Financial Capability and Financial Well-being of Postsecondary Students* (2015), available at treasury.gov/resource-center/financial-education/Documents/Opportunities%20to%20Improve%20the%20Financial%20Capability%20and%20Financial%20Well-being%20of%20Postsecondary%20Students.pdf. In 2015, the CFPB also discussed with FLEC members examples of centers of excellence within existing federal programs, potential criteria for such centers, and examples of universities and organizations already doing important work around financial literacy.

⁴⁹ U.S. Government Accountability Office, GAO-11-614, *Financial Literacy: A Federal Certification Process for Providers Would Pose Challenges* (June 2011), available at gao.gov/assets/330/320203.pdf.

⁵⁰ *Id.*; see 12 U.S.C. § 5493(d)(7).

⁵¹ U.S. Government Accountability Office, GAO-11-614, *Financial Literacy: A Federal Certification Process for Providers Would Pose Challenges* (June 2011), available at gao.gov/assets/330/320203.pdf. A Department of Education effort to rate colleges encountered similar challenges. The Department has opted in favor of putting

The CFPB works to serve and strengthen the broad field of financial educators by pursuing a rigorous program of research to provide evidence of financial education practices that work and sharing research and effective practices among financial educators and others. The CFPB is synthesizing the results of its research in a set of principles for effective financial education that provide proven and emerging strategies that financial educators can apply in their work to improve consumers' financial well-being. The CFPB also offers resources through both program- and subject-specific channels, such as *Your Money, Your Goals* training sessions for social service providers and virtual *Military financial educator forums* for people who serve members of the military and their families. Further, as described below, the CFPB has created a network through which financial education practitioners can share information and learn more about ways they can apply the CFPB's research findings, consumer tools, and other resources to their day-to-day work with consumers. The CFPB also continues to work with FLEC members to share ideas and best practices for standards of quality for the financial education field.

Sharing tools and information: CFPB FinEx

In May 2015, the CFPB established the *CFPB Financial Education Exchange (CFPB FinEx)*. *CFPB FinEx* is an online and in-person information exchange that provides centralized access to CFPB tools, research on consumer financial behavior and effective practices, and other resources for financial educators. It also allows the CFPB to gather feedback and facilitates discussion among financial educators. To sign up for *CFPB FinEx*, educators can send an email to the CFPB at CFPB_FinEx@cfpb.gov. As of September 2016, close to 2,000 financial educators have signed up for *CFPB FinEx*.

Financial educators can access the CFPB's financial education resources through the *Resources for financial educators* webpage, which is available at consumerfinance.gov/adult-financial-education/. This webpage includes a printable, shareable inventory of the CFPB's tools, research reports, and

information and tools in the hands of consumers and others so they can make informed comparisons and choices, and developing meaningful metrics to measure outcomes. See Department of Education, *Helping families navigate their higher education options* (June 2015), blog.ed.gov/2015/06/helping-families-navigate-their-higher-education-options/-families-navigate-their-higher-education-options/.

other resources. The inventory is available at consumerfinance.gov/f/201603_cfpb_finex-resource-inventory.pdf. Financial educators who have signed up for *CFPB FinEx* also receive monthly e-newsletters with information on some of the CFPB's research, tools, and resources, and have the opportunity to participate in monthly webinars on CFPB resources.

As part of *CFPB FinEx*, the CFPB also has convened in-person listening sessions in which it shares research findings, gathers input, and encourages peer learning among local financial educators. This continues the listening and learning from financial education practitioners and stakeholders that the CFPB has done since its inception, through in-person meetings, presentations, and webinars. The CFPB continues to seek opportunities to hear from financial educators to determine how it can best continue to support the development and sharing of skills among financial education practitioners using the most recent research on consumers' motivations. In addition to six regional convenings in the field in 2016, the CFPB hosted a national *CFPB FinEx* convening in Washington D.C. Through this event, more than 180 practitioners engaged in a dialogue to help shape the CFPB's principles for effective financial education.

3.2 Initiatives with others

To reach consumers with financial education, the CFPB works with a broad range of entities that include, among others, other federal agencies; state and local governments; private and nonprofit organizations; schools, workplaces, libraries, and other community institutions and organizations; and financial services providers. This work takes many forms. The CFPB uses existing infrastructure to reach consumers where they are and to leverage and complement

effective efforts already underway, including building financial capability education and approaches into the provision of other products and services.⁵²

3.2.1 Financial education for children and youth

Research indicates that financial capability involves a broad set of attributes that is developed and honed over time as individuals gain new experiences and encounter new environments.⁵³ Therefore, starting financial education early with age-appropriate and relevant information gives young people more chances to develop the key building blocks of financial capability.

The CFPB is working to increase opportunities for children and youth to develop financial capability and skills as they grow. The CFPB is working to do this by supporting those who are in the position to create these opportunities: (1) educators; and (2) parents and caregivers. The CFPB is working to advance this goal in two primary ways: by undertaking projects to embed financial education opportunities within existing youth programs and initiatives; and by providing resources and information to support others in implementing financial education policies and programs in their communities. Through these key stakeholders and approaches, the CFPB hopes to ensure that all children and youth have access to evidence-based, age- and developmentally-appropriate financial education. CFPB tools and resources supporting youth financial education can be found at consumerfinance.gov/youth-financial-education/.

The CFPB is working to increase opportunities for children and youth to develop financial capability and skills as they grow.

⁵² Much of this work with others involves the CFPB's fellow member agencies in the Financial Literacy and Education Commission.

⁵³ See Anita I. Drever et al., *Foundations of Financial Well-Being: Insights into the Role of Executive Function, Financial Socialization, and Experience-Based Learning in Childhood and Youth*, 49 *Journal of Consumer Affairs*, Special Issue on Starting Early for Financial Success 13 (Spring 2015), available at onlinelibrary.wiley.com/doi/10.1111/joca.12068/full.

Understanding how consumers navigate their financial lives is essential to helping people grow their financial capability over the life cycle. But where and when during childhood and adolescence do people acquire the foundations of financial capability? Recognizing the general lack of foundational research in this area, the CFPB conducted research to identify the developmental origins of financial capability, as well as the most promising strategies and techniques for positioning youth for a life of adult financial capability. The research led to the creation of a new evidence-based developmental framework on how young people learn and develop the building blocks of financial capability. The CFPB published its research findings in the report entitled *Building blocks to help youth achieve financial capability: A new model and recommendations*. More information about the underlying research is included in Section 4.1.2, below. The CFPB is putting its research findings into practice by developing tools and resources for consumers and for community and school providers of financial education. Examples include the CFPB's *Money as You Grow* webpage and resources for parents, the *Money as You Grow* book club, and the *Youth Personal Finance Pedagogy* for teachers, discussed below.

Support for educators

The CFPB is working to support those seeking to increase opportunities for children and youth to develop financial capability and skills by providing them with resources and information to use as they implement financial education in their communities. The CFPB strives to promote collaboration and information sharing and to support educators directly engaged in teaching young people by leveraging its role as a convener and through the development of targeted tools and resources, including a personal finance pedagogy for teachers and a curriculum review tool.

RESOURCE GUIDE

In 2015, the CFPB released a resource guide entitled *Advancing K-12 Financial Education: A Guide for Policymakers*. The CFPB developed the guide in collaboration with the Education Commission of the States and the nonprofit Council for Economic Education, and with input from state policy leaders. The CFPB shares this guide through ongoing webinars, national and state conference presentations, and targeted meetings with stakeholders. The CFPB continues to build on this guide as it learns about new and innovative efforts. The CFPB also hosts periodic webinars featuring new research, insights, and best practices for policy leaders. The guide is available at consumerfinance.gov/data-research/research-reports/advancing-k-12-financial-education-a-guide-for-policymakers/.

CFPB PERSONAL FINANCE PEDAGOGY FOR TEACHERS

Pedagogy is the art and science of teaching. It includes instructional methods for imparting knowledge and skills to students and improving student-learning outcomes. Traditionally, in formal education, each subject has a framework or a pedagogy for how to teach specified topics. For example, in math, younger children may focus on counting, while older children are adding and subtracting. These skills build on one another. As personal finance is a relatively new area of K-12 instruction, many teachers lack a pedagogy to consult. In response to this need, the CFPB has developed a *Youth Personal Finance Pedagogy* for youth financial capability skill development. The pedagogy is informed by the CFPB's research into the childhood developmental origins of adult financial well-being. The pedagogy was released in September 2016, and includes recommendations for educators that are built from familiar and common teaching strategies used in other subjects.⁵⁴

The pedagogy guides K-12 educators in developing three youth financial capability components: executive functioning skills, financial habits and norms (financial socialization), and financial decision-making skills, at appropriate stages of child development. The pedagogy lays a foundation for the CFPB to offer teachers who want to incorporate developmentally and age-appropriate financial education strategies into their lessons. The pedagogy takes into account the fact that children's behaviors, skills, and attitudes continue to develop as they mature. Incorporating these strategies into lesson plans for children and youth is designed to ease students' transition to a financially capable adulthood and, ultimately, their ability to achieve and maintain financial well-being as adults.

YOUTH FINANCIAL EDUCATION CURRICULUM REVIEW TOOL

More policymakers are recognizing the importance of teaching financial education to youth by requiring that personal finance be taught as part of K-12 education. Educators who wish to teach financial education have few resources to help them select the most promising or appropriate

⁵⁴ See CFPB, *Youth Personal Finance Pedagogy*, consumerfinance.gov/f/documents/092016_cfpb_PedagogyModel.pdf.

financial education curriculum from among the wide range of available curricula and curriculum providers.

The CFPB seeks to fill this gap with its *Youth financial education curriculum review* tool. Built upon the best information available about curriculum effectiveness, the tool provides criteria for analyzing and selecting curricula for educating students. The tool also can help those who are creating financial education curricula identify strengths of current curricula and areas for further development. The CFPB's tool also is designed to inspire more discussion about financial education curriculum for the K-12 classroom and offer clues about future avenues for exploration. The tool is available at consumerfinance.gov/data-research/research-reports/youth-financial-education-curriculum-review-tool/.

Support for parents and caregivers

Parents and caregivers are in a powerful position to introduce and reinforce development of financial skills, habits, and attitudes in their children. The CFPB continues its work to engage parents and caregivers in the financial education of children by encouraging discussion of money management topics at home and providing information and tools

for having money conversations with children. The CFPB's information and tools are based on a developmental framework that examines the skills and behaviors that support financial well-being and considers how these are developed throughout childhood and into young adulthood.

Parents and caregivers are in a powerful position to help children develop skills, habits, and attitudes that can lead to financial well-being in adulthood.

MONEY AS YOU GROW

The CFPB has created a dedicated webpage for parents and caregivers that identifies key stages of childhood financial development, following the CFPB's developmental model for youth financial capability. The webpage offers practical, age-appropriate activities and conversation starters designed to help parents and caregivers learn techniques for encouraging their kids to

develop positive financial knowledge, skills, and attitudes. The activities and conversation starters are based in large part on *Money as You Grow*, a website recommended as an initiative by the President’s Advisory Council on Financial Capability.⁵⁵ The initiative, originally developed by Beth Kobliner, chair of the Council’s *Money as You Grow* working group, offered essential, age-appropriate financial lessons – with corresponding activities – that children need to know as they grow. In 2016, the CFPB transferred *Money as You Grow* to its new home on consumerfinance.gov and relaunched its resources for parents and caregivers. The webpage is available in English at consumerfinance.gov/money-as-you-grow/ and in Spanish at consumerfinance.gov/es/el-dinero-mientras-creces/. The page also offers the Federal Deposit Insurance Corporation’s (FDIC) *Money Smart for Young People* guides for parents and caregivers, in English and Spanish.

The CFPB’s website also hosts the new *Money as You Grow* book club, a family financial education program that uses children’s books to help families talk about and discover new skills. This program is available at consumerfinance.gov/money-as-you-grow/book-club/. The book club helps younger children learn key money concepts through reading, play, and quiet one-on-one talks with parents and caregivers. The book club provides a curated list of books, readily available at libraries and bookstores, along with a guide to discussing the money themes in each book. Parents and caregivers can choose, read, and discuss books that support key financial education goals including:

- Reading and planning together as a family.
- Having positive discussions about money, rather than negative ones.
- Using play and fun activities to help young children learn and build good money habits.
- Empowering parents and caregivers to talk to children about money and household decisions.

⁵⁵ See President’s Advisory Council on Financial Capability, *Final Report* (Jan. 29, 2013) at p.14, available at treasury.gov/resource-center/financial-education/Documents/PACFCYA%20Final%20Report%20June%202015.pdf

The CFPB also offers a set of *Ask CFPB* questions and answers especially for parents and caregivers, which is available at consumerfinance.gov/askcfpb/ and clicking Families and Money. These questions and answers are available in Spanish by visiting consumerfinance.gov/es/obtener-respuestas/ and clicking Enseñar a otros.

FDIC COLLABORATION TO DEVELOP YOUTH FINANCIAL CAPABILITY

The CFPB is collaborating with the FDIC on an initiative to help youth build skills to make better financial decisions to achieve their own goals throughout the stages of their lives. The collaboration focuses on improving youth financial capability by developing and promoting financial education resources for youth, parents and caregivers of youth, and teachers. As part of this collaboration, the FDIC developed a new *Money Smart for Young People* curriculum series for youth from preschool through age 20, with resources for parents, caregivers, and teachers. The collaboration uses the CFPB's expertise in working directly with consumers to build financial decision-making skills. The resources and initiatives developed to date are:

- **Teacher online resource center:** The CFPB and FDIC launched a *Teacher online resource center* on the FDIC website, fdic.gov/consumers/education/torc/, which offers resources and activities teachers can use to bring financial education into their classrooms. In a second project, with consultation from the CFPB, the FDIC produced a series of videos illustrating activities for middle school students, with a discussion of ways to adapt the activities for elementary and high school students.
- **Money Smart guides for parents and caregivers:** For the first time, *Money Smart for Young People* features guides for parents and caregivers that can accompany the lessons given by a teacher to reinforce learning at home. They also can be used on a stand-alone basis by the parent or caregiver. The parent and caregiver guides are available through *Money Smart for Young People* download links on the FDIC website at fdic.gov/consumers/education/torc/curriculumtools.html and from the CFPB's website at consumerfinance.gov/money-as-you-grow/ by clicking on "See activities and conversation starters."

As part of this project, the FDIC invited banks to participate in its Youth Savings Pilot, a program designed to encourage youth financial education through the opening of safe, low-cost savings accounts by school-age children. This project supports the CFPB's recommended strategy of building opportunities for experiential learning, and the CFPB and its stakeholders can benefit from the FDIC's key learnings from this pilot program.⁵⁶

FINANCIAL EDUCATION IN YOUTH EMPLOYMENT PROGRAMS

Youth employment programs in local communities offer a unique opportunity to provide young people with services to build financial capability through direct experience and timely guidance. Youth who may be entering the workforce for the first time can build habits to serve them throughout their working lives. In 2013, the CFPB, along with federal agency colleagues from FLEC, convened a roundtable of national and local leaders to discuss current efforts to help youth build financial capability through employment programs. Building on the key takeaways, the CFPB developed tools to help communities that want to include financial capability skills in their youth employment programs and worked with several communities to pilot the new tools in 2014. Since 2015, the CFPB has been working with the Department of Labor's Employment and Training Administration to expand the program. Municipal leaders and local workforce boards in 24 communities are now integrating financial capability services into their youth employment programs. Innovations and lessons from this program are being shared with municipal leaders and the Department of Labor's broader workforce system, which includes American Job Centers nationwide.⁵⁷

⁵⁶ The CFPB highlighted the importance of experiential learning in its recommendations for youth financial education in 2013, and in its recent report on building blocks to help youth achieve financial capability. See CFPB, *Investing in Our Future: Conference Summary: National Conference on Youth Financial Education & Capability* hosted by CFPB on April 30, 2013, available at consumerfinance.gov/f/201312_cfpb_summary_youth-financial-capability-conference.pdf; CFPB, *Building blocks to help youth achieve financial capability: A new model and recommendations*, available at consumerfinance.gov/data-research/research-reports/building-blocks-help-youth-achieve-financial-capability/.

⁵⁷ See generally Department of Labor, The Public Workforce System, doleta.gov/business/pws.cfm.

3.2.2 Workplace financial education

The workplace is where many people earn their income and make critical financial decisions. At work, people may decide how to allocate their wages to current needs, savings, investing for retirement, and other important life goals. Research suggests that employers can play an important role in helping people avoid financial distress and in promoting long-term financial well-being.⁵⁸ Employers can do this by implementing practices in the workplace that strengthen the financial capability of employees to meet their own life goals, including making it easier for employees to adopt positive saving habits.

The CFPB has been studying how innovative companies are leveraging technology, peer-to-peer relationships, and other promising practices to implement low-cost, high-impact ways to increase their employees' engagement in their own financial lives. The CFPB continues to build on the foundation laid in its 2014 report, *Financial wellness at work*, which provides a resource of promising practices and policies for promoting financial wellness via the workplace. The CFPB has been sharing learnings with other federal agencies, employers, and the public through FLEC meetings, as well as in CFPB convenings with financial education practitioners and others interested in financial education and the workplace. The CFPB also has been working to implement promising practices through its own workplace financial education program, described below.

Office of Personnel Management

The Thrift Savings Plan Open Elections Act of 2004 (TSP Open Elections Act) requires the Office of Personnel Management (OPM) to develop and implement a retirement financial literacy and education strategy for federal employees. The statute directs that the strategy “educate Federal employees on the need for retirement savings and investment; and ... provide information related to how federal employees can receive additional information on how to plan

⁵⁸ See, e.g., Kelly D. Edmiston et al., Federal Reserve Bank of Kan. City, 009-01 Research Working Papers, *Weighing the Effects of Financial Education in the Workplace* (Oct. 2009), available at kansascityfed.org/publicat/cap/carwp09-01.pdf.

for retirement and calculate what their retirement investment should be in order to meet their retirement goals.”⁵⁹ OPM’s strategy calls for federal agencies to develop and submit to OPM a retirement financial education plan based on the educational model in the strategy and an annual report describing their activities.⁶⁰ The CFPB submitted 2014, 2015, and 2016 financial education plans to OPM and received “exceptional” ratings, meaning its plans “can be used as a model for others to use and can be demonstrated as a best practice by an agency.”

