

# Financial Literacy Annual Report



# Message from the Director



In October 2020 the Bureau formed the Consumer Education and External Affairs (CEEA) Division, bringing together and retaining the statutory and programmatic functions of Consumer Response, External Affairs (now largely within Stakeholder Management which includes Legislative Affairs), Consumer Education and Engagement (now largely within Consumer Education), and Public Affairs. The CEEA division aims to create and facilitate a uniform strategy for streamlining internal processes and enhancing engagement with external stakeholders, principally consumers. The Bureau initiated an FY21 strategic planning process for the CEEA division which includes the responsibilities attributed to the following sections within the Office of Consumer Education: Community Affairs, Financial Education, Servicemember Affairs, Students and Young Consumers, and Financial Protection for Older Americans.<sup>1</sup>

A large part of our financial education efforts this year has been the response to the COVID-19 pandemic. The Bureau published a collection of consumer education resources to help consumers protect themselves financially. In FY20, 7.3 million web users accessed the Bureau's educational tools, an increase of 1 million users over 2019, and the Bureau distributed 4.7 million publications to consumers. Another 4 million web users accessed COVID-19 specific resources, including blogs, videos, consumer education materials, and other regulatory clarifications.

The Bureau response to COVID-19 resulted in the rapid expansion of information and resources for consumers and industry. This included more than 70 blogs, web pages, and videos on COVID-19 related resources and consumer education materials, including a number of these materials available in languages other than English. The Bureau created a landing page to organize the frequent COVID-19 related resources and updates to previously released content. Topics covered include mortgages, credit reporting, debt collection, student loans, frauds and

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<sup>1</sup> 12 U.S.C. § 5493(b)(2), 12 U.S.C. § 5493(d), 12 U.S.C. § 5493(g), and 12 U.S.C. § 5493(e).

scams, and managing your money. The Bureau's CARES Act Mortgage forbearance video alone has been viewed over 163,000 times on YouTube<sup>2</sup> between April and November 2020.

The ultimate financial education goal for the Bureau is to educate and empower consumers to make better informed financial decisions and improve financial literacy of all consumers in America. I am committed to bringing together partners from across sectors to develop and execute a strategy to achieve this outcome. I am proud of the work that is highlighted in this report and thank the Bureau staff who have been instrumental in leading and implementing these efforts. We will continue to build on our efforts going forward to prevent consumer harm and ensure that consumers are protected and have the information necessary to make informed decisions.

Sincerely,



Kathleen L. Kraninger

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<sup>2</sup> <https://youtu.be/br5EPugsnLs>

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# 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 (Bureau) submit to Congress an annual report on the Bureau’s financial literacy activities and strategy to improve the financial literacy of consumers.<sup>3</sup> The Bureau is pleased to submit this eighth Financial Literacy Annual Report. The report covers fiscal year 2020 (FY20), the period from October 2019 through September 2020.

Financial education is a core component of the Bureau’s mission under the Dodd-Frank Act. One of the Bureau’s five statutory objectives<sup>4</sup> is to ensure that “consumers are provided with timely and understandable information to make responsible decisions about financial transactions,” and one of the Bureau’s *primary* functions is “conducting financial education programs.”<sup>5</sup> The statute also delineates more specific responsibilities in this area. Congress directed the Bureau to develop and implement initiatives to “educate and empower consumers to make better informed financial decisions,”<sup>6</sup> to “develop and implement a strategy to improve the financial literacy of consumers,”<sup>7</sup> and to provide “opportunities for consumers to access” activities and information on a broad range of financial capability topics.<sup>8</sup>

Within its broad statutory mandate, the Bureau identifies areas of focus to help people in America strengthen financial skills. The Bureau does this through conducting user testing of tools and materials, talking to consumers and the organizations that serve them in focus groups and listening sessions, conducting research, and analyzing consumer complaint data. For example, the Bureau conducted user testing on the Managing Someone Else’s Money guides to determine whether updates should be made, or new materials added. In addition, the Bureau has undertaken foundational research to understand the pathways to financial well-being, and how we, and other financial educators, can help people progress along those pathways. Our

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<sup>3</sup> 12 U.S.C. § 5493(d)(4).

<sup>4</sup> 12 U.S.C. § 5511(b)(1).

<sup>5</sup> 12 U.S.C. § 5511(c)(1).