Building a model financially fit workplace: Foundations

The CFPB has implemented a workplace financial education program that addresses OPM guidance under the TSP Open Elections Act, discussed above, by providing its employees with access to retirement and federal benefits-related information. More broadly, the program seeks to provide just-in-time financial education for key life events and decision points in employees’ financial lives. The program, called *Foundations*, aligns with FLEC’s Starting Early for Financial Success strategic focus, which includes an Early Career and Retirement component. This component is designed to help people plan and act for long-term financial well-being early in their careers by promoting financial education and capability in the workplace. The CFPB’s program augments tools such as automatic enrollment in retirement plans with training and information sessions for employees and free financial planning assistance.

3.2.3 Community financial education: Libraries

The CFPB works with many community-based institutions and organizations that can help to reach consumers with financial education tools and resources in their communities, such as libraries, faith-based organizations, and social service providers. The CFPB’s libraries project is described more fully below.

⁵⁹ Pub. L. No. 108-469, § 2(c), 118 Stat. 3891, 3892 (2004) (codified at 5 U.S.C. § 8350 note).

⁶⁰ See Office of Personnel Management, Benefits Administration Letter 11-104, Agency Retirement Financial Education Plans (Mar. 25, 2011).

Since July 2014, the Office of Financial Education has worked to promote consumers' access to reliable, unbiased financial education and resources through public libraries across the country. Research indicates that libraries

are highly trusted as a source of information and serve consumers effectively in times of economic stress.⁶¹ These factors, along with library presence in local communities across the country, make them natural channels for financial education. As of September 2016, the CFPB was working with library staff in more than 920 communities across 49 states, the District of Columbia, and Puerto Rico, representing more than 2,700 library branches.

The CFPB is working to help libraries become community hubs for financial education.

The CFPB works with national organizations that have relationships with libraries and local communities and can make additional resources available to them. These include organizations such as the FINRA Investor Education Foundation, the American Library Association, the Institute of Museum and Library Services, the Federal Reserve Bank of Chicago, the Department of Agriculture National Institute of Food and Agriculture, the National Foundation for Credit Counseling, the Foundation for Financial Planning, and the National Endowment for Financial Education, as well as other federal agencies such as the Federal Trade Commission (FTC), the FDIC, the SEC, and the SSA. The CFPB consults with libraries in order to learn about library capabilities and constraints, and the types of programs that would be attractive and realistic for libraries to implement.

The CFPB supports libraries to provide more financial education programming in a number of ways. The CFPB provides webinar and in-person training for librarians on financial education topics and provides financial education program ideas. The CFPB also provides suggestions for possible presenters and others in the libraries' communities who can help with providing unbiased programs, including organizations that can provide services for library patrons such as free credit counseling and free financial planning services. The CFPB works with libraries

⁶¹ See, e.g., Pew Research Center, *How Americans Value Public Libraries in Their Communities* (2013) at 18-19, 23, available at libraries.pewinternet.org/files/legacy-pdf/PIP_Libraries%20in%20communities.pdf.

individually and on a state-by-state basis to help them develop local partnerships and build on existing programs, resources, and infrastructure to reach consumers in their neighborhoods with financial education programs and resources.

Libraries have participated in the project by receiving and distributing free financial education and program materials, participating in library staff training, sharing best practices, working with financial education partners in their communities, or learning more about how the project can help them enhance financial education in their communities. Participating libraries include public, academic, law, government, and school libraries, as well as libraries on military bases and Native American tribal lands. Resources for libraries, including program ideas, training, display materials, and other financial education resources, are available at consumerfinance.gov/library-resources/.

3.2.4 Servicemembers

Military installation and unit visits

The Office of Servicemember Affairs conducts activities designed to reach servicemembers at the places where they live and work to make them aware of the CFPB's resources, including the CFPB's complaint process, and to hear about their challenges and concerns. Between October 1, 2015, and September 30, 2016, the Office delivered consumer financial educational information and materials to more than 9,000 servicemembers, veterans, military family members, and other stakeholders through live events. This included interacting with more than 3,300 active-duty servicemembers and National Guard personnel through leadership roundtables and town hall-style listening sessions at 20 military installations.

These sessions provided a forum for military personnel and their families to relay their financial challenges and for the CFPB to provide educational information and materials to help them make better-informed financial decisions. The installations visited were representative of all five service branches of the armed forces and included regional commands, senior leadership development schools, and military entrance processing stations.

Along with the installation visits, the Office of Servicemember Affairs conducted more than 140 outreach events across the United States to engage various stakeholder groups and deliver consumer resources directly to the military community. These stakeholder groups consisted of a diverse field of leaders, educators, financial education practitioners, and military consumer

protection advocates in the armed services, academia, law, the financial industry, federal and state governments, and others.

Training for service providers

The Office of Servicemember Affairs' educational efforts have included providing subject matter expertise and consumer resources to the military legal community. CFPB staff have provided instruction at military consumer legal protection briefings at Judge Advocate General (JAG) schools for the Army, Air Force, and Marine Corps. The CFPB also provides training to legal assistance attorneys on military installations. These efforts help extend the CFPB's educational reach by leveraging the extensive consumer law mission of the JAG Corps and ensuring that JAG legal assistance attorneys have up-to-date information on federal laws and policies affecting servicemembers in the consumer marketplace.

The CFPB provides online training for service providers who assist servicemembers and their families worldwide with consumer financial issues.

In 2013, the Office of Servicemember Affairs began hosting an ongoing series of virtual *Military financial educator forums* on consumer financial topics for service providers who deliver financial, educational, or legal counseling to servicemembers and their families worldwide. In January 2014, the CFPB began making the forums available as on-demand video trainings on the CFPB's website at consumerfinance.gov/servicemembers/on-demand-forums-and-tools/. The Office of Servicemember Affairs has continued to expand its catalog of on-demand videos, which now includes issues in debt collection, credit reporting and the military, student loan issues, veteran consumer issues, dealing with debt collectors, and solutions for a troubled mortgage.

Delayed Entry Program

Many young people entering the military may plan to buy their first automobile or make a large consumer purchase as soon as they graduate from basic training and begin receiving their military paychecks. Some may have significant consumer debt from before they entered the military. While the military provides a financial class during basic training, the information is not always well absorbed during that hectic and stressful time.

The CFPB's Delayed Entry Program (DEP) initiative is designed to reach recruits prior to basic training, during the "delayed entry" time period. This period runs from the time a prospective servicemember signs a military enlistment agreement to the time he or she leaves home for basic training. The time period can range from a few weeks to over a year. The Office of Servicemember Affairs identified this as an opportune time to offer just-enough, just-in-time education on smart consumer decision-making and money and credit and debt management, with an eye to helping recruits avoid the financial problems that routinely arise during their initial months on active duty. In January 2016, the Office of Servicemember Affairs made a resource available to the military services designed specifically for young people waiting to begin their military service. *Misadventures in Money Management* is a virtual financial education learning experience that fills a critical gap in financial education for DEP participants.

Work with veterans

The Office of Servicemember Affairs is working to reach veterans by building communication channels with veteran-support organizations that promote consumer protection. This channel-building effort has included providing briefings about CFPB resources and particular consumer financial protection issues to veterans' service organizations; engaging with public policy groups to identify consumer issues for older veterans; and establishing relationships with groups looking for resources to address financial risk factors for veterans, including local veterans' treatment courts, faith-based service providers, neighborhood organizations, and women's groups. It has included working with veterans authorities to create distribution networks at the state and local levels for CFPB educational materials addressing veteran-specific issues, as well as more general CFPB resources.

3.2.5 Students

Financial Aid Shopping Sheet

Beginning in 2011, the CFPB worked with the Department of Education to develop a *Financial Aid Shopping Sheet* to help students and their parents make informed decisions about how to finance higher education expenses. Financial aid offers from colleges and universities often fail to make basic information clear, such as how much of a particular aid offer is made up of loans that need to be paid back and how much comes from grants that do not. The *Financial Aid Shopping Sheet* is a standardized, easy-to-read financial aid award letter that colleges and universities can send to prospective students. It is designed to allow college applicants to better understand the debt implications of their college financing choices and compare the costs and

financial aid offers of the schools to which they apply.⁶² As of August 2016, 3,244 colleges and universities, with a combined enrollment of 13.4 million students, had agreed to adopt it. The *Financial Aid Shopping Sheet* is available at collegecost.ed.gov/shopping_sheet.pdf.

Public service employers and student debt

In August 2013, the CFPB launched a workplace initiative focused on empowering public service organizations to help their employees tackle their student loan debt. As part of this initiative, the CFPB developed a toolkit that these organizations can use to help employees learn about their options and qualify for federal loan repayment benefits. The toolkit contains action guides, frequently asked questions, and information on best practices when implementing a workplace initiative on student debt. The toolkit is available at consumerfinance.gov/f/201308_cfpb_public-service-toolkit.pdf. The CFPB provides training to human resources professionals at public service organizations and offers technical support to organizations seeking to participate in this initiative.

Federal loan repayment benefits include a loan forgiveness program for employees of public service organizations.⁶³ The CFPB estimates that up to 25 percent of the U.S. workforce is employed in public service, as defined by Congress, and may be eligible for federal student loan forgiveness programs.⁶⁴ These employees include teachers, librarians, firefighters, military personnel, law enforcement, first responders, nurses, and social workers. The CFPB's report

⁶² In April 2012, the President of the United States issued an Executive Order requiring colleges that accept Department of Defense Tuition Assistance Program funds to provide military students with an offer letter based on the principles developed for the *Financial Aid Shopping Sheet*, in order to provide better information to recipients of military and veteran education benefits. The Executive Order also encouraged colleges that accept Post-9/11 G.I. Bill benefits to do the same. See Exec. Order No. 13607, *Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses, and Other Family Members*, 77 Fed. Reg. 25,861 (May 2, 2012).

⁶³ See College Cost Reduction and Access Act, Pub. L. No. 110-84, Tit. IV, 121 Stat. 800 (2007) (codified at 20 U.S.C. § 1087e(m)).

⁶⁴ See CFPB, *Public Service & Student Debt: Analysis of Existing Benefits and Options for Public Service Organizations* (Aug. 2013) at 2, available at consumerfinance.gov/data-research/research-reports/public-service-and-student-debt/.

analyzing many of the loan repayment benefits available for employees of public service organizations is available at consumerfinance.gov/data-research/research-reports/public-service-and-student-debt/.

Outreach for students

The Office for Students engages with young adult consumers and stakeholders throughout the higher education community and works with a range of organizations to disseminate information to help younger consumers make informed choices in the marketplace. This has included hosting webinars and in-person presentations to demonstrate the features of the CFPB's *Paying for College* set of tools, providing technical assistance, and participating in other training sessions for professionals seeking to assist student loan borrowers in distress. These events are attended by a range of audiences including students, student advocates, financial aid advisers, and college counselors.

TRAINING AND OUTREACH AROUND STUDENT LOAN COMPLAINTS

To help ensure consumers learn about the CFPB complaint process, the Office for Students has sent letters about the process to more than 7,000 college and university officials across the country, and notified state banking regulators in all 50 states about the process. The Office for Students also leads conference calls with student groups, college and university officials, consumer groups, and customer advocates at major financial institutions. These conference calls highlight the CFPB's consumer response function, consumer education materials related to student loan servicing and student loan repayment, and themes and trends identified in the CFPB's reporting on student loan complaints.

The Office for Students has published a series of consumer advisories warning consumers about problems identified through the complaint process, including advice for borrowers seeking to

spot student loan “debt-relief” scams.⁶⁵ The Office for Students developed a series of instructions and sample letters that student loan borrowers can use to communicate effectively with student loan servicers. These include instructions or sample letters on how to request a lower monthly payment when experiencing financial distress, how servicers handle prepayments, and how to request that a cosigner be released from a loan.⁶⁶ In 2015, the CFPB integrated these letters into the *Repay student debt* web tool, a component of the CFPB’s *Paying for College* set of tools available at consumerfinance.gov/paying-for-college/repay-student-debt.

3.2.6 Older consumers

Financial security work with the Social Security Administration

In 2015, the CFPB continued and expanded its collaboration with the Social Security Administration (SSA). In addition to its work with SSA in ongoing interagency working groups, including FLEC and the Elder Justice Coordinating Council, the CFPB is working with SSA on financial security initiatives for older consumers. The CFPB is informing the public, through consumerfinance.gov/about-us/blog/plan-and-protect-your-finances-with-a-my-social-security-account/ and other channels, about the benefits of opening a *my Social Security* account with SSA. These accounts help consumers plan for their future by providing them with free online access to their personal Social Security information, including their earnings records and estimated benefits based on retirement at different ages. Consumers can open a *my Social Security* account at ssa.gov/myaccount/.

⁶⁵ See CFPB, *Consumer Advisory: Student loan debt relief companies may cost you thousands of dollars and drive you further into debt* (2014), consumerfinance.gov/about-us/blog/consumer-advisory-student-loan-debt-relief-companies-may-cost-you-thousands-of-dollars-and-drive-you-further-into-debt/ .

⁶⁶ See CFPB, *Struggling private student loan borrowers are still searching for help* (2014), consumerfinance.gov/about-us/blog/struggling-private-student-loan-borrowers-still-searching-for-help/; CFPB, *Consumer advisory: Co-signers can cause surprise defaults on your private student loans* (2014), consumerfinance.gov/about-us/blog/consumer-advisory-co-signers-can-cause-surprise-defaults-on-your-private-student-loans/; CFPB, *Consumer advisory: Stop getting sidetracked by your student loan servicer* (2013), consumerfinance.gov/about-us/blog/consumer-advisory-stop-getting-sidetracked-by-your-student-loan-servicer/.

Interagency guidance on privacy laws and reporting financial abuse of older adults

In 2012, financial institution officials raised concerns about whether the privacy provisions of the Gramm-Leach-Bliley Act (GLBA) precluded financial institutions from reporting suspected elder financial exploitation. The Office for Older Americans, working with the CFPB's Office for Supervision Policy, developed interagency guidance for financial institutions to clarify the applicability of privacy provisions of GLBA to their reporting of suspected financial exploitation of older adults. Eight federal regulatory agencies with authority to enforce the privacy provisions of GLBA released the guidance on September 24, 2013.⁶⁷ The goal of the guidance is to provide financial institutions more certainty about the legality of reporting suspected abuse, thereby facilitating financial institutions' timely reporting of suspected abuse so that law enforcement and adult protective services officials can take appropriate protective action. The CFPB has worked to raise awareness about the guidance and about the importance of reporting suspected elder financial exploitation to appropriate local, state, and federal agencies.

Following the release of the guidance, the Senior\$afe training program for financial institutions in Maine was launched through a collaborative effort between financial institutions and organizations, including the Maine Department of Professional and Financial Regulation and the state's Office of Aging & Disability Services—Adult Protective Services.⁶⁸ In addition, state bank regulators in Minnesota and New York issued similar guidance for their state-supervised financial institutions.⁶⁹ Also, state securities regulators, through the North American Securities

⁶⁷ See *Interagency Guidance on Privacy Laws and Reporting Financial Abuse of Older Adults* (Sept. 24, 2013), available at consumerfinance.gov/f/201309_cfpb_elder-abuse-guidance.pdf. The eight agencies are the Board of Governors of the Federal Reserve System, the Commodity Futures Trading Commission, the CFPB, the FDIC, the Federal Trade Commission, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the SEC.

⁶⁸ See Maine Bankers Association, *Senior\$afe*, available at mainebankers.com/wp-content/uploads/sites/56/2015/12/Senior-Safe-Brochure.pdf.

⁶⁹ Minnesota Department of Commerce, *Guidance on Privacy Laws and the Reporting of Financial Abuse of Older Adults*, mn.gov/commerce/industries/financial-institutions/privacy-laws-and-reporting-financial-abuse.jsp; New

Administrators Association (NASAA), began an initiative on senior issues and diminished capacity. In January 2016, the NASAA adopted the Model Act to Protect Vulnerable Adults from Financial Exploitation. The NASAA also created an informational website, serveourseniors.org, with resources for industry, caregivers, policymakers, and investors.

Elder financial exploitation response networks

Elder financial exploitation destroys the financial security of millions of older adults annually. In response to this crisis, hundreds of communities across the United States have created collaborative networks to protect their older residents. Elder financial protection networks of state and local governments, elder justice advocates, law enforcement agencies, financial service providers, and other key stakeholders have been working to increase prevention of, and improve community response to, elder financial exploitation. However, networks do not exist in thousands of communities. Working with the Federal Research Division of the Library of Congress, the CFPB studied the activities undertaken by existing networks, their outcomes, and best practices. In August 2016, the CFPB released a report and resource guide based on this research to support stakeholders in creating or expanding local networks. The report and resource guide are available at consumerfinance.gov/data-research/research-reports/report-and-recommendations-fighting-elder-financial-exploitation-through-community-networks/.

Money Smart for Older Adults

The CFPB continues a strong partnership with the FDIC on *Money Smart for Older Adults* (MSOA). MSOA is an instructor-led training module within the FDIC's *Money Smart* program.⁷⁰ It provides older consumers and their caregivers with information on preventing and responding to elder financial exploitation. The Office for Older Americans and the FDIC have

York State Department of Financial Institutions, *Guidance for Financial Institutions on Preventing Elder Financial Exploitation* (Feb. 26, 2015), available at nyselderabuse.org/documents/NYSDFS2-26-15FinExplguidelines.pdf.

⁷⁰ *Money Smart* is a financial education curriculum designed to help low- and moderate-income individuals enhance their financial skills. See FDIC, *Money Smart – A Financial Education Program*, fdic.gov/consumers/consumer/moneysmart/index.html.

developed train-the-trainer materials and offer in-person and webinar training sessions. MSOA is being delivered to consumers through a broad range of intermediaries, including state and local governments and nonprofit and financial service organizations in 49 states. The materials include a *Participant/Resource Guide* that can be used by people who do not attend a local training session. The *Participant/Resource Guide* presents information about different types of fraud, scams, and exploitation that target older people and provides tips and warning signs on how to prevent losses and report cases. The *Participant/Resource Guide* is available for download at consumerfinance.gov/f/201306_cfpb_msoa-participant-guide.pdf or for order at pueblo.gpo.gov/CFPBPubs/CFPBPubs.php. Instructor materials are available from the FDIC at fdic.gov/consumers/consumer/moneysmart/olderadult.html. To increase the reach of this program, the CFPB and the FDIC are updating the MSOA content and have made the *Participant/Resource Guide* available in Spanish. During the period from October 2015 through September 2016, the CFPB distributed more than 170,000 MSOA *Participant/Resource Guides*.

Federal and intergovernmental forums

The CFPB is working with and in a variety of federal and intergovernmental forums on preventing elder abuse. The CFPB serves as a member agency of the Elder Justice Coordinating Council (the Council). The Council was established by the Elder Justice Act of 2009 to coordinate activities related to elder abuse, neglect, and exploitation across relevant federal, state, local, and private agencies and entities.⁷¹ The Council is chaired by the Secretary of Health and Human Services (HHS). The CFPB is one of 11 member agencies, in addition to HHS, that HHS has identified for membership based on administering programs related to abuse, neglect, or financial exploitation of older consumers. In May 2014 the Council approved eight recommendations for increased federal involvement in addressing elder abuse, neglect, and exploitation.⁷² Several of the Office for Older Americans' projects are consistent with the

⁷¹ See Pub. L. No. 111-148, § 6703, 124 Stat. 786 (2009) (codified at 42 U.S.C. § 1397k).

⁷² Elder Justice Coordinating Council, *Eight (8) Recommendations for Increased Federal Involvement in Addressing Elder Abuse, Neglect and Exploitation*, available at

Council's recommendations, including the *Managing Someone Else's Money* guides and *Money Smart for Older Adults*.

Outreach for older consumers

The Office for Older Americans continues to engage in extensive outreach with older consumers and other stakeholders. The Office for Older Americans provides information and guidance to organizations that help older consumers protect themselves against unfair, deceptive, and abusive practices and work to strengthen their financial capability with current and future financial choices; and hears from organizations serving older adults about issues in the field. Between October 1, 2015, and September 30, 2016, the Office delivered consumer financial educational information and materials to over 640,000 older adults and their family members and caregivers directly and through organizations serving older adults.

The Office for Older Americans collaborated with Meals on Wheels America this year on an initiative to reach homebound older adults. The CFPB produced consumer education placemats that Meals on Wheels volunteers include with meal delivery nationwide. In 2016, the CFPB distributed 360,000 placemats to Meals on Wheels, as well as to congregate senior meal sites. The placemats are available for download on the CFPB's website at consumerfinance.gov/f/documents/201605_cfpb_meals-on-wheels-placemat.pdf.

Publications: Issues affecting older consumers

REVERSE MORTGAGES

Reverse mortgages can be a useful tool for seniors bridging financial gaps in retirement. But reverse mortgages are complex financial instruments that, when used without careful planning, can jeopardize older homeowners' financial security. The CFPB offers a plain-language guide to reverse mortgages for consumers on the CFPB's website at

aoa.acl.gov/AoA_Programs/Elder_Rights/EJCC/docs/Eight_Recommendations_for_Increased_Federal_Involvement.pdf; see generally HHS, Administration on Aging, Elder Justice Coordinating Council, aoa.acl.gov/AoA_Programs/Elder_Rights/EJCC/index.aspx.

consumerfinance.gov/f/201206_cfpb_Reverse_Mortgage_Guidance.pdf. The guide is also offered through other federal agencies, nonprofit organizations, and housing counselors throughout the country. The guide highlights key decision points to help potential reverse mortgage borrowers assess the financial ramifications of securing a reverse mortgage. The guide is available in Spanish at consumerfinance.gov/f/201411_cfpb_guide_considering-reverse-mortgage-guide_spanish.pdf.⁷³

MANAGING SOMEONE ELSE'S MONEY GUIDES

The Office for Older Americans produced four *Managing Someone Else's Money* guides to assist people who are managing money or property for a family member or friend who is unable to pay bills or make financial decisions.⁷⁴ The CFPB created the *Managing Someone Else's Money* guides for lay people who are responsible for handling another person's money. This includes agents under powers of attorney, court-appointed guardians and conservators, trustees, and government benefit fiduciaries (Social Security representative payees and VA fiduciaries). The guides explain the duties and responsibilities of people acting in each of these fiduciary roles, how to watch out for scams and financial exploitation, what to do if a family member or friend is a victim, and where to go for help. The guides are available in English and Spanish and can be ordered individually or in bulk at no charge at pueblo.gpo.gov/CFPBPubs/CFPBPubs.php. They also can be accessed on the CFPB's website at consumerfinance.gov/about-us/blog/managing-someone-elses-money/ (English) and consumerfinance.gov/about-us/blog/resources-in-

⁷³ The CFPB also has issued two consumer advisories on reverse mortgages: CFPB, *Consumer advisory: Three steps you should take if you have a reverse mortgage*, consumerfinance.gov/blog/consumer-advisory-three-steps-you-should-take-if-you-have-a-reverse-mortgage/, and CFPB, *Consumer advisory: Don't be misled by reverse mortgage advertising*, consumerfinance.gov/blog/consumer-advisory-dont-be-misled-by-reverse-mortgage-advertising/.

⁷⁴ A number of other federal agencies, including SSA, VA, HHS, the FTC, and the U.S. Postal Inspection Service, as well as AARP's Caregiving Resource Center, have posted or discussed the guides or provided links to the guides on their websites, written blog posts, or included information in e-newsletters. See, e.g., FTC, *Managing someone else's money*, consumer.ftc.gov/blog/managing-someone-elses-money/; U.S. Postal Inspection Service, postalinspectors.uspis.gov/pressroom/pubs.aspx; AARP, *Managing a Loved One's Money*, aarp.org/home-family/caregiving/info-2014/caregiving-managing-loved-ones-money.html.

[spanish-that-could-help-thousands-of-older-hispanics-spot-financial-exploitation-and-scams/](#)
(Spanish).

A second phase of the *Managing Someone Else's Money* initiative includes the release of state-specific guides for six states (Arizona, Florida, Georgia, Illinois, Oregon, and Virginia). Guides for Virginia and Florida were released in 2015, Oregon guides were released in April 2016, and the three remaining guides are planned to follow. In October 2015, the CFPB released *Tips on adapting the CFPB guides for your state* to help experts in other states create similar sets of state-specific guides. These resources can be accessed at [consumerfinance.gov/managing-someone-elses-money](#). From October 2015 through September 2016, the CFPB distributed more than 200,000 *Managing Someone Else's Money* guides.

PROTECTING RESIDENTS FROM FINANCIAL EXPLOITATION: A MANUAL FOR ASSISTED LIVING AND NURSING FACILITIES

The Office for Older Americans produced a guide to help operators of nursing facilities and assisted-living residences protect the people in their care from financial exploitation through prevention and early intervention. The guide provides facility personnel with information to help identify warning signs of financial exploitation and a model protocol for intervening to prevent significant losses to victims. The guide is available at [consumerfinance.gov/f/201406_cfpb_guide_protecting-residents-from-financial-exploitation.pdf](#). From October 2015 through September 2016, the CFPB distributed more than 15,000 copies of this guide and the information was also disseminated through other channels.⁷⁵

⁷⁵ For example, the manual was featured in a 12-minute educational video from LeadingAge, an organization representing providers of housing or care for the aging. See [leadingage.org/Preventing_Elder_Financial_Exploitation.aspx](#).

3.2.7 Low-income and economically vulnerable consumers

The Office of Financial Empowerment works to integrate financial empowerment strategies into existing public-sector and nonprofit programs that assist low-income and economically vulnerable people who are among the traditionally underserved by financial services providers.

Financial empowerment toolkit and training

Over the last four years, the Office of Financial Empowerment developed, field-tested, and released *Your Money, Your Goals: A financial empowerment toolkit*. The toolkit provides information and tools that people can use to incorporate financial capability into their work with low-income and economically vulnerable populations and to make referrals to specialized providers in their local communities. The toolkit includes information on

People working with low-income or economically vulnerable populations can use *Your Money, Your Goals* to help the people they serve grow their skills in personal money management.

topics such as emergency savings; understanding, correcting, and building credit history; managing debt; cash flow budgeting; and identifying financial products consumers can use to pursue various financial and life goals. The toolkit includes worksheets and other tools people can use to strengthen their personal money management skills. For example, the toolkit includes tools for requesting a credit report and for understanding and managing debt. The CFPB released a report detailing the national launch of the *Your Money, Your Goals* toolkit in August 2016, which is available at consumerfinance.gov/f/documents/201608018_cfpb_report_ymyg_national-launch.pdf.

There are four versions of the *Your Money, Your Goals* toolkit, each designed to address a particular group of users and specific context for financial empowerment work: social service organizations, legal aid organizations, volunteer organizations, and worker organizations. Over the last year, the CFPB continued to provide training and technical assistance to partners from a variety of sectors and backgrounds on the use of the toolkit and how to integrate financial empowerment work into their existing service delivery models. More than 50 partners came on board in 2016, including 29 nonprofit social service organizations; seven local, state, and federal government agencies; six legal aid organizations; three worker organizations; three community development financial institutions, and two community volunteer organizations.

In fall 2016 the CFPB released the first in a series of specialized sets of financial empowerment tools designed to help consumers with a specific money management topic. The first in this series, *Behind on Bills*, offers simple and colorful worksheet-style tools to track expenses and income, manage cash flow, pay bills, and deal with debt. More information is available, and service providers can sign up to get more information about the toolkit and trainings, at consumerfinance.gov/your-money-your-goals/.⁷⁶

Credit reports for youth in foster care

The Preventing Sex Trafficking and Strengthening Families Act of 2014 requires that each child age 14 and older in foster care receive annually a free copy of any consumer credit report pertaining to the child until the child is discharged from foster care, and receive assistance in interpreting and resolving any inaccuracies in the report.⁷⁷ State and county child welfare agencies are currently working with the national credit reporting companies to implement these requirements.

Since implementation of these requirements, the CFPB has worked with stakeholders at the Children's Bureau of HHS, the FTC, and youth advocacy organizations to help streamline the procedures for child welfare agencies to pull the credit reports. The CFPB developed resources and tools for caseworkers who are responsible for pulling and cleaning up credit reports for youth in foster care. These include tip sheets to help them detect identity theft, fraud, and errors, and understand how to resolve inaccuracies in the reports. Sample letters are available

⁷⁶ More information is also available at CFPB, *More momentum for promoting tools for social service programs* (Jan. 29, 2015), consumerfinance.gov/about-us/blog/more-momentum-for-promoting-tools-for-social-services-programs/; CFPB, *More financial empowerment tools for communities* (Apr. 22, 2015), consumerfinance.gov/about-us/blog/more-financial-empowerment-tools-for-communities/.

⁷⁷ See Pub. L. No. 113-183, § 113(b)(2)(B) (Sept. 29, 2014) (codified at 42 U.S.C. § 675(5)(I)). Effective September 29, 2015, this law replaced a provision in The Child and Family Services Improvement and Innovation Act, enacted in 2011, that applied identical requirements to youth 16 and older in foster care.

for disputing credit report errors directly or on behalf of youth in foster care. These materials are available at consumerfinance.gov/about-us/blog/how-to-protect-vulnerable-children-from-identity-theft/#dispute.

Reentry programs

Approximately 636,000 inmates are released from federal and state custody each year, according to the Bureau of Justice Statistics.⁷⁸ By some estimates, 60-75 percent of former inmates are unemployed one year after release.⁷⁹ Financial challenges can create barriers to success for the reentry population. The CFPB participates in the Federal Interagency Reentry Council, a Department of Justice forum for collaboration and information exchange among more than 20 federal agencies. Through its participation on the Reentry Council, the CFPB has been able to coordinate with other agencies to provide information and resources about consumer finance issues facing reentry consumers. For example, the CFPB issued an advisory describing how to get a security freeze or fraud alert on one's credit report to help prevent identity theft and other issues associated with unauthorized access to credit reports.⁸⁰

Tax time savings: Work with Volunteer Income Tax Assistance (VITA) sites

For the fourth year, the CFPB, in consultation with the Internal Revenue Service (IRS), worked to encourage Earned Income Tax Credit (EITC) eligible recipients to save part of their tax refund as a seed to grow savings. The EITC is a refundable tax credit, and for many low-to-moderate-income families, may represent the largest lump sum of money they will receive all year. The

⁷⁸ U.S. Dep't of Justice, Bureau of Justice Statistics, *Prisoners in 2014* at p.9 (Sept. 2015), available at bjs.gov/content/pub/pdf/p14.pdf.

⁷⁹ National Institute of Justice, *Research on Reentry and Employment*, available at nij.gov/topics/corrections/reentry/pages/employment.aspx#note1.

⁸⁰ CFPB, *Identity theft and fraud protection tips*, consumerfinance.gov/f/documents/201604_cfpb_fraud-protection-tool-for-justice-involved-individuals-handout.pdf.

initiative uses the free tax preparation services offered to low- and moderate-income taxpayers through VITA sites to reach EITC-eligible individuals and families.

In 2013 the CFPB worked with VITA programs to pilot the CFPB's *Ready? Set. Save!* initiative, which encouraged EITC-eligible taxpayers and other taxpayers with low incomes to precommit to saving a portion of their refunds at the time their taxes were being prepared.

In 2014 the CFPB expanded the pilot and provided training and materials to volunteer tax preparers and approximately 100 VITA programs that served approximately 75,000 low- and moderate-income taxpayers. Each VITA program received worksheets, checklists, and posters to encourage taxpayers to consider saving. The CFPB designed the training to better equip volunteers to have a conversation about saving with taxpayers at the time they learn the amounts of their refunds and to inform them about saving options. Using many of the informational materials developed and learning from the previous pilot, the CFPB made materials and webinar training broadly available to the VITA field in 2015. The CFPB conducted a four-city pilot, in conjunction with the Corporation for National and Community Service, in which saving specialist training was provided to National Civilian Community Corps teams that were then deployed to VITA programs around the country. This strategy was based on one of the lessons learned from the 2014 pilot: the most effective VITA sites had additional staff or volunteer capacity to dedicate to saving promotion. The CFPB made tax time savings materials broadly available via download to all organizations offering tax preparation services.⁸¹

Following the 2015 tax season, the CFPB published a white paper entitled *Increasing saving at tax time and promising practices for the field*, which identifies 10 promising practices employed by VITA programs that have shown potential to increase saving rates among taxpayers with low incomes. The CFPB used this promising-practice platform to launch a large-scale pilot in 2016 that included 41 VITA programs around the country to test these practices at greater scale. The 41 VITA programs, located in 25 states, varied in size from serving a few hundred taxpayers each

⁸¹ See CFPB, *Getting a grip on income tax season* (Feb. 10, 2014), consumerfinance.gov/about-us/blog/getting-a-grip-on-income-tax-season/.

season to two programs that served more than 30,000 taxpayers. In aggregate, the pilot programs served over 340,000 taxpayers in 2016. The CFPB updated the training materials to focus on the 10 promising practices and updated the consumer-facing materials to reflect new savings options such as the myRA retirement account. All training and consumer materials are available at consumerfinance.gov/tax-preparer-resources.⁸²

3.2.8 Financial services marketplace

CFPB rules implementation

One way the CFPB works to empower consumers to take more control over their economic lives is by helping to make the marketplace more transparent. The CFPB does this, in part, by educating consumers about the protections that are available to them. The CFPB has undertaken consumer education initiatives in connection with remittance transfers and mortgages, and in 2016, auto loans.

The CFPB works to make the marketplace more transparent by educating consumers about the protections available to them.

REMITTANCES

Researchers estimate that consumers transfer tens of billions of dollars from the United States to recipients in foreign countries each year. The Dodd-Frank Act expanded the scope of the Electronic Fund Transfer Act to provide protections for senders of international remittance transfers.⁸³ The CFPB's remittance transfer rule implementing these new protections went into

⁸² This initiative fulfills a statutory mandate for the CFPB, to provide consumers with wealth-building strategies and access to financial services during the preparation process to claim the EITC. *See* 12 U.S.C. § 5493(d)(2)(F). Research to identify additional ways to increase tax time savings is discussed in Section 4.2.5, below.

⁸³ 15 U.S.C. § 16930-1.

effect in October 2013.⁸⁴ To inform and educate consumers who send money internationally, the CFPB developed materials covering topics such as disclosure requirements, error resolution, and cancellation rights under the rule, in five languages. These materials are available for free for order or download at pueblo.gpo.gov/CFPBPubs/CFPBPubs.php.

MORTGAGES

Along with various CFPB rules that went into effect over the past three years that provide new rights and protections to homeowners and to consumers shopping for home mortgages, the CFPB has developed educational resources to help mortgage consumers and those who interact with consumers on their home loans.

The CFPB developed a detailed guide for housing counselors who help borrowers who are having trouble paying their mortgage. The guide, *Help for Struggling Borrowers*, is available at consumerfinance.gov/f/201402_cfpb_mortgages_help-for-struggling-borrowers.pdf. The CFPB also developed a tool that both lenders and consumers can use to generate a list of 10 housing counseling agencies in the consumer's geographic area that are approved by the Department of Housing and Urban Development (HUD).⁸⁵ The tool can be found at consumerfinance.gov/find-a-housing-counselor/. The CFPB published open source code so lenders, as well as their vendors and developers, can design applications that incorporate HUD's housing counselor data. Use of the CFPB's specific tool is optional for lenders.

⁸⁴ Information about the rule can be found at consumerfinance.gov/remittances-transfer-rule-amendment-to-regulation-e/.

⁸⁵ The Dodd-Frank Act amended the Real Estate Settlement Procedures Act to require that lenders provide a list of homeownership counseling organizations to consumers who are applying for mortgage loans. Under the CFPB's rules implementing this requirement, lenders are required to give mortgage applicants a written list of homeownership counseling organizations in the applicant's geographic area within three business days of receiving the consumer's application.

The CFPB assumed responsibility for three informational publications that lenders are required to deliver to consumers when they apply for a mortgage loan, an adjustable rate mortgage, or a home equity line of credit.⁸⁶

Know Before You Owe initiatives

The CFPB seeks to make the costs, risks, and benefits of financial products and services easier for consumers to understand through a series of initiatives collectively known as *Know Before You Owe*. The goal of these projects is to help consumers make better-informed choices about these products and services for themselves and their families.

⁸⁶ These publications are *Shopping for your home loan: Settlement cost booklet* (Settlement Cost); *Consumer handbook on adjustable-rate mortgages* (CHARM); and *What you should know about home equity lines of credit* (HELOC). The CFPB published the booklets with initial technical and conforming updates in January 2014.⁸⁶ In connection with the CFPB's issuance of new mortgage loan disclosure forms that became effective for use as of October 3, 2015, the Settlement Cost booklet was updated and retitled *Your home loan toolkit: A step-by-step guide*. The booklets and *Toolkit* are available at consumerfinance.gov/learnmore/.