<sup>6</sup> 12 U.S.C. § 5493(d)(1).

<sup>7</sup> 12 U.S.C. § 5493(d)(2).

<sup>8</sup> 12 U.S.C. § 5493(d)(2).

research confirms that while opportunity and socio-economic factors play a significant role in determining an individual's financial well-being, there is a set of behaviors that are more common among people with higher financial well-being. These findings suggest that financial educators can support day-to-day money management, planning, and a habit of savings to help people achieve better financial outcomes within the context of their circumstances. In 2020 and beyond, the Bureau is encouraging others to join us in spreading knowledge of how financial education approaches can build skills to support decisions that improve people's financial well-being in a range of circumstances.

The Bureau launched the Start Small, Save Up initiative (SSSU) in February 2019 to increase people's opportunities to save and empower them to realize their personal savings goals as a step toward improved financial well-being. In FY20, the SSSU initiative worked toward that vision through direct to consumer tools and strategic engagement with a variety of external entities that focused on promoting solutions that make savings easier and more accessible. For example, in collaboration with the Department of Defense, 1.2 million service members received messages encouraging them to save for emergencies. Additionally, the Bureau facilitated a collaboration for the Blackrock Emergency Savings Initiative with the Bureau's Office of Innovation which established a compliance assistance sandbox template that allows regulatory flexibility for employers seeking to pilot an emergency savings auto-enrollment program for their workforce. To continue contributing to the evidence base that underpins all of our work, SSSU Research and Evaluation Working Group released a research brief<sup>9</sup> using data from the CFPB's *Making Ends Meet* survey to explore consumers' savings-related behaviors, experiences, and outcomes. Additionally, the Bureau entered into a research collaboration with Southern Bancorp to study the savings patterns and habits of their customers.

In response to the Covid-19 pandemic, the Bureau pivoted its focus to financial resiliency. In May, the Bureau issued clarifying FAQs to support small businesses who have applied for a loan from their financial institution under the Small Business Administration's (SBA) Paycheck Protection Program (PPP) and released a Consumer Relief Guide with the Conference of State Bank Supervisors (CSBS) to help homeowners with federally backed loans through the process of obtaining mortgage relief. In June, the Bureau and CSBS released joint guidance to mortgage servicers to assist in complying with the CARES Act provisions granting a right to forbearance to consumers impacted by the COVID-19 pandemic.

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<sup>9</sup> *Perceived Financial Preparedness, Saving Habits, and Financial Security*, September 2020.  
[https://files.consumerfinance.gov/f/documents/cfpb\\_perceived-financial-preparedness-saving-habits-and-financial-security\\_2020-09.pdf](https://files.consumerfinance.gov/f/documents/cfpb_perceived-financial-preparedness-saving-habits-and-financial-security_2020-09.pdf)

The Dodd-Frank Act also directs the Bureau to conduct programs and activities focused on financial security and inclusion for special populations: servicemembers, older Americans, traditionally underserved consumers and communities, and students.<sup>10</sup> Some of the 2020 Highlights of this population-focused work include:

- Bureau's Office of Servicemembers Affairs' (OSA) flagship education program is its Misadventures in Money Management (MiMM) program. MiMM is an interactive, graphic novel where users can choose their own adventure in a virtual learning experience that trains future and current servicemembers on how to navigate future financial landmines in a fun way. The program is currently available for use by all of the U.S. Armed Forces and can be played at MiMM.GOV. MiMM covers topics including understanding the importance of building savings; how to avoid impulse purchases; how debt can affect a military career; and understanding protections under the Servicemembers Civil Relief Act (SCRA). To date, the program has reached more than 35,707 future and current servicemembers with more than 91 percent of them reporting gaining knowledge from MiMM. The Bureau is also working on its first learning module for military family members.<sup>11</sup>
- Bureau's Office of Older Americans' *Managing Someone Else's Money*<sup>12</sup> (MSEM) guides provide practical guidance to the millions of Americans who manage money and property for someone unable to do so independently. Now available for co-branding, the guides allow banks, credit unions, legal services programs, area agencies on aging, and other service providers to add a logo to the covers of the booklets by following a few steps listed on our website.<sup>13</sup> Several financial institutions, aging organizations, and government agencies already have expressed interest in co-branding the guides. Also, in FY20, the Office for Older Americans conducted user testing of the MSEM guide for agents under power of attorney. Based on the testing, the office began planning updates to the guide and new MSEM materials.
- In FY20, the Bureau continued to disseminate and provide training on its fully interactive, digital Your Money, Your Goals (YMYG) toolkit and related print materials. Due to the COVID-19 pandemic, training and technical assistance focused on digital

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<sup>10</sup> 12 U.S.C. § 5493.