MORTGAGE DISCLOSURES, TOOLKIT, AND OWNING A HOME

The Dodd-Frank Act directed the CFPB to issue rules and model disclosures that would integrate the disclosures that consumers receive in connection with applying for and closing on a mortgage loan under federal law.⁸⁷ The CFPB's *Know Before You Owe* mortgages project implemented this directive, combining the four key federal mortgage disclosures – the initial Truth in Lending Act (TILA) disclosure, the Good Faith Estimate, the final TILA disclosure, and the HUD-1 Settlement Statement – into two easier-to-use forms, one for the application stage and one for the closing stage. The two mortgage disclosure forms developed under this process – the Loan Estimate and the Closing Disclosure – became effective for use as of October 3, 2015.⁸⁸

In connection with these new forms, the CFPB developed a new consumer information booklet, *Your home loan toolkit: A step-by-step guide*, to help consumers use the new forms to guide them through the process of shopping for a mortgage and buying a home.⁸⁹ The booklet contains worksheets, checklists, research tips, terms, and conversation starters to help homebuyers shop with confidence for the home loan that suits their needs. It includes a sample Closing Disclosure to help homebuyers become comfortable with the document. The electronic version meets federal accessibility standards.

Using the *Toolkit* allows lenders to satisfy the requirement under the Real Estate Settlement Procedures Act that lenders provide a special information booklet to home loan applicants and helps consumers better understand the nature and costs of real estate settlement services.⁹⁰ The

⁸⁷ See 12 U.S.C. § 5532(f).

⁸⁸ More information about the *Know Before You Owe* mortgages project and the new disclosures, including links to tools and resources for consumers and resources for mortgage professionals, real estate professionals, housing counselors, and media, is available at consumerfinance.gov/know-before-you-owe/.

⁸⁹ See CFPB, *CFPB Announces New “Know Before You Owe” Mortgage Shopping Toolkit* (Mar. 31, 2015), consumerfinance.gov/about-us/newsroom/cfpb-announces-new-know-before-you-owe-mortgage-shopping-toolkit/.

⁹⁰ See 12 U.S.C. § 2604(a); 12 C.F.R. § 1024.6. The *Toolkit* replaces the *Shopping for Your Home Loan: Settlement Cost Booklet*, initially developed by HUD, that was previously provided to consumers when they applied for a

Toolkit provides an opportunity to spread educational messages at a time when consumers are entering into a major financial transaction.⁹¹ The *Toolkit* is available in print-ready and web-ready versions, in English and Spanish.

The CFPB's *Owning a Home* suite of online tools and resources, discussed above in Section 3.1.2, is also part of the *Know Before You Owe* mortgage initiative. *Owning a Home* was expanded and updated to coincide with implementation of the new mortgage disclosures.

MORTGAGE CLOSING PROCESS

The CFPB conducted a pilot project in 2015 to better understand how technology and education might influence consumer understanding of the mortgage closing process and enhance process efficiency. The pilot had seven industry participants and involved electronic delivery of documents earlier in the mortgage process, together with information from the CFPB's *Owning a Home* online tools and resources. The limited sample of borrowers in the pilot scored higher, on average, on the pilot measures of empowerment, understanding, and efficiency in the closing process, when compared with borrowers not using these elements of technology to close on their mortgages. More information about the results of the pilot, including a report, is available at consumerfinance.gov/about-us/blog/3-things-to-do-before-closing-what-we-learned-from-studying-eclosing/.⁹²

mortgage loan. See 80 Fed. Reg. 17414 (Apr. 1, 2015) (notice of availability of revised consumer information publication).

⁹¹ According to Home Mortgage Disclosure Act data, 15.3 million loan applications were made in 2012. See Federal Financial Institutions Examination Council, *Federal Financial Institutions Examination Council Announces Availability of 2012 Data on Mortgage Lending* (Sept. 18, 2013), ffiec.gov/press/pr091813.htm.

⁹² See CFPB, *Leveraging technology to empower mortgage consumers at closing* (Aug. 2015), available at consumerfinance.gov/data-research/research-reports/leveraging-technology-to-empower-mortgage-consumers-at-closing/.

Take control of your auto loan

Automobile lending is the third largest category of household debt for consumers in America, after mortgages and student loans. Taking out a loan to purchase an automobile can be a significant part of consumers' financial lives and involves many factors. Because automobile loans are part of the financial lives of so many consumers, the CFPB researched how consumers approach the auto financing decision and what challenges they face in navigating the process.⁹³ The research has helped to inform the development of the *Know Before You Owe* auto loan education initiative entitled *Take control of your auto loan*.

In June 2016, the CFPB launched the *Take control of your auto loan* webpage, which provides online resources to assist consumers in making informed auto financing decisions. This initiative's goal is to empower consumers to shop for and compare financing options when purchasing a vehicle, look beyond the monthly payment and consider the total cost of financing when choosing an auto loan, and be aware of situations and financing features that could lead to costly surprises down the road. The webpage includes an *Auto loan shopping sheet*, a downloadable, printable form which helps consumers compare offers, see the total cost, and negotiate the best deal on an auto loan. It also includes *Take control of your auto loan: A step-by-step guide*, which provides more detail on navigating the auto financing process in a downloadable format. The webpage also includes sections on planning to shop for an auto loan, learning to explore loan choices, knowing what terms are negotiable, and understanding how to close the deal. All of these resources are available at consumerfinance.gov/consumer-tools/auto-loans/.

Credit score initiative

To reach their financial goals, consumers need a baseline understanding of their current financial position, including how financial services companies may assess their present credit standing. The CFPB estimated in 2012 that less than 20 percent of people in America checked

⁹³ See CFPB, *Consumer Voices on Automobile Financing* (June 2016), available at consumerfinance.gov/f/documents/201606_cfpb_consumer-voices-on-automobile-financing.pdf.

their credit reports in any given year.⁹⁴ In fall 2013, credit card companies began making credit scores and related educational information available to their customers at no charge on their monthly statements or through online access. The CFPB identified this publicly as an industry best practice and has strongly encouraged other credit card companies to follow suit.⁹⁵ By July 2016, more than 50 lenders – including a significant share of the largest credit card issuers – were doing so.⁹⁶ As a result, holders of at least 150 million consumer credit and loan accounts have the opportunity to see their credit scores, and the numbers continue to grow.⁹⁷ A growing number of lenders are now making credit scores easily available at no cost to all consumers, not just to their existing customers. The CFPB also has taken steps to make it easier for the millions of consumers who work with nonprofit financial, housing, and credit counselors to receive the credit scores and credit reports that these organizations purchase on their behalf for consumer education purposes.

The increased visibility of credit scores can raise awareness of credit issues and prompt consumers to review their credit standing. If scores are lower than expected or if they change over time, more consumers may take the initiative to request their credit report at annualcreditreport.com. This may encourage more consumers to address concerns, dispute errors or fraud-related entries, and improve negative aspects of their credit usage. This also may

⁹⁴ See CFPB, *Key Dimensions and Processes in the U.S. Credit Reporting System* (2012) at 27, available at consumerfinance.gov/f/201212_cfpb_credit-reporting-white-paper.pdf; U.S. Census Bureau, State and County QuickFacts, quickfacts.census.gov/qfd/states/00000.html.

⁹⁵ See CFPB, *CFPB Calls on Top Credit Card Companies to Make Credit Scores Available to Consumers* (Feb. 27, 2014), consumerfinance.gov/about-us/newsroom/cfpb-calls-on-top-credit-card-companies-to-make-credit-scores-available-to-consumers/.

⁹⁶ This number is based on CFPB research that included industry press releases, online news sources, blogs, and data provided by FICO.

⁹⁷ This number was obtained from FICO based on lenders sharing FICO® Scores through the FICO® Score Open Access program. See prnewswire.com/news-releases/fico-scores-now-provided-free-with-150-million-consumer-financial-accounts-through-fico-score-open-access-program-300255115.html. VantageScore further reports that up to 20 million consumers may have free access to its scores through certain partners.

create a new dynamic that incentivizes the credit reporting industry to be more accessible and responsive to consumers.⁹⁸

The CFPB's prior research into consumer attitudes and motivations about their credit histories and scores identified common misunderstandings and confusion consumers have about their credit data.⁹⁹ The CFPB offers a number of educational supports to consumers to help them understand and act on their credit reports and scores, including many frequently asked questions on *Ask CFPB*, publications that include *Check your credit report* and *Understand your credit score*, and an annual list of consumer reporting companies.¹⁰⁰

3.2.9 Consumer Financial Civil Penalty Fund

The Dodd-Frank Act authorizes the CFPB to use civil penalty funds collected by the CFPB that remain after eligible victims have been compensated, for consumer education and financial literacy programs. Specifically, the Act requires the CFPB to deposit any civil penalty it obtains in actions under the federal consumer financial laws into a Consumer Financial Civil Penalty Fund (Civil Penalty Fund).¹⁰¹ Under the statute, the CFPB may use these funds to make payments to victims in cases for which civil penalties were imposed. To the extent the CFPB

⁹⁸ The CFPB is exploring, through Federal Register notice and comment, how to produce a list of companies offering existing customers free access to a credit score. The CFPB could leverage this list to bring consumer attention to the topic, and to develop content to educate, inform, and empower consumers on the use and availability of credit scores and credit reports. See consumerfinance.gov/about-us/blog/were-compiling-list-companies-offering-free-credit-scores/; CFPB, *Notice of a Public List of Companies Offering Existing Customers Free Access to a Credit Score*, 81 Fed. Reg. 69046 (Oct. 5, 2016).

⁹⁹ See CFPB, *Consumer voices on credit reports and scores* (2015), available at consumerfinance.gov/data-research/research-reports/consumer-voices-on-credit-reports-and-scores/.

¹⁰⁰ See CFPB, *List of consumer reporting agencies* (2016), available at consumerfinance.gov/f/201604_cfpb_list-of-consumer-reporting-companies.pdf.

¹⁰¹ 12 U.S.C. § 5497(d)(1).

cannot locate the victims or such payments are otherwise not practicable, the CFPB may use the funds for the purpose of consumer education and financial literacy programs.¹⁰²

The CFPB issued a rule to govern the administration of the Civil Penalty Fund in May 2013.¹⁰³ The rule includes procedures for allocating funds for payments to victims and for consumer education and financial literacy programs.¹⁰⁴ To date, the CFPB has distributed millions of dollars in civil penalty funds to consumers.¹⁰⁵ Each of those consumers receives a cover letter with his or her payment that explains why the consumer is receiving the payment, and lets him or her know about the CFPB's resources to help with financial decisions and consumer complaints. The current letter also lets consumers know about myRA, a safe and affordable retirement savings option offered through the Department of the Treasury.

The CFPB also has adopted a set of criteria for selecting programs that serve consumers and improve consumer education and financial literacy in the event that Civil Penalty Fund money is allocated to consumer education and financial literacy programs.¹⁰⁶ The federal procurement process is used to deploy such programs.

¹⁰² 12 U.S.C. § 5497(d)(2). Additional information about the Civil Penalty Fund can be found on the CFPB's website at consumerfinance.gov/about-us/payments-harmed-consumers/payments-by-case/.

¹⁰³ *Consumer Financial Civil Penalty Fund*, 78 Fed. Reg. 26489 (May 7, 2013) (codified at 12 C.F.R. part 1075). At the same time that it promulgated the final rule, the CFPB also published a notice of proposed rulemaking (NPRM) seeking public input on the rule and possible changes to it. *See* 78 Fed. Reg. 26545 (May 7, 2013). The NPRM provided 60 days for public comment. The CFPB continues to consider the comments and may issue a revised rule.

¹⁰⁴ The rule and other information about the Civil Penalty Fund are available on the CFPB's website at consumerfinance.gov/about-us/payments-harmed-consumers/payments-by-case/ and consumerfinance.gov/about-us/budget-strategy/.

¹⁰⁵ *See* CFPB, *Financial Report of the Consumer Financial Protection Bureau, Fiscal year 2015* (Nov. 2015), available at consumerfinance.gov/f/201511_cfpb_report_fiscal-year-2015.pdf.

¹⁰⁶ *See* CFPB, *Criteria for Use of Civil Penalty Fund Monies for Consumer Education and Financial Literacy Programs*, available at consumerfinance.gov/f/201207_cfpb_civil_penalty_fund_criteria.pdf. The criteria require,

In 2015 the CFPB launched its first consumer education and financial literacy program funded with Civil Penalty Fund money. The program integrates financial coaching into existing service delivery programs at sites serving transitioning veterans and nonmilitary low-income and economically vulnerable consumers across the country. This program brings financial capability services to locations where people already come to receive other services. For the veteran population served, the financial coaching is provided primarily at Department of Labor American Job Centers and is designed to help veterans with the financial challenges of transitioning from military to civilian life. For the nonmilitary economically vulnerable consumers served, the financial coaching is provided through selected nonprofit organizations.¹⁰⁷ The most common financial goals that consumers receiving coaching are working on include money management and budgeting, improving credit, and paying down debt.

among other things, that programs further the CFPB's mission and strategic goals, promote or enhance consumers' financial capability and economic security, and include outcome targets to ensure the programs' effectiveness.

¹⁰⁷ A complete list of the service delivery locations can be found at consumerfinance.gov/about-us/blog/the-launch-of-the-cfpb-financial-coaching-initiative/.

4. Research initiatives: Building effective financial education practices

The CFPB is charged with developing and implementing initiatives to educate and empower consumers to make better-informed financial decisions. To do this, the CFPB is looking at what approaches are effective in improving financial decision-making and financial well-being. The CFPB is working to measure and better understand what influences financial well-being – the end goal of financial education – in order to ultimately increase the effectiveness of financial education.

There has been a growing call among many stakeholders in the financial education field for more evidence to indicate which financial education strategies are most effective under which circumstances.¹⁰⁸ The CFPB has responded to this challenge with two related areas of inquiry. The first

The CFPB's research seeks to expand the base of knowledge about effective financial education.

¹⁰⁸ According to a 2011 GAO report on financial literacy, “[r]elatively few evidence-based evaluations of financial literacy programs have been conducted, limiting what is known about which specific methods and strategies are most effective.” U.S. Government Accountability Office, GAO-11-614, *Financial Literacy: A Federal Certification Process for Providers Would Pose Challenges* (June 2011) at Highlights, available at gao.gov/assets/330/320203.pdf.

area focuses on identifying the knowledge, skills, and habits associated with financially capable consumers. This has included work to define, and then measure, consumer financial well-being, and identify the personal skills, habits, norms, and other abilities and attributes that will predict it.

The second area focuses on identifying effective approaches to improving consumer financial capability and well-being. This research has helped illuminate elements of financial education practice that can improve financial capability and well-being and has expanded the base of knowledge about effective financial education. For example, in separate randomized controlled trials, the CFPB has examined a hands-on financial coaching approach, and a light-touch rules of thumb approach, and found that each can be effective in improving certain financial outcomes for consumers. The CFPB has found that innovations in the marketplace, such as reminders about and incentives to use a subaccount feature dedicated for saving on a prepaid card, can also be effective. The CFPB is disseminating findings to education and policy leaders, program providers, curriculum developers, and others who may benefit from applying this knowledge in current and future financial education offerings.

The CFPB's financial education research strategy serves a number of Dodd-Frank Act statutory mandates.¹⁰⁹ It is also consistent with one of the core goals of FLEC's *National Strategy*, to identify and facilitate implementation of evidence-based programs and practices, in support of the *National Strategy* vision of "sustained financial well-being for all individuals and families in the United States."¹¹⁰

¹⁰⁹ For example, the Dodd-Frank Act directs the Office of Financial Education, together with the Office of Research, to "conduct research related to consumer financial education and counseling." 12 U.S.C. § 5493(d)(3)(B). The statute also charges the Office for Older Americans with conducting research to identify "best practices and effective methods, tools, technologies and strategies to educate and counsel seniors about personal finance management." 12 U.S.C. § 5493(g)(3)(D).

¹¹⁰ See Financial Literacy & Education Commission, *Promoting Financial Success in the United States: National Strategy for Financial Literacy 2011* at 7, 11 (Goal 4), available at [treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20\(2\).pdf](https://www.treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20(2).pdf). As noted above, one of the four core goals of the

The CFPB’s financial education research projects generally fall into one of two categories: understanding consumers and their experiences in the financial marketplace, and understanding effective financial education practices. In undertaking this research, the CFPB seeks to incorporate the understanding gained into the development and delivery of financial education. The specific projects in each of these categories are described in more detail in Sections 4.1 and 4.2 respectively.

4.1 Understanding consumers and the financial marketplace

4.1.1 Studying financial well-being

A foundational step to providing stronger evidence of what works in financial education is developing a well-grounded way to define and measure success. Consistent with emerging consensus in the field, the CFPB has determined that the ultimate measure of success for financial literacy efforts should be improved individual financial well-being. This

A consensus is emerging that the ultimate measure of success for financial literacy efforts should be improved individual financial well-being.

builds on recognition that the measure of success of financial education goes beyond knowledge of financial facts to encompass the ability to act on financial knowledge. This measure is consistent with the guiding vision of FLEC’s *National Strategy*, mentioned above, of achieving

National Strategy is to “identify, enhance and share effective practices” through supporting “research and evaluation to identify effective programs and practices” and encouraging “implementation and reproduction of evidence-based programs and practices.” *Id.*

“[s]ustained financial well-being for all individuals and families in the United States.”¹¹¹ This vision is also consistent with that of the Organisation for Economic Co-operation and Development’s (OECD’s) International Network on Financial Education (INFE), in which the CFPB participates, which describes the ultimate goal of financial literacy as “individual financial well-being.”¹¹²

Because the concept of financial well-being had not been explicitly defined in the context of financial education, the CFPB undertook a rigorous set of consumer-centered research activities to understand and formally define financial well-being in ways that allow it to be measured and that allow meaningful comparisons among approaches to achieving it. Additionally, the CFPB has sought to identify the specific types of knowledge, behavior, and personal traits that help people achieve greater financial well-being. In January 2015, the CFPB released the findings from the first phase of this research in a report entitled *Financial well-being: The goal of financial education*, which is available at consumerfinance.gov/data-research/research-reports/financial-well-being/.

The CFPB’s research, grounded in existing literature, expert opinion, and the voices of consumers garnered through in-depth interviews, finds that financial well-being can be defined as a state of being wherein a person:

- Has control over day-to-day, month-to-month finances;

¹¹¹ See Financial Literacy & Education Commission, *Promoting Financial Success in the United States: National Strategy for Financial Literacy 2011* at 7, available at [treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20\(2\).pdf](https://treasury.gov/resource-center/financial-education/Documents/NationalStrategyBook_12310%20(2).pdf).

¹¹² See Organisation for Economic Co-operation & Development, International Network on Financial Education, *Measuring Financial Literacy: Questionnaire and Guidance Notes for Conducting an Internationally Comparable Survey of Financial Literacy* (2011) at 3, available at oecd.org/finance/financial-education/49319977.pdf. The OECD is a unique forum where the governments of 34 democracies with market economies work with each other, as well as with more than 70 nonmember economies, to promote economic growth, prosperity, and sustainable development. To learn more, see Organisation for Economic Co-operation & Development, *What is the OECD?*, usoe.cd.usmission.gov/mission/overview.html.

- Has the capacity to absorb a financial shock;
- Is on track to meet his or her financial goals; and
- Has the financial freedom to make the choices that allow him or her to enjoy life.

While specific individual goals and vision of the good life vary widely, these four elements reflect two common and consistent themes: security and freedom of choice, now and for the future. This research underscores that the meaning of these elements to any individual can be quite subjective.

The research also produced a model that identifies factors hypothesized to drive financial well-being. Broadly speaking, these factors fall into two categories: those that can be influenced by financial education efforts, such as those undertaken by the CFPB and described in this report, and those that are outside the scope of educationally focused approaches. These latter – socioeconomic factors, available opportunities, and the types of choices, products, services, and protections available in the marketplace – clearly are important factors influencing financial well-being, and ought to be taken into account when designing and delivering financial education. Even the best-designed financial education program cannot ensure that an individual achieves financial security and freedom if the person lacks economic opportunity. Nevertheless, people seem to have varying levels of self-reported financial well-being even at the same income level. Moreover, through learning and effort, and given reasonable opportunity and supports, it appears that people can move along the continuum to greater financial well-being.

Concurrent with release of the research report, the CFPB released a short digest with information on how financial educators and other professionals can use the research findings to help consumers improve their financial well-being, entitled *Financial well-being: What it is and how to help*, which is available at files.consumerfinance.gov/f/201501_cfpb_digest_financial-well-being.pdf. The digest focuses on how financial educators can help consumers learn and practice skills and habits in four key areas that may support financial well-being. These are summarized as Ask (gathering information and evaluating the results), Plan (setting goals and

making plans to reach them), Act (carrying out decisions), and Balance (managing so as to live within one's means).

In December 2015, in the second phase of this research, the CFPB developed a set of 10 questions – a “scale” – to measure financial well-being, and conducted extensive quantitative testing and validation of the scale to ensure its validity and reliability.¹¹³ This measurement tool was developed using state-of-the-art techniques, including cognitive interviewing and testing to ensure accurate comprehension of questions, and is based on the definition of financial well-being, discussed above, that drew on insights from both consumers and experts.

The scale is designed to allow financial educators and researchers to accurately and consistently quantify, and therefore observe, something that is not directly observable: the extent to which people's financial situation and the financial capability they have developed provide them with security and freedom of choice. It provides a common metric that allows an apples-to-apples comparison of scores across consumers. It also can be used to assess a consumer's current state of financial well-being, to track his or her progress over time, and to understand how various factors, including financial education approaches, affect financial well-being. It can be used in a wide variety of programs to enhance financial education, capabilities, and empowerment. Along with the scale, the CFPB released detailed information on how to score individuals' responses and compare their scores, in a publication entitled *Measuring financial well-being: A guide to using the CFPB Financial Well-Being Scale*. The publication, along with the scale questionnaire and scoring worksheet, are available at consumerfinance.gov/data-research/research-reports/financial-well-being-scale/.

In the next phase of this research, the CFPB is using the financial well-being scale in a nationally representative survey to measure the financial well-being of adults in America and test hypotheses about the factors that help people achieve higher levels of financial well-being.

¹¹³ The statistical analysis used to develop the scale and scoring procedures was conducted by Vector Psychometric Groups using Item Response Theory methods. The standard version of the scale contains 10 questions. The CFPB also has developed a five-item version that covers the same issues in a more succinct manner, but trades off some nuance in measurement.

4.1.2 Studying youth precursors to adult financial well-being

The CFPB has undertaken new research to better understand how best to prepare youth for financial capability in adulthood. Little was widely known in the financial education field about how youth acquire the knowledge and skills, as well as the habits, norms, rules of thumb, and behaviors that support successful money management. This research project leveraged the findings of the CFPB's adult financial well-being research to gain insights into the abilities, attitudes, and other characteristics in children and youth that support financial capability and financial well-being in adulthood.

The first research the CFPB commissioned under this project generated an article entitled *Foundations of Financial Well-Being: Insights into the Role of Executive Function, Financial Socialization, and Experience-Based Learning in Childhood and Youth*, published in the *Journal of Consumer Affairs*.¹¹⁴ Authored by an interdisciplinary team of experts in developmental psychology and consumer finance, the article explored when and how children and youth develop the knowledge, skills, and attitudes that likely support financial well-being in adulthood.

Based on this research, the CFPB created a developmental model of financial capability that highlights the building blocks for children and youth of adult financial capability. The CFPB published these findings in a report entitled *Building blocks to help youth achieve financial capability: A new model and recommendations*, which is available at consumerfinance.gov/data-research/research-reports/building-blocks-help-youth-achieve-financial-capability/. The report includes strategies for how financial educators and others can apply the financial capability developmental model in their work.

¹¹⁴ See Anita I. Drever et al., *Foundations of Financial Well-Being: Insights into the Role of Executive Function, Financial Socialization, and Experience-Based Learning in Childhood and Youth*, 49 *Journal of Consumer Affairs*, Special Issue on Starting Early for Financial Success 13 (Spring 2015), available at onlinelibrary.wiley.com/doi/10.1111/joca.12068/full.

The research suggests that the personal factors that compose financial capability most likely stem from three interlocking building blocks:

- **Executive function** – A set of cognitive processes used to plan for the future, focus our attention, remember information, and juggle multiple tasks successfully. Executive function helps manage the flow of information in our day-to-day lives and keeps mental distractions at bay. It encourages the development of personal traits and social and emotional skills used to achieve financial well-being, such as perseverance, self-regulation, and the ability to prioritize future gain over current desires.
- **Financial habits and norms** – The values, standards, routine practices, and rules of thumb used to routinely navigate our day-to-day financial lives. We develop unconscious, automatic decision-making strategies based on attitudes, values, emotions, social norms, and contextual cues. Financial habits and norms come into play in financial capability because we use them to decide what is desirable, or even possible, in our lives, as well as to guide our day-to-day behaviors.
- **Financial knowledge and decision-making skills** – Familiarity with financial facts and concepts, as well as conscious and intentional decision-making skills. These include budding versions of skillful money management, financial planning, goal setting, and financial research.

The research outlines how these three building blocks of financial capability are typically acquired over three broad developmental stages: early childhood (ages 3-5), middle childhood (ages 6-12), and the teen and young adult years (ages 13-21).

The CFPB has developed four recommendations for applying the developmental model in financial education programs, policies, and initiatives. It is important to recognize that not all children encounter opportunities to develop these building blocks fully, and many broad factors contribute to adult financial well-being that are outside the scope of this research. Therefore, families, community organizations, and schools are important actors for advancing these various building blocks.

Because no one actor alone can help children acquire all three building blocks, different segments of our communities must work together and be intentional about creating the conditions that give all children and youth opportunities to build strong foundations for achieving adult financial well-being.

The four recommendations are:

1. **For children in early childhood, focus on developing executive function.** Developing healthy executive function is especially important during the early childhood years because it lays a critical foundation for further cognitive, attitudinal, and skill development during middle childhood, adolescence, and into young adulthood. People use executive function skills to set goals, plan, save for the future, and stick to a budget.
2. **Help parents and caregivers to more actively influence their child's financial socialization.** Financial socialization is an ongoing process by which children and youth develop the financial habits and norms that guide their financial behaviors as adults. Because parents and caregivers play a critical role in shaping the values, norms, and habits of children, organizations have an opportunity to engage parents and caregivers to more actively participate in the financial socialization of their children.
3. **Provide children and youth with financial experiential (hands-on) learning opportunities.** Experiential learning opportunities encourage children and youth to take initiative, make decisions, experience the results of their choices in a safe environment, and learn through reflection. Experiential learning opportunities support financial capability by allowing youth to acquire and practice financial decision-making skills and habits.
4. **Teach youth financial research skills.** Financial research skills equip youth with the know-how they need to find and evaluate relevant financial information. The ability to do financial research helps youth to become more flexible and adaptable consumers who are able to navigate changing financial markets and situations over their life course.

To build the strongest possible base for adult financial capability and well-being, schools, parents, and policy and education leaders can work in concert to ensure that all children have the chance to acquire each of the building blocks.

FLEC Starting Early for Financial Success research

In 2012, FLEC identified *Starting Early for Financial Success* as its strategic focus.¹¹⁵ A FLEC research symposium, cohosted by the CFPB, the Board of Governors of the Federal Reserve System, and the FDIC in September 2014 provided an opportunity for FLEC agency staff and other experts in the field to hear and reflect on presentations of the research reported in a number of the papers included in the special issue. To further promote research on how to help young people prepare for their financial lives, FLEC – through its Research and Evaluation Committee – partnered with the *Journal of Consumer Affairs* to publish a special issue containing research on financial literacy and financial capability, with an emphasis on research that examines ways to “start early” to promote financial success.¹¹⁶

4.1.3 Consumer decision-making project

To help consumers make well-informed financial decisions and achieve their financial goals, the CFPB sought to increase understanding of what consumers know and how they think about key financial topics by conducting a series of consumer focus groups. These focus groups yielded rich detail about consumers’ experiences and what they know and think about financial decisions. The CFPB is sharing what it learns from these focus groups in a series of reports, as well as digests for financial educators and worksheets for consumers. The CFPB expects that the findings of these focus groups will help financial educators develop more effective approaches, tools, and information that a broad set of consumers will find helpful.

The CFPB released the first report in the series, *Consumer voices on credit reports and scores*, at its Consumer Advisory Board meeting in February 2015. The report can be found at

¹¹⁵ See Financial Literacy & Education Commission, Minutes of Public Meeting (Oct. 18, 2012), available at [treasury.gov/resource-center/financial-education/Documents/Minutes%2010%2018%2012.pdf](https://www.treasury.gov/resource-center/financial-education/Documents/Minutes%2010%2018%2012.pdf).

¹¹⁶ Financial Literacy & Education Commission, Research and Evaluation Committee, *Starting Early for Financial Success: Capability into Action*, 49 *Journal of Consumer Affairs*, Special Issue on Starting Early for Financial Success 299 (Spring 2015), available at onlinelibrary.wiley.com/doi/10.1111/joca.12063/full.

consumerfinance.gov/data-research/research-reports/consumer-voices-on-credit-reports-and-scores/. The CFPB released the second report in the series, *Consumer voices on financial rules to live by*, in March 2016. Available at consumerfinance.gov/f/201603_cfpb_rules-to-live-by_consumer-voices-report.pdf, this report describes commonly held financial rules of thumb about savings, credit, and spending. There is evidence that providing financial rules can help consumers make more detailed and complex financial decisions in some situations. However, the study found that there is a gap between rules of thumb and actual behavior and examined challenges consumers report in applying these rules to their own lives. The report was accompanied by a short digest for financial educators and worksheets to assist consumers in creating their own customized financial rules to live by. The digest and these worksheets can be found at consumerfinance.gov/about-us/blog/creating-your-own-financial-rules-to-live-by/.

A third report in the series, *Consumer voices on automobile financing*, was released in June 2016 as part of the *Take control of your auto loan* resources, which are available at consumerfinance.gov/consumer-tools/auto-loans/. Automobile lending is the third largest category of household debt for American consumers, after mortgages and student loans. The CFPB researched how consumers approach the auto financing decision and what challenges they face in navigating the process. In our focus group research, the CFPB found that many consumers reported that they diligently research vehicles, consulting friends, family, and the internet. However, many consumers did not fully explore their options for auto loans and did not shop around and negotiate as much for financing as they did for the vehicle itself. Our examination of the consumer complaint data showed that consumers faced challenges in understanding loan features during negotiations on financing. The complaint data also highlighted some aspects of the auto financing process where consumers have reported troubling experiences. The report can be found at consumerfinance.gov/about-us/blog/many-consumers-face-challenges-understanding-auto-financing-says-new-cfpb-report/.

4.1.4 Reverse mortgage advertising study and consumer advisory

Advertisements for reverse mortgages are found on television, on radio, in print, and on the internet. Many of the ads feature trusted celebrity spokespeople discussing the benefits of reverse mortgages without mentioning risks. To assess the effect of the ads on consumer understanding of reverse mortgages, the CFPB undertook a study that examined reverse mortgage advertisements and consumer risks through analysis of the ads and focus group interviews.

The study, released in June 2015, found that reverse mortgage advertisements may leave older homeowners with the false impression that the loans are a risk-free solution to financial gaps in retirement. This research highlighted consumer confusion about the terms and possible risks of reverse mortgages, and the fact that advertisements may not tell the whole story. The CFPB's report and consumer advisory concerning reverse mortgage advertising are available at consumerfinance.gov/about-us/blog/consumer-advisory-dont-be-misled-by-reverse-mortgage-advertising/.

4.1.5 Complaint snapshots

Another way the CFPB continually learns about consumers and their experience in the consumer financial services marketplace is by analyzing consumer complaint data. Complaint snapshots provide an overview and analysis of complaints received by the CFPB from particular segments of the consumer population or related to particular financial products or services. To better understand the challenges faced by certain populations, the CFPB publishes snapshots on complaints received from students and from servicemembers, veterans, and their families on a periodic basis. Snapshots for the current reporting period include *Servicemembers 2015: A Year in Review*, *Consumer Response Annual Report*, and *Midyear Update on Student Loan Complaints*.¹¹⁷

¹¹⁷ See CFPB, *Servicemembers 2015: A Year in Review* (Mar. 2016), available at consumerfinance.gov/f/201603_cfpb_snapshot-of-complaints-received-from-servicemembers-veterans-and-their-families.pdf; CFPB, *Consumer Response Annual Report* (Mar. 2016), available at consumerfinance.gov/f/201604_cfpb_consumer-response-annual-report-2015.pdf; CFPB, *Midyear Update on Student Loan Complaints* (August 2016), available at consumerfinance.gov/data-research/research-reports/midyear-update-student-loan-complaints/. Complaint snapshots in prior years have included, for example, CFPB, *Snapshot of reverse mortgage complaints December 2011 - December 2014* (Feb. 2015), available at consumerfinance.gov/data-research/research-reports/snapshot-of-reverse-mortgage-complaints-december-2011-2014/; and CFPB, *A snapshot of debt collection complaints submitted by older consumers* (Nov. 2014), available at consumerfinance.gov/data-research/research-reports/a-snapshot-of-debt-collection-complaints-submitted-by-older-consumers/.

4.2 Understanding effective financial education practices

4.2.1 Financial education evaluation project

To contribute to evidence of what works to improve financial decision-making and financial well-being, the CFPB contracted for a study of two existing financial coaching programs. The CFPB selected two community-based financial coaching providers for the study – one in Miami and one in New York City – based on preliminary evidence of the programs’ effectiveness, willingness to participate in a rigorous evaluation, program size, diversity of geography and client base, and other factors. The results of the study were released in October 2015.¹¹⁸

Financial coaching generally involves one-on-one sessions to increase awareness of financial decisions and to provide support for reaching financial goals.¹¹⁹ Using a rigorous randomized controlled trial methodology, the study found that consumers who were offered access to financial coaching experienced improvements in their financial lives relative to those not offered access to financial coaching.

Consumers in this study who met with a financial coach even once improved their money management skills and experienced statistically meaningful gains on a range of financial outcomes. Consistent with the theory underlying financial coaching, these improvements were found in three areas: financial behaviors; objective financial health metrics like savings, debt levels, and credit score; and subjective feelings of financial confidence and financial well-being.

¹¹⁸ Brett Theodos et al., *An Evaluation of the Impacts and Implementation Approaches of Financial Coaching Programs* (Urban Institute Oct. 2015), available at urban.org/research/publication/evaluation-impacts-and-implementation-approaches-financial-coaching-programs.

¹¹⁹ See generally University of Wisconsin Cooperative Extension, *Financial Coaching Strategies*, fyi.uwex.edu/financialcoaching/what-is-coaching/.

For example, the study showed that on average, people offered access to financial coaching, relative to those not offered access to financial coaching:

- Were more likely to pay bills on time and increased frequency of savings deposits.
- Increased savings by almost \$1,200 in the New York City program.
- Reduced debt by over \$10,000 in the Miami program.
- Increased credit scores by 21 points in the New York City program.
- Reported an increased sense of confidence in their finances and reduced feelings of financial stress.

The study concluded that financial coaches can help people achieve financial outcomes relevant to their particular situations. These findings suggest that financial coaching is an effective way to help consumers take the financial steps that are right for them and, ultimately, to increase their personal financial well-being.

In addition to undertaking the financial coaching study, the project sought to promote and encourage rigorous evaluation of financial education programs more generally. It included a peer-learning component, in which practitioners from eight financial education programs and their external research partners attended peer-learning meetings where they shared common challenges and best practices for conducting effective program evaluation of financial education approaches. The CFPB published a report sharing the key insights raised by this group of experts.¹²⁰ Program managers, researchers, and research funders who are considering evaluating initiatives to improve financial decision-making and outcomes can benefit from the lessons learned.

¹²⁰ CFPB, *Rigorous evaluation of financial capability strategies: Why, when and how; Perspectives from the field* (Jan. 2014), available at consumerfinance.gov/data-research/research-reports/rigorous-evaluation-of-financial-capability-strategies-why-when-and-how/.

4.2.2 Building financial capability through product design and program delivery

The CFPB is completing a multiphase study that explores whether the financial capability of low-income and economically vulnerable consumers can be enhanced through bundled financial products and services. Examples of such bundled products and services include a prepaid card that also has a savings feature, and the integration of financial coaching and counseling into financial products.