<sup>11</sup> Additional activity has occurred since the reporting period ended: see <https://www.mimm.gov/>

<sup>12</sup> <https://www.consumerfinance.gov/consumer-tools/managing-someone-elses-money/>

<sup>13</sup> <https://www.consumerfinance.gov/cobrandMSEM>

tools that can be used when serving clients in a virtual context. The YMYG materials include action booklets to use with individuals, and companion guides specifically developed to address unique needs titled People with Disabilities, People with Criminal Records, and Native Communities. Over the life of the program, it has facilitated the training of over 33,000 frontline staff and volunteers nationwide in social service organizations, faith-based organizations, and other types of local service organizations. In FY20, training was also provided to staff and grantees of Federal partners including the U.S. Department of Agriculture, Cooperative Extension Service, and the U.S. Department of Housing and Urban Development.

- In FY20, the Bureau released the Paying for College tool, *Your financial path to graduation*, to help students turn financial aid offers into plans to pay for college. The tool estimates the total cost for a college education, the amount of debt a student will have borrowed by completion; and evaluate how that debt may impact their current and future finances. The tool provides tips and money saving strategies to help students to choose an institution of higher education and a financial path forward. In FY20, the Bureau began working with institutions of higher education, college access advisors, and high school counselors and other K-12 professionals to pilot the tool with their students.

Pursuant to the Dodd-Frank Act, the Bureau's work to improve the financial literacy of consumers includes its participation in the Financial Literacy and Education Commission (FLEC).<sup>14</sup> Congress established the FLEC in 2003 with the mandate to improve the financial literacy of Americans and to coordinate financial education efforts in the federal government through, among other things, the development of a national strategy to promote financial literacy and education.<sup>15</sup> The FLEC consists of representatives from 23 federal agencies and entities, and is chaired by the Secretary of the Treasury. The Dodd-Frank Act amended the 2003 FACT Act's provision on FLEC by designating the Bureau's Director as the Vice-Chair.<sup>16</sup> During FY20, the FLEC engaged in significant organizational reforms and created five new interagency working groups, including a basic financial capability working group led by the Bureau. These reforms are described in the updated 2020 National Strategy for Financial Literacy, which also incorporates the Bureau's work on Financial Well-Being Scale, the Five

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<sup>14</sup> 12 U.S.C. § 5493(d)(2).

<sup>15</sup> 20 U.S.C. § 9702(b).

<sup>16</sup> 12 U.S.C. § 5493(d)(6).



Principles of Effective Financial Education, Youth Building Blocks, and other evidence-based best practices and research.<sup>17</sup>

Overall, this annual report describes the Bureau's efforts in a broad range of financial literacy and capability areas within its statutory mandate and relevant to consumers' financial lives. These topic areas include debt collection, credit and credit reporting, home ownership and mortgages, and student loan borrowing and repayment. Other topics relate to helping people to prepare in their financial lives and to avoid financial difficulties, including general money management skills, savings, building children's financial capability, avoiding fraud, and preparing for a secure retirement. Some areas of work serve particular segments of the population, from helping parents and teachers to help young people acquire the building blocks of financial capability, to preventing and responding to elder financial exploitation. The topics are informed by what we hear from financial educators and others working directly with consumers, from the Bureau's research on what contributes to financial well-being, as well as from complaint data and information about educational resources that consumers access through the educational sections of the Bureau's website.<sup>18</sup> This report outlines our approaches in three sections: Providing financial education to the public directly, sharing research on effective financial education with financial educators, and addressing needs for inclusion and financial security of specific populations.

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<sup>17</sup> *U.S. National Strategy for Financial Literacy 2020*, Financial Literacy and Education Commission, <https://home.treasury.gov/system/files/136/US-National-Strategy-Financial-Literacy-2020.pdf>

<sup>18</sup> <https://www.consumerfinance.gov>

## 2. Financial Education Strategy and Implementing Activities

To carry out its financial education mandate, the Bureau seeks to enhance the financial knowledge and skills of all consumers in America, from