The CFPB completed the initial research phase of the project in 2013. This phase included:

- A scan of the field to identify existing strategies, products, or programs that seek to help consumers build positive credit histories and savings;
- A literature review of existing research on savings and credit building strategies, products, or programs focused on economically vulnerable consumers; and
- A report documenting findings of discussions with academic and practitioner experts on types of barriers for consumers, program features that overcome those barriers, and recommendations for specific types of programs the CFPB should consider for evaluation.

The second phase of the project involved studies of two types of bundled products. The first, currently underway, is a rigorous evaluation of a credit-builder loan with a savings component. A credit-builder loan is a combination loan and savings program that is designed to help the borrower establish a positive credit history. The purpose of this phase of the project is to understand whether and to what extent a credit-builder loan, with or without credit counseling, has a positive impact on the credit record, savings, and financial capability of study participants. Another study based on this initial research, involving a prepaid card with a savings feature, is discussed in Section 4.2.5, below.

4.2.3 Consumer challenges and motivations

Decision-making innovation project

To help meet the goal of building effective financial education practices, the CFPB conducted a project to test innovative approaches to help consumers overcome common financial decision-making challenges, and then evaluate the effectiveness of the approaches. In the first phase of

this project, the CFPB identified and described some of the most prevalent challenges consumers face in managing their financial lives. In the second phase, the CFPB is testing approaches for overcoming some of these financial decision-making challenges.

To reach a wide audience of stakeholders, the CFPB developed short videos illustrating two of the consumer financial challenges that were identified: *Saving for financial shocks and emergencies* and *Organizing and managing finances*. The videos seek to bring the challenges to life in order to inspire educators and innovators to apply the research in their work and identify avenues for additional research and innovation. The videos are available at consumerfinance.gov/adult-financial-education/ under “Videos” and the digests are available on the same web page under “Understanding consumers.”

Promising and emerging practices

APPROACHES TO CHALLENGES FOR IMMIGRANT FINANCIAL EDUCATION

According to the American Community Survey, 41 million immigrants lived in the United States in 2013. Immigrants, particularly those who are limited English proficient, may face challenges in navigating and fully participating in the U.S. financial system, and thus in achieving financial well-being for themselves, their families, and their communities.¹²¹ To help financial education practitioners who serve the immigrant community, the CFPB conducted a field scan of financial education programs for immigrant populations and consulted with experts in the field.¹²² In July 2016, the CFPB issued a report entitled *Financial education programs serving immigrant populations* to raise the visibility of the financial education challenges that many immigrants face, and to share promising financial education strategies that financial education providers can use to better serve immigrants in their communities who seek their help. The report is

¹²¹ The Census defines limited English proficient individuals as individuals who do not speak English as their primary language and who have a limited ability to speak, write, or understand English.

¹²² The field scan is not exhaustive of all financial education approaches that serve immigrant populations. Instead, the field scan identified the types of financial education approaches that are adapted in some way to serve immigrant populations and several leading examples of each approach.

available at consumerfinance.gov/data-research/research-reports/financial-education-programs-serving-immigrant-populations/.

MONEY MOTIVATIONS

The CFPB has commissioned literature reviews by leading academics in the field of financial education research into the motivational underpinnings of consumer choice, in order to help financial educators better understand the motivations and context of the people they serve. The first of these literature reviews explores households and money, and how money attitudes and behaviors are passed down to the next generation.¹²³ Stakeholders, including curriculum developers, may use this research to help create or fine-tune relevant and effective financial education programs and deliver appropriate services to consumers.

4.2.4 Rules-of-thumb financial education project

Heuristics (often described as “rules of thumb”) are guidelines a person can use to make complicated day-to-day financial decisions easier. Examples of common rules of thumb include “save 10 percent of your income” and “pay down the loan with the highest interest rate first.” Existing research has found rules of thumb to be a successful technique for improving decision-making in many areas; in some instances, they can be as effective as, or more effective than, comprehensive education.¹²⁴ Furthermore, they are cost effective to implement at scale. However, little research exists that examines the effectiveness of rules-based education for financial decision-making.

¹²³ Sonya L. Britt, *The Intergenerational Transfer of Money Attitudes and Behaviors*, Journal of Consumer Affairs (2016), available at papers.ssrn.com/sol3/papers.cfm?abstract_id=2842393; Kim, J., Spangler, T. and Gutter, M.S. (forthcoming, 2016), *Extended Families: Support, Socialization, Stress*, Family and Consumer Sciences Research Journal.

¹²⁴ See, e.g., William J. Baumol & Richard E. Quandt, *Rules of Thumb and Optimally Imperfect Decisions*, 54 The American Economic Review 23(1964); Alejandro Drexler et al., *Keeping it Simple: Financial Literacy and Rules of Thumb* (Center for Economic Policy Research, Discussion Paper No. 7994, 2010).

Accordingly, in 2014 the CFPB began a research project to study the effectiveness of rules-of-thumb-based approaches. The first phase of the project was a literature scan to understand what was known about how to create financial rules of thumb, when they are most useful, and how they can be implemented to ensure maximum success. Existing research had found that rules-of-thumb-based education could be effective with decisions that are repetitive and frequent.¹²⁵ This suggested that rules of thumb could be a promising approach for improving consumer decisions about credit card use, which recurs on a frequent and regular basis.

Based on this research, the CFPB began a second phase of the project, conducting a randomized controlled trial to study the effectiveness of a rules-based approach to helping consumers decrease their revolving credit card debt. Data collection was completed in December 2015, and a report summarizing the finding was released in September 2016.¹²⁶ Results showed a modest but statistically significant decrease in revolving debt among consumers who carry a credit card balance. The findings suggest that rules-based messaging may be a cost-effective method of financial education when well targeted and may be promising as a complement to other financial education approaches.

4.2.5 Marketplace innovation: Project Catalyst

Project Catalyst is a CFPB initiative to encourage consumer-friendly developments in markets for financial products and services. As part of this initiative, the CFPB is working with financial services providers to research innovations in the marketplace that can improve consumer financial well-being.

¹²⁵ See William J. Baumol & Richard E. Quandt, *Rules of Thumb and Optimally Imperfect Decisions*, 54 *The American Economic Review* 23, 24 (1964).

¹²⁶ See Brett Theodos et al, *An Evaluation of the Impacts of Two “Rules of Thumb” for Credit Card Revolvers*, Urban Institute (Sept. 2016), available at [urban.org/research/publication/evaluation-impacts-two-rules-thumb-credit-card-revolvers-o/](https://www.urban.org/research/publication/evaluation-impacts-two-rules-thumb-credit-card-revolvers-o/).

Tax time savings research

Over the past three years, the CFPB has conducted a series of initiatives to encourage consumers to save during tax time.¹²⁷ These efforts have included providing informational materials and training to volunteer tax preparers assisting low-income and moderate-income consumers, as well as pilot projects to increase awareness among consumers of available saving options. These initiatives with volunteer tax preparers are discussed in Section 3.2.7, above. A Project Catalyst initiative expanded the CFPB's work in tax time savings from volunteer to private preparers. Specifically, in 2014, the CFPB launched a multiyear research pilot with H&R Block, Inc. to identify best practices to encourage savings at tax time. The majority of consumers, including those eligible for the EITC, still pay to file their taxes with tax preparation companies.

The strategies being tested include providing consumers with informational materials to encourage saving a portion of their tax refund and having tax preparers introduce consumers to the idea of saving once they learn they will receive a refund. The CFPB's research associated with this pilot is exploring two principal questions: whether certain strategies can encourage saving behavior, and in what ways saving behavior is associated with better outcomes for consumers. Within these broad questions, the research goals for this project are to identify best practices that promote saving during tax time and understand saving mechanisms that may improve long-term financial well-being.

For the 2016 tax season, the CFPB and H&R Block expanded efforts to train more tax professionals to engage customers in savings conversations during the tax return preparation process, and test the effectiveness of an H&R Block-sponsored sweepstakes with prizes. The condition for entry in the sweepstakes was proof of saving a portion of a tax refund.

¹²⁷ These initiatives fulfill a statutory mandate for the CFPB to provide consumers with wealth-building strategies and access to financial services during the preparation process to claim the EITC. *See* 12 U.S.C. § 5493(d)(2)(F).

Credit counseling research

Consumers struggling with credit card debt may benefit from access to credit counseling and other services that can help them create more practical budgets and more manageable debt repayment schedules. A joint pilot being conducted by Barclaycard (Barclays Bank Delaware), a global credit card issuer, and Clarifi (Consumer Credit Counseling Service of Delaware Valley), a consumer credit counseling service provider based in Philadelphia, was designed to assess the potential impact of early intervention credit counseling. In the pilot, Barclaycard internally identifies customers who are at risk of default who also reside in Clarifi’s service area. Barclaycard gives those customers an opportunity to enroll in Clarifi’s credit counseling services at no cost to the customers. Barclaycard and Clarifi have agreed to share insights from their pilot program with the CFPB. This will help the CFPB assess the impact of early intervention credit counseling and the use of debt management plans for consumers enrolled in credit counseling.

Prepaid cards and savings habits research

The Dodd-Frank Act charges the CFPB with providing “opportunities for consumers to access ... savings, borrowing, and other services found at mainstream financial institutions.”¹²⁸ Thus, the CFPB works to promote consumer savings. However, many consumers, especially those who have low and moderate incomes, often do not have access to, or do not use, a traditional savings account. Instead, they often rely on a checking or prepaid account as both their primary transactional account and savings vehicle. These consumers have to mentally allocate their funds to spending and saving, which may make saving more challenging.

The CFPB worked with American Express on a research study to find best practices for encouraging saving. The research used the American Express “Serve” prepaid card that has a feature called Reserve, which allows Serve cardholders to create a subaccount within their main prepaid account dedicated to savings. Cardholders can save money in their Reserve subaccounts until they are ready to use the money, at which point they must manually transfer the funds to

¹²⁸ 12 U.S.C. § 5493(d)(2)(C).

their main Serve accounts. American Express has also built in automatic transfer functions, which allow consumers to schedule regular fund transfers from their main Serve account to their Reserve subaccounts.

The CFPB's research study associated with this pilot was designed to address two key questions: whether certain strategies can encourage regular consumer saving behavior; and whether saving behavior is associated with better outcomes for consumers, particularly for low-income and underserved consumers. Within these broad questions, the research goals for this project were to gain insight into consumer saving behavior and identify practices that promote saving behavior over the short and long term among prepaid card users. The research was also intended to evaluate the short-term and long-term impacts of saving on prepaid card users' financial well-being. American Express conducted initial research and a follow-up survey of people participating in the research, and the CFPB issued a report of the initial findings in September 2016. The report, entitled *Tools for Saving: Using Prepaid Cards to Set Aside Funds*, is available at consumerfinance.gov/data-research/research-reports/tools-saving-using-prepaid-accounts-set-aside-funds/.

To encourage consumer saving behavior, the company tested four strategies to promote savings to prepaid card customers who had not previously signed up for the savings subaccount feature. The strategies included: 1) encouragement to save via email; 2) encouragement to save via direct mail; 3) promotional incentives; and 4) encouragement to enroll in automatic transfers to the savings subaccount. Results from the pilot indicate that, in particular, offering customers a \$10 incentive for using the savings subaccount on the prepaid card was highly effective at encouraging enrollment in the savings subaccount feature. Non-zero balances remained relatively constant through the remainder of the year, suggesting that for consumers still using the savings subaccount feature, balances generally did not decrease even after the treatment period ended.

The company also surveyed a random sample of study participants nine months after the savings encouragement period ended to learn more about a broad range of personal finance topics. Results from the survey showed that participants who were sent an incentive offer as part of the messaging reported statistically significantly less payday loan use compared to those in the control group.

The results emerging from this pilot suggest that providing incentives to prepaid card customers to save, and providing an opportunity for them to do so in a separate subaccount dedicated for saving, could provide tangible financial benefits. Consumers in this pilot demonstrated a willingness to take up the savings feature, indicating interest in alternative savings vehicles, and some customers also reported changes in their actual savings and other financial choices.

5. Conclusion

All consumers, regardless of income and level of educational attainment, need to be able to evaluate the choices available to them in the financial marketplace and understand the implications of their financial decisions in order to build secure financial futures. The CFPB's statutory function to educate and empower consumers to make better-informed financial decisions has created an enormous opportunity to help consumers move closer to having their money choices consistently serve their own life goals.

The CFPB has launched a broad range of initiatives, complemented by evidence and research, to provide consumers with information, resources, and opportunities to develop the knowledge and skills to manage their financial resources effectively and plan for future life events. The CFPB is working side by side with other government agencies, the private and nonprofit sectors, schools, workplaces, and community organizations, and is developing opportunities to integrate financial capability into existing programs and services. Financially capable consumers are essential to harnessing the financial system's tremendous capacity to enhance economic stability and opportunity to help people in America reach their life goals.

CFPB financial education resources

The Consumer Financial Protection Bureau (CFPB, or the Bureau) has developed interactive tools, publications, and other resources that consumers and those who work with consumers can access for information and decision-making guidance about financial issues. The CFPB also has developed resources for financial educators and others interested in financial education, including reports related to financial capability and the consumer financial marketplace. A list of these resources is provided below, along with hyperlinks to where they can be found online.¹²⁹

The CFPB's website, consumerfinance.gov, contains financial education content aimed at distinct audiences. *Consumer Tools* contains tools and resources for individuals to use on their own, and *Education Resources* includes materials and programs for those who work with consumers.

Web-based tools and resources for consumers

- **Ask CFPB**

Ask CFPB is an interactive online tool that gives consumers answers to questions about financial products and services, including credit cards, mortgages, student loans, bank accounts, credit reports, payday loans, and debt collection. The questions and answers

¹²⁹ A listing of these resources designed specifically for financial educators is available at consumerfinance.gov/f/201603_cfpb_finex-resource-inventory.pdf.

include explanations of financial terms to help consumers better understand financial products and services they encounter in the marketplace, along with advice about shopping for financial services.

consumerfinance.gov/askcfpb/

- **CFPB en Español**

CFPB en Español provides Spanish-speaking consumers a central point of access to the CFPB's most-used consumer resources, translated into Spanish.

consumerfinance.gov/es/

- **Tell your story**

The CFPB encourages consumers to relate their experiences, good or bad, with consumer financial products and services. Through these stories, the CFPB gains insight into current issues in the financial marketplace. No login is required.

consumerfinance.gov/your-story/

- **Submit a complaint**

To submit a complaint about a consumer financial product or service, consumers can visit consumerfinance.gov/complaint/ or call toll-free at 855-411-CFPB(2372). The CFPB accepts complaints in more than 180 languages. The CFPB forwards the complaint to the company and works to get a response from them – generally within 15 days. When the company responds, the consumer can review the response and give the CFPB feedback. If another government agency would be better able to assist, the CFPB forwards the complaint to that agency and lets the consumer know.

consumerfinance.gov/complaint/

- **Paying for College**

Paying for College is a set of online tools for students and families evaluating their options for financing higher education: comparing college costs and financial aid, learning about college money and loan options, and assessing repayment options.

consumerfinance.gov/paying-for-college/

- Student financial guides
 - Student loans
consumerfinance.gov/paying-for-college/choose-a-student-loan/
 - Student banking
consumerfinance.gov/paying-for-college/manage-your-college-money/
- Compare financial aid
consumerfinance.gov/paying-for-college/compare-financial-aid-and-college-cost/
- Repay student debt
consumerfinance.gov/paying-for-college/repay-student-debt/

- **Owning a Home**

Owning a Home is a suite of tools and resources to educate, support, and empower consumers to shop effectively for a mortgage and to make better, more informed decisions throughout the mortgage process. It helps consumers understand the basics of mortgages, orient themselves to the market and the steps of the home loan process, and consider various factors that may affect their own mortgage decision.

consumerfinance.gov/owning-a-home/

- Know the process
consumerfinance.gov/owning-a-home/
- Explore interest rates
consumerfinance.gov/owning-a-home/explore-rates/
- Understand loan options
consumerfinance.gov/owning-a-home/loan-options/
- Customized landing pages for key moments in the process

- Loan Estimate

consumerfinance.gov/mortgage-estimate

- Closing Disclosure

consumerfinance.gov/owning-a-home/mortgage-closing/

- Interactive sample disclosure forms

consumerfinance.gov/owning-a-home/loan-estimate/

consumerfinance.gov/owning-a-home/closing-disclosure/

- Closing resources

Downloadable closing checklist and guide to closing forms available at:

consumerfinance.gov/owning-a-home/process/close/

- **Planning for Retirement**

Planning for Retirement is an interactive educational online tool designed to help consumers make an informed decision about when to claim their Social Security retirement benefits. The tool gives consumers a rough estimate of their monthly benefit, shows how their monthly benefit changes depending on the age at which they claim, shows what they can expect to receive at different ages, and provides tips relevant to their situation. *Planning for Retirement* is optimized for mobile devices to increase access across all devices.

consumerfinance.gov/retirement/before-you-claim/

Planifique para su Jubilación (Spanish version of *Planning for Retirement*)

consumerfinance.gov/retirement/before-you-claim/es/

- **Take control of your auto loan**

The CFPB's *Take control of your auto loan* resources assist consumers in making informed auto financing decisions. They include an *Auto loan shopping sheet* that helps consumers break down costs and make direct comparisons between potential loan options, as well as a step-by-step guide to shopping for an auto loan.

consumerfinance.gov/consumer-tools/auto-loans/

- **Find a housing counselor**

Housing counselors can provide advice on buying or renting a home, avoiding foreclosure, and credit issues. They offer independent advice about whether a particular set of mortgage loan terms is a good fit based on a consumer's objectives and circumstances, often at little or no cost. This tool allows consumers to search by ZIP code to find HUD-approved housing counseling agencies in their area.

consumerfinance.gov/find-a-housing-counselor/

- **Mortgages**

The CFPB's *Know Before You Owe/Mortgages* webpage provides information about the CFPB's new mortgage disclosures, including links to resources for consumers, and resources for mortgage and real estate professionals, housing counselors, and media.

consumerfinance.gov/know-before-you-owe/

The CFPB's mortgage help webpage for consumers provides links to find a housing counselor and submit a complaint to the CFPB.

consumerfinance.gov/mortgagehelp/

- **Debt collection sample letters**

This webpage offers five sample action letters consumers can consider using when replying to debt collectors. These letters can help consumers get the information they need about claims being made against them or protect themselves from inappropriate or unwanted collection activities.

consumerfinance.gov/about-us/blog/debtcollection/

- **Information for students and young adults**

This webpage provides links to the CFPB's Paying for College resources, including information about student loan repayment options and comparing financial aid offers, and a link for submitting student loan complaints. The webpage also contains resources for understanding student banking and credit card options, and CFPB reports on student loan policy issues.

consumerfinance.gov/students/

- **Information for older adults**

This webpage offers resources to help older consumers navigate financial challenges, including avoiding financial exploitation and protecting what is theirs. It also offers resources for financial caregivers, including agents under powers of attorney, court-appointed guardians, trustees, and government fiduciaries.

consumerfinance.gov/older-americans/

- **Information for servicemembers and veterans**

This webpage provides resources for servicemembers, veterans, and their families, and describes the work the CFPB is doing to enhance protections for servicemembers, veterans and their families. Consumers can submit a complaint about financial services and access information and resources on military education benefits and student loans, safeguarding veterans' benefits, and state resources.

consumerfinance.gov/servicemembers/

- **Information for organizations that provide services for low-income and economically vulnerable consumers**

The CFPB is currently working with entities that serve low-income and other vulnerable populations, including public and private social services, faith-based, legal aid, volunteer and worker-focused organizations. This webpage offers training resources for use in community programs targeting at-risk youth, economically vulnerable consumers and people with disabilities. It offers materials supporting increased financial capability, savings at tax time, avoiding identity theft, financial coaching and federal agency partnerships.

consumerfinance.gov/empowerment/

Web-based tools and resources for financial educators and others who work with consumers

- **Employer’s guide to assisting employees with student loan repayment: A toolkit for school districts, non-profit organizations, and other public service employers**

This toolkit is designed to empower school districts and other public service organizations to help their employees qualify for existing student loan repayment benefits, including Public Service Loan Forgiveness. Up to 25 percent of the U.S. workforce is in public service and may be eligible for existing student loan debt forgiveness programs. This includes teachers, librarians, firefighters, military personnel, law enforcement, first responders, nurses, and social workers.

consumerfinance.gov/about-us/newsroom/cfpb-launches-toolkit-to-help-teachers-and-other-public-servants-tackle-student-debt/

- **Your Money, Your Goals**

Your Money, Your Goals is a financial empowerment toolkit that organizations can use to incorporate financial capability information and tools into their discussions with the people they serve to help them strengthen their financial capability and personal money management skills. There are currently four versions of the toolkit, which are designed to address the different settings in which people or organizations work with consumers: social service organizations, organizations that engage volunteers, legal aid organizations, and worker organizations.

consumerfinance.gov/your-money-your-goals/

- **Military financial educator forums**

The Office of Servicemember Affairs hosts an ongoing series of virtual *Military financial educator forums* on consumer financial topics for service providers who deliver financial, educational, or legal counseling to servicemembers and their families on military installations worldwide. The forums are available as on-demand video trainings on the CFPB’s website. Current trainings include issues in debt collection, credit reporting and the military, veteran consumer issues and solutions for servicemembers with troubled mortgages, military student loan tools, and managing unpaid debt.

consumerfinance.gov/servicemembers/on-demand-forums-and-tools/

- **Resources for adult financial educators: CFPB Financial Education Exchange** (CFPB FinEx)

CFPB FinEx is an online and in-person information exchange designed to provide financial educators centralized access to CFPB tools, resources, and research on consumer financial behavior and effective practices, and facilitate sharing of information and best practices among financial educators and with the CFPB. Financial educators can access resources through consumerfinance.gov/adult-financial-education/. This webpage also includes a printable inventory of CFPB tools and reports.

consumerfinance.gov/f/201603_cfpb_finex-resource-inventory.pdf

- **Resources for libraries: Community education project**

The CFPB is working with libraries to provide websites, worksheets, guides, and other resources to help with a consumer's money decisions. The CFPB's *Resources for libraries* webpage provides links to a collection of free government financial education materials, marketing materials to promote financial education in the library, financial education training for librarians, and programming ideas that have proven successful for other libraries and financial education providers.

consumerfinance.gov/library-resources/

- **Resources for parents and caregivers**

Based on the building blocks of youth financial development, and on proven content from the popular *Money as You Grow* website, the CFPB's webpage for parents and caregivers provides activities, conversation starters, and tips. Parents can use these age-appropriate resources to support their children as they develop skills, habits, and knowledge that can serve them well in their future financial lives.

consumerfinance.gov/money-as-you-grow/

- **Resources for youth financial educators**

This webpage provides resources for teachers, administrators, policymakers, and leaders to help students build financial knowledge, skills, and habits. The tools and resources reflect recommended policies and practices for K-12 financial education. They include

the *Youth Personal Finance Teaching Tool*, which identifies strategies for educators seeking new ideas and insights to deliver research-based and developmentally appropriate financial education, and the *Youth Financial Education Curriculum Review Tool*.

consumerfinance.gov/youth-financial-education/

- **Tax time savings: Ready? Set. Save!**

A tax refund may be the single biggest check some consumers receive all year. It presents a huge opportunity for individuals to set aside savings to help reach their financial goals. Saving money from a tax refund can be done easily and automatically while filing a tax return. Ready? Set. Save! offers resources to help service providers learn more about tax time saving options to better help those they serve.

consumerfinance.gov/tax-preparer-resources

consumerfinance.gov/about-us/blog/taxtime2015/

Publications

The publications listed below are available in English and other languages as noted below. They include brochures, bookmarks, fact sheets, fliers, worksheets, and posters. They can be ordered or downloaded for free at pueblo.gpo.gov/CFPBpubs/CFPBpubs.php unless a separate link is provided.

CFPB brochures

- **CFPB bookmarks** (also available in Spanish)

Two bookmarks: one highlights the CFPB's *Ask CFPB* tool and one encourages consumers to share their experiences with financial products through the CFPB's *Tell Your Story* tool.

- **Consumer Financial Protection Bureau** (also available in Spanish)

This brochure describes the work of the CFPB, including the Division of Research, Markets, and Regulations; the Division of Consumer Education and Engagement; and the Division of Supervision, Enforcement, and Fair Lending and Equal Opportunity.

- **How to submit a complaint** (also available in Spanish)

This brochure explains how to submit a complaint to the CFPB. Includes contact information, the consumer financial products and services about which the CFPB takes complaints, and what happens after a consumer submits a complaint.

Accounts

- **Do you know if you have opted in for debit and ATM overdraft coverage?** (also available in Spanish)

Explains debit card and ATM overdraft coverage and fees, and tips and options to reduce or avoid fees.

- **Keep a lid on checking account fees** (also available in Spanish)

Six steps to help consumers reduce checking account fees.

- **Moving your checking account checklist** (also available in Spanish)

A 10-step checklist to help consumers close their current checking account and open a new checking account.

Credit

- **Act fast if you can't pay your credit cards** (also available in Spanish)

Three steps consumers can take when they do not have enough money to pay their credit card bill, and how to avoid debt-relief scams.

- **Credit discrimination is illegal** (also available in Spanish)

Warning signs of credit discrimination and what consumers can do if they believe they have been discriminated against.

- **How to find the best credit card for you** (also available in Spanish)

Four steps to shopping for a credit card, and definitions of credit card terms.

- **How to stop mystery credit card fees** (also available in Spanish)

Consumers may not be aware that credit card add-on services are optional or cost more. This consumer advisory warns consumers to watch out for these extra fees.

- **Check your credit report** (also available in Spanish)

How consumers can check their credit reports from the three nationwide credit reporting companies for free in order to find and dispute mistakes, update personal information, and guard against identity theft.

- **Pay attention to your credit report** (also available in Spanish)

Steps consumers can take to get and keep a good credit score. Explains what helps and what hurts their credit score.

- **You have a right to see specialty credit reports** (also available in Spanish)

Specialty credit reporting companies collect and report credit history information about consumers. This consumer advisory informs consumers about their right to get free reports from these companies every 12 months.

- **How to fix mistakes in your credit card bill** (also available in Spanish)

Five steps to dispute incorrect charges or fees on a credit card bill.

- **Know your rights when a debt collector calls** (also available in Spanish)

Steps consumers can take when a debt collector calls. Explains what to ask and how consumers can protect themselves.

- **Understand your credit score** (also available in Spanish)

This brochure explains what factors determine credit score, what consumers can do to raise their score, and how to check credit reports and fix mistakes.

- **Watch accounts closely when card data is hacked** (also available in Spanish)

How consumers can keep a close eye on account activity and report suspicious transactions quickly.

Money management

- **My new money goal**

This worksheet helps consumers gain a clear view of where their money goes now so they can more easily decide where they want it to go in the future.

- **Save some & spend some** (also available in Spanish)

This brochure explains free and easy ways consumers can split their tax refunds between checking and savings accounts and purchase U.S. savings bonds so they can spend some and save some of their money.

- **Your disaster checklist** (also available in Spanish)

This is a checklist to help consumers gather the financial information they would need after an emergency. It contains spaces for account information and customer service numbers as well as checklists of important documents they should have in case of an emergency.

- **Choosing your student loan** (also available in Spanish)

Three steps to help guide consumers toward the student loans that are best for them.

- **Manage your college money** (also available in Spanish)

This brochure explains how to choose and manage an account for college money, so consumers can avoid unexpected fees and get financial aid disbursements quickly.

- **SAVED: Five steps for making financial decisions** (also available in Spanish)

These steps help consumers find the best deal when buying a financial product or service.

Remittances

- **Remittance transfer rule factsheet for stakeholders** (also available in Spanish)

This fact sheet is designed to help stakeholders such as financial counselors, instructors, and others understand and explain the remittance transfer rule and its protections for

consumers. It explains when the rule applies, who is subject to the rule, what information consumers should receive, and what consumers can do if errors occur.

- **Send money abroad with more confidence flier** (also available in Spanish, Chinese, Haitian Creole, and Tagalog)

This 8.5 × 11-inch flier tells senders of remittance transfers that protections are available to them and provides the CFPB's phone number and web address for more information.

- **Send money abroad with more confidence poster** (also available in Spanish, Chinese, Haitian Creole, and Tagalog)

This 24 × 36-inch poster tells senders of remittance transfers that consumer protections are available to them and provides the CFPB's phone number and website address for more information.

- **Send money abroad with more confidence brochure** (also available in Spanish, Chinese, Haitian Creole, and Tagalog)

This 3.75 × 8.5-inch brochure outlines the consumer protections available to senders of remittance transfers. It tells consumers that not all companies that transmit money abroad are covered by the federal rule.

- **Send money abroad with more confidence fact sheet** (also available in Spanish, Chinese, Haitian Creole and Tagalog)

This 8.5 × 11-inch fact sheet provides a more detailed explanation of the consumer protections that apply when consumers send remittance transfers covered by the CFPB's remittance transfer rule.

Mortgages

- **Shopping for a mortgage? What you can expect under federal rules** (also available in Spanish, Chinese, French, Haitian Creole, Korean, and Tagalog)

This 18-page booklet explains the federal rules that protect consumers when they are shopping for a new mortgage.

- **Have a mortgage? What you can expect under federal rules** (also available in Spanish, Chinese, French, Haitian Creole, Korean, Tagalog)

This 11-page booklet explains the federal rules that protect consumers as they manage their mortgage payments.

- **Considering a reverse mortgage** (also available in Spanish)

Explains how a reverse mortgage works and outlines important questions consumers can ask when talking to a housing counselor or other adviser about their reverse mortgage options and alternatives.

- **Need help with your mortgage? Don't get scammed** (also available in Spanish)

This brochure explains mortgage relief scams and offers tips on how to spot and avoid them and how to get help.

- **Ready to buy a home?** (also available in Spanish)

This checklist of questions helps consumers understand whether they are financially prepared for the responsibility of homeownership.

- **Should I refinance?** (also available in Spanish)

This brochure helps homeowners to consider warning signs about their current mortgage situation, review financial goals and potential outcomes, and determine whether refinancing their mortgage makes sense.

Older consumers

- **A Resource Guide for Elder Financial Exploitation Prevention and Response Networks**

This toolkit provides resources for stakeholders seeking to create or enhance a network in their communities. The toolkit resources focus on challenges encountered by networks across the nation such as sustainability, replication, and the engagement of law enforcement and financial institutions as partners.

consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-report-finds-hundreds-counties-nationwide-fighting-elder-financial-abuse-community-efforts/

- **Pension lump-sum payouts and your retirement security**

This guide helps consumers retiring from a traditional pension plan navigate their payout options. It gives near-retirees the information they need to understand the trade-offs of taking their pension in a monthly payment or in a lump-sum. The guide also provides tips and warnings about how to protect and manage lump-sum money.

consumerfinance.gov/f/201601_cfpb_pension-lump-sum-payouts-and-your-retirement-security.pdf

- **Know your financial adviser** (also available in Spanish)

Provides questions older consumers can ask to determine if their financial adviser is really an expert in senior financial planning.

- **Managing someone else’s money: Help for guardians of property and conservators** (also available in Spanish)

This guide helps family members and others understand their role as a court-appointed guardian of property or conservator. It provides guidelines on how to carry out their duties in making financial decisions for someone else, how to watch out for financial exploitation and protect assets from scams, and where to go for help.

- **Managing someone else’s money: Help for agents under a power of attorney** (also available in Spanish)

This guide helps family members and others understand their role as an agent under a power of attorney. It provides guidelines on how to carry out their duties in making financial decisions for someone else, how to watch out for financial exploitation and protect assets from scams, and where to go for help.

- **Managing someone else’s money: Help for representative payees and VA fiduciaries** (also available in Spanish)

This guide helps family members and others understand their role when a government agency names them to manage someone else’s benefit payment checks. It provides guidelines on how to carry out their duties in making financial decisions for someone

else, how to watch out for financial exploitation and protect assets from scams, and where to go for help.

- **Managing someone else’s money: Help for trustees under a revocable living trust** (also available in Spanish)

This guide helps family members and others understand their role as a trustee under a revocable living trust. It provides guidelines on how to carry out their duties in making financial decisions for someone else, how to watch out for financial exploitation and protect assets from scams, and where to go for help.

- **Money Smart for Older Adults: Prevent Financial Exploitation – Participant/Resource Guide** (also available in Spanish)

This guide provides information on how older adults and their caregivers can guard against identity theft, investment fraud, scams, and other forms of elder financial exploitation, and how to prepare financially for unexpected life events. Community organizations that wish to offer the course in their communities can order the instructor materials from the FDIC.

- Participant/Resource guide

consumerfinance.gov/f/201306_cfpb_msoa-participant-guide.pdf

- Instructor guide

fdic.gov/consumers/consumer/moneysmart/olderadult.html

- **Protecting residents from financial exploitation: A manual for assisted living and nursing facilities**

This manual helps staff of long-term care facilities prevent, recognize, and report elder financial exploitation. The guide features a detailed list of warning signs of financial abuse and a model protocol that facilities can use to protect older adults. Family caregivers and service providers can learn about preventing financial exploitation of vulnerable older facility residents.

Servicemembers and veterans

- **CFPB Office of Servicemember Affairs** (also available in Spanish)

This brochure describes the work of the Office of Servicemember Affairs within the CFPB to provide servicemembers, military families, and veterans with information and tools to make the financial decisions that will serve their goals and avoid unfair financial business practices.

- **Tackling student loan debt**

The CFPB offers tips to servicemembers for managing student loan debt.

consumerfinance.gov/f/documents/201604_cfpb_servicemember-student-loan-guide.pdf

- **Fraud protection tools to help safeguard servicemembers**

This tool explains the three kinds of alerts available to servicemembers to protect their credit files from fraud or identity theft.

consumerfinance.gov/f/201508_cfpb_fraud-protection-tools-to-help-safeguard-servicemembers.pdf

- **Choosing a financial professional**

This advisory encourages servicemembers and veterans to check a financial adviser's background before deciding where to get help in making important financial decisions. Not all titles or credentials for financial professionals are the same.

consumerfinance.gov/f/201401_cfpb_guide_choosing-financial-professional.pdf

- **Servicemembers: Know your rights when a debt collector calls**

The CFPB offers tips to servicemembers and veterans for dealing with debt collectors.

consumerfinance.gov/f/CFPB-Servicemembers-Know-Your-Rights-Handout-Debt-Collection.pdf

Other

- **Unwrapping gift cards: Know the terms and avoid surprises** (also available in Spanish)

This brochure explains the types of gift cards and the protections consumers have. It explains what consumers can do when they give or get gift cards in order to understand the terms and conditions.

Reports and white papers

The CFPB has issued many reports and white papers on financial capability and the consumer financial marketplace. A selection of key reports and white papers are listed here in reverse chronological order. To see all of the CFPB's public reports, visit consumerfinance.gov/data-research/research-reports/.

- **Tools for saving: Using prepaid accounts to set aside funds** (September 2016)

This report presents the results of a large field study exploring consumers' use of the *Reserve* "set aside" feature on the American Express *Serve* prepaid card.

consumerfinance.gov/data-research/research-reports/tools-saving-using-prepaid-accounts-set-aside-funds/

- **Building blocks to help youth achieve financial capability: A new model and recommendations** (August 2016)

This report shares research findings exploring how young people can acquire three building blocks of financial capability: executive function, financial habits and norms, and financial knowledge and decision-making skills.

consumerfinance.gov/data-research/research-reports/building-blocks-help-youth-achieve-financial-capability/

- **Report and Recommendations: Fighting Elder Financial Exploitation through Community Networks** (August 2016)

This report summarizes findings of research on the presence, activities and characteristics of local and regional networks of stakeholders working together to

prevent and respond to elder financial exploitation. The report offers recommendations for expanding the coverage of these collaborative efforts, and enhancing their work to address the growing problem of elder financial abuse.

consumerfinance.gov/data-research/research-reports/report-and-recommendations-fighting-elder-financial-exploitation-through-community-networks/

- **Financial education programs serving immigrant populations** (July 2016)

To better help financial education practitioners who serve consumers of diverse backgrounds, the CFPB conducted a field scan of financial education programs for immigrant populations and spoke with experts in the field about the financial education challenges that many immigrants face. The challenges identified in this report vary from person to person, depending on many factors including socioeconomic status, language, and financial experiences from the person's country and culture of origin.

consumerfinance.gov/data-research/research-reports/financial-education-programs-serving-immigrant-populations/

- **Recommendations and report for financial institutions on preventing and responding to elder financial exploitation** (March 2016)

This report provides a set of voluntary best practices to help banks and credit unions prevent elder financial exploitation and intervene effectively when it occurs.

consumerfinance.gov/f/201603_cfpb_recommendations-and-report-for-financial-institutions-on-preventing-and-responding-to-elder-financial-exploitation.pdf

- **Measuring financial well-being: A guide to using the CFPB Financial Well-Being Scale** (December 2015)

This guide describes the research behind the CFPB Financial Well-Being Scale – a tool to measure individual financial well-being – and provides detailed steps for using it, including how to score individuals' responses and compare their scores.

consumerfinance.gov/data-research/research-reports/financial-well-being-scale/

- **Issue Brief: Social Security claiming age and retirement security** (November 2015)

This report describes the existing research on the importance of Social Security for older consumers, retirement and Social Security claiming trends, and knowledge of Social Security among consumers. The brief provides a set of recommendations to help consumers plan ahead for this important financial decision.

consumerfinance.gov/data-research/research-reports/issue-brief-social-security-claiming-age-and-retirement-security/

- **Mobile financial services: A summary of comments from the public on opportunities, challenges, and risks for the underserved** (November 2015)

This report details the impact and potential of mobile financial services to help underserved consumers, including low-income, unbanked, underbanked, and economically vulnerable consumers. The report highlights the potential outcomes of expanding digital access and digital financial literacy to underserved consumers.

consumerfinance.gov/data-research/research-reports/mobile-financial-services-a-summary-of-comments-from-the-public-on-opportunities-challenges-and-risks-for-the-underserved/

- **Youth financial education curriculum review: report and tool** (October 2015)

This tool outlines a financial literacy curriculum for youth based on a review of relevant literature, consideration of successful practices, and real-world feedback from educators and other financial education experts. Teachers and educators can review financial education materials and determine which curriculum best suits their students.

consumerfinance.gov/data-research/research-reports/youth-financial-education-curriculum-review-tool/

- **Increasing saving at tax time and promising practices for the field** (August 2015)

This report identifies 10 promising practices that are being employed by VITA programs around the country to encourage their tax customers to save while filing their tax return.

The CFPB identified the practices through its work with VITA programs over the previous three tax seasons.

consumerfinance.gov/data-research/research-reports/increasing-saving-at-tax-time-and-promising-practices-for-the-field/

- **A closer look at reverse mortgage advertisements and consumer risks** (June 2015)

This report examines incomplete and inaccurate statements used to describe reverse mortgages in many advertisements. These ads may leave older homeowners with the false impression that reverse mortgage loans are a risk-free solution to financial gaps in retirement.

consumerfinance.gov/data-research/research-reports/a-closer-look-at-reverse-mortgage-advertisements-and-consumer-risks/

- **Advancing K-12 financial education: A guide for policymakers** (April 2015)

This resource guide is designed to help connect policymakers with tools, information, and insights to enhance K-12 financial education efforts.

consumerfinance.gov/data-research/research-reports/advancing-k-12-financial-education-a-guide-for-policymakers/

- **Consumer voices on credit reports and scores** (February 2015)

This report is based on focus groups with consumers about their experiences with, and perceptions of, credit reports and scores.

consumerfinance.gov/data-research/research-reports/consumer-voices-on-credit-reports-and-scores/

- **Financial well-being: The goal of financial education** (January 2015)

This report provides a conceptual framework for defining and measuring success in financial education by delivering a proposed definition of financial well-being and insight into the factors that contribute to it.

consumerfinance.gov/data-research/research-reports/financial-well-being/

- **Financial well-being: What it means and how to help** (January 2015)

This short digest summarizes the key findings of the report *Financial well-being: The goal of financial education* (January 2015) and is intended as a tool to help financial education practitioners use the findings in a meaningful way to assist consumers.

consumerfinance.gov/data-research/research-reports/financial-well-being/

- **Consumers' mortgage shopping experience (January 2015)**

This report uses data from the National Survey of Mortgage Borrowers to examine consumers' experience with the early stages of getting a mortgage, consumer knowledge of the process of getting a mortgage, and the sources of information consumers relied on.

consumerfinance.gov/data-research/research-reports/consumers-mortgage-shopping-experience/

- **Consumer credit reports: A study of medical and non-medical collections** (December 2014)

This paper describes characteristics of the medical and non-medical collections trade lines on consumers' credit reports, and the processes by which they appear and disappear.

consumerfinance.gov/data-research/research-reports/consumer-credit-reports-a-study-of-medical-and-non-medical-collections/

- **Annual report of the CFPB student loan ombudsman** (October 2014)

The Dodd-Frank Act established a student loan ombudsman within the CFPB. This annual report analyzes complaints submitted by consumers with student loans from October 1, 2013, through September 30, 2014. The largest subset of student loan complaints the CFPB handled relates to the lack of repayment options and flexibility in times of distress.

consumerfinance.gov/data-research/research-reports/annual-report-of-the-cfpb-student-loan-ombudsman-2014/

- **Financial wellness at work** (August 2014)

This report provides case studies designed to educate employers about practices that can improve employees' financial health and increase productivity.

consumerfinance.gov/data-research/research-reports/financial-wellness-at-work/

- **Building financial capability in youth employment programs** (August 2014)

This report includes information on integrating financial education into youth employment programs, including establishing partnerships with employers and strategies for working with financial institutions.

consumerfinance.gov/data-research/research-reports/building-financial-capability-in-youth-employment-programs/

- **Rigorous evaluation of financial capability strategies: Why, when, and how – Perspectives from the field** (January 2014)

Randomized controlled trials hold promise to produce the highest standard of quantitative evidence about the effectiveness of financial capability programs, but they can be difficult to implement successfully. As part of its research program, the CFPB convened a roundtable discussion with evaluators, funders, and program staff involved in ongoing or recent evaluations of financial capability programs. This report summarizes the insights shared by participants about successful strategies and pitfalls.

consumerfinance.gov/data-research/research-reports/rigorous-evaluation-of-financial-capability-strategies-why-when-and-how/

- **Navigating the Market: A comparison of spending on financial education and financial marketing** (November 2013)

To understand the information sources consumers could be exposed to in making financial decisions, the CFPB commissioned a study of the size and scope of the financial information field. The report finds that for every dollar spent on financial education in the United States, \$25 is spent on consumer financial marketing. The results highlight the need for high-quality sources of unbiased financial information and innovative, scalable methods for providing financial education to consumers.

consumerfinance.gov/data-research/research-reports/navigating-the-market/

- **Empowering low-income and economically vulnerable consumers: Report on a national convening** (November 2013)

The low-income and economically vulnerable population includes as many as 100 million people, many of whom are unbanked, underbanked, or have thin or no credit files. The Office of Financial Empowerment hosted a forum to examine the unique consumer financial product and service needs of these consumers. This report captures the reflections and insights of attendees and describes some of the strategies the CFPB is pursuing to address the issues identified.

consumerfinance.gov/data-research/research-reports/empowering-low-income-and-economically-vulnerable-consumers/

- **Public service & student debt: Analysis of existing benefits and options for public service organizations** (August 2013)

This report analyzes existing student loan repayment programs and options for employees of public service organizations. The CFPB estimates that more than 25 percent of the U.S. labor force works in “public service” as that term is defined by Congress for purposes of special loan repayment and forgiveness programs that are available to assist student loan borrowers working in these organizations. This includes teachers, librarians, firefighters, military personnel, law enforcement, first responders, nurses, and social workers.

consumerfinance.gov/data-research/research-reports/public-service-and-student-debt/

- **Feedback from the financial education field** (May 2013)

The CFPB conducted a series of listening sessions and issued a public request for information on effective financial education. The CFPB asked what consumers need to know to be successful in managing their finances and engaging with financial services providers, and what challenges consumers face in acquiring this knowledge and practical experience. This report summarizes the results of these outreach efforts and outlines how they are shaping the CFPB’s work to help consumers make sound financial decisions and navigate the financial services marketplace.

consumerfinance.gov/data-research/research-reports/feedback-from-the-financial-education-field/

- **Transforming the Financial Lives of a Generation of Young Americans: Policy recommendations for advancing K-12 financial education** (April 2013)

The Dodd-Frank Act directs the Office of Financial Education within the CFPB to educate consumers and empower them to make better-informed financial decisions. To that end, the CFPB developed policy recommendations for supporting the financial education and capability of youth in America. This white paper articulates these policy recommendations, provides an overview of the financial decision-making context that consumers navigate, surveys some existing efforts in the K-12 financial education field, and outlines a comprehensive approach to youth financial education.

consumerfinance.gov/data-research/research-reports/transforming-the-financial-lives-of-a-generation-of-young-americans/

- **Senior Designations for Financial Advisers: Reducing consumer confusion and risks** (April 2013)

The Dodd-Frank Act directed the CFPB's Office for Older Americans to make recommendations to Congress and the Securities and Exchange Commission (SEC) on best practices for disseminating information regarding the legitimacy of certifications of financial advisers who advise seniors, and methods a senior can use to identify the financial adviser most appropriate for the senior's needs and to verify a financial adviser's credentials. The recommendations refer to other policymakers, particularly at the state level, who have primary authority over many senior designees and therefore can improve the marketplace for consumers in this area.

consumerfinance.gov/data-research/research-reports/senior-designations-for-financial-advisers/

Complaint snapshots

The CFPB's reports include periodic complaint snapshots that analyze consumer complaints received by the CFPB to see how consumers are faring in using financial products and services, and identify trends. The most recent snapshots covering particular types of complaints are listed here in reverse chronological order.

- **Midyear Update on Student Loan Complaints** (August 2016)

This midyear update analyzed complaints submitted by consumers from October 1, 2015, through May 31, 2016. During this period, the CFPB also began handling complaints about problems managing or repaying federal student loans; this is the first report released by the CFPB discussing data on federal student loan servicing complaints. This report highlights the problems that borrowers face when seeking to enroll in an income-driven repayment plan and provides recommendations to policymakers and market participants to better serve student loan borrowers.

consumerfinance.gov/data-research/research-reports/midyear-update-student-loan-complaints/

- **2015 Consumer Response Annual Report** (March 2016)

This report provides an overview of how Consumer Response handles complaints and presents an analysis of complaints received from January 1, 2015 to December 31, 2015.

consumerfinance.gov/data-research/research-reports/2015-consumer-response-annual-report/

- **Servicemembers 2015: A Year in Review. Review of complaints received from servicemembers, veterans, and their families and outreach and enforcement efforts** (March 2016)

This is the CFPB's fourth report detailing the data and trends surrounding complaints from servicemembers, veterans, and their families. This report discusses the types and trends of military consumer complaints the CFPB has handled since opening its doors in July 2011. The CFPB has received complaints from servicemembers, veterans, or family members in all 50 states and from all branches and ranks of the military. In 2015, debt collection complaints continued to be the most numerous, totaling over 46 percent of all complaints received from the military community.

consumerfinance.gov/data-research/research-reports/servicemembers-2015-a-year-in-review-3/

- **Overseas & Underserved: Student Loan Servicing and the Cost to our Men and Women in Uniform** (July 2015)

This report outlines the challenges faced by servicemembers when they contact student loan servicers to invoke the military rights and protections earned through their service. The report relies primarily on the more than 1,300 complaints the CFPB has received from military borrowers related to the servicing or collection of student loans since the publication of the CFPB's last report on this topic in October 2012.

consumerfinance.gov/data-research/research-reports/overseas-underserved-student-loan-servicing-and-the-cost-to-our-men-and-women-in-uniform/

- **Snapshot of reverse mortgage complaints December 2011 – 2014** (February 2015)

This snapshot provides an overview of consumer complaints submitted to the CFPB involving reverse mortgages from December 2011 through December 2014.

consumerfinance.gov/data-research/research-reports/snapshot-of-reverse-mortgage-complaints-december-2011-2014/

- **A snapshot of debt collection complaints submitted by older consumers** (November 2014)

This snapshot provides an overview of debt collection complaints submitted to the CFPB by older consumers from July 2013 to September 2014.

consumerfinance.gov/data-research/research-reports/a-snapshot-of-debt-collection-complaints-submitted-by-older-consumers/

- **Snapshot of older consumers and mortgage debt** (May 2014)

Older homeowners are carrying more mortgage debt than ever before. Today, compared to a decade ago, fewer older consumers own their home outright. In this snapshot, the CFPB analyzes data from the Census Bureau, the Federal Reserve, and the CFPB's own consumer complaints to describe the growing number of older consumers carrying mortgage debt, and the risks that this trend presents to their financial security.

consumerfinance.gov/data-research/research-reports/snapshot-of-older-consumers-and-mortgage-debt/

- **Credit reporting complaint snapshot** (February 2014)

This snapshot provides an overview of complaints about credit reporting companies submitted to the CFPB from October 22, 2012, to February 1, 2014.

consumerfinance.gov/data-research/research-reports/credit-reporting-complaint-snapshot/

Consumer advisories

The CFPB periodically issues consumer advisories that provide guidance to consumers on particular consumer challenges that come to the CFPB's attention through the complaint process, the news, or other means. More recent consumer advisories are listed here in reverse chronological order. The CFPB's consumer advisories can be found by going to consumerfinance.gov/about-us/blog/, clicking "show" in the Filter Posts box, and choosing the topic "consumer advisory."

- **Be your family's financial action hero during an emergency** (September 2016)

This advisory provides consumers steps to take to be financially prepared for major emergencies or even minor setbacks before they happen.

consumerfinance.gov/about-us/blog/be-your-familys-financial-action-hero-during-emergency/

- **The ABCs of money management for military kids** (August 2016)

Back-to-school season is an opportunity for military parents to teach their children money management lessons. This advisory provides military parents with tips on how to teach their kids about money management.

consumerfinance.gov/about-us/blog/abcs-money-management-military-kids/

- **Guard against fraud and make better financial decisions for Military Consumer Protection Month** (July 2016)

This advisory provides servicemembers a range of resources to guard against fraud and make better-informed decisions when managing their money.

consumerfinance.gov/about-us/blog/guard-against-fraud-and-make-better-financial-decisions-military-consumer-protection-month/

- **Arm yourself with knowledge when shopping for an auto loan** (June 2016)

This advisory provides tips to servicemembers on precautions to take when entering into an auto loan.

consumerfinance.gov/about-us/blog/arm-yourself-knowledge-when-shopping-auto-loan/

- **Older Americans are not alone in the fight to stop financial abuse: How can you work with your bank or credit union to protect yourself?** (March 2016)

This advisory provides tips on how consumers can work with their bank or credit union to protect themselves from financial exploitation. The advisory accompanies an advisory and report for financial institutions on preventing and responding to elder financial exploitation.

consumerfinance.gov/about-us/blog/older-americans-are-not-alone-in-the-fight-to-stop-financial-abuse/

- **Older consumers targeted by fraudsters not once, but twice!** (February 2016)

This advisory warns about asset recovery scams targeting older consumers who have previously fallen prey to fraudulent money-making schemes, such as bogus timeshare investments and in-home business opportunities. So-called asset recovery companies contact these past victims, promising to get refunds for the older consumer for an up-front fee of several hundred to thousands of dollars. They then fail to deliver – leaving the older consumer financially worse off than before.

consumerfinance.gov/about-us/blog/older-consumers-targeted-by-fraudsters-not-once-but-twice/

- **Key tips to consider if choosing a lump-sum pension payout** (January 2016)

This blog lists six things that consumers could benefit from knowing and doing if they have the option of taking a lump-sum payout on their pension.

consumerfinance.gov/about-us/blog/key-tips-to-consider-if-choosing-a-lump-sum-pension-payout/

- **5 things to consider before you collect your Social Security benefits**

(November 2015)

This blog lists five recommendations to help consumers plan ahead and make an informed decision about when to claim their Social Security benefits.

consumerfinance.gov/about-us/blog/5-things-to-consider-before-you-collect-your-social-security-benefits/

- **Consumer advisory: Don't be misled by reverse mortgage advertising**

(June 2015)

This advisory helps prospective reverse mortgage borrowers understand some key features of reverse mortgage loans that often are not mentioned in advertisements.

consumerfinance.gov/about-us/blog/consumer-advisory-dont-be-misled-by-reverse-mortgage-advertising/

- **Consumer advisory and investor bulletin: Planning for diminished capacity and illness** (June 2015)

This joint CFPB and SEC advisory and bulletin helps consumers plan for the possibility of incapacity.

consumerfinance.gov/about-us/blog/planning-for-financial-decisions-as-you-age/

- **Consumer advisory: Fact-check your specialty consumer report** (May 2015)

This advisory cautions consumers to check credit information with other specialty consumer reporting companies that compile and sell reports with personal data. It provides information on how to dispute inaccurate personal information with these companies that may be supplied to employers, landlords, or banks.

consumerfinance.gov/about-us/blog/consumer-advisory-fact-check-your-specialty-consumer-report/

- **Consumer advisory: What happens to your student loans if your school is shut down** (May 2015)

This advisory provides advice to students to help guide them through their student loan options in the event they are notified that their college is shutting down. The advisory provides information on federal student loan discharge options, options for private student loans, and ‘teach-out’ arrangements.

consumerfinance.gov/about-us/blog/reminder-what-happens-to-your-student-loans-if-your-school-is-shut-down/

- **Consumer advisory: Your benefits are protected from garnishment** (May 2015)

Threats to garnish federal benefits can cause older consumers and veterans significant distress, especially when they depend on this income to pay essential living costs. This advisory and sample letter can help consumers protect themselves against improper garnishment.

consumerfinance.gov/about-us/blog/consumer-advisory-your-benefits-are-protected-from-garnishment/

- **Consumer advisory: 3 pension advance traps to avoid** (March 2015)

Many retirees depend on a pension to cover day-to-day as well as occasional unexpected expenses. This advisory helps older consumers protect their pension when considering a pension advance.

consumerfinance.gov/about-us/blog/consumer-advisory-3-pension-advance-traps-to-avoid/

- **Consumer advisory: Three steps you should take if you have a reverse mortgage** (February 2015)

This advisory helps existing reverse mortgage borrowers and/or family members who may be experiencing a problem with their reverse mortgage loan.

consumerfinance.gov/about-us/blog/consumer-advisory-three-steps-you-should-take-if-you-have-a-reverse-mortgage/

- **Consumer advisory: Are unpaid debts a military career-killer?** (January 2015)

Military personnel who have trouble handling their personal finances can find their duty status, potential promotions, and even their military careers in jeopardy. Over time, the burden of debt also can add stress to their personal relationships and damage their credit profile. This advisory helps military consumers think about what to do when a financial problem arises.

[.consumerfinance.gov/about-us/blog/are-unpaid-debts-a-military-career-killer/](https://consumerfinance.gov/about-us/blog/are-unpaid-debts-a-military-career-killer/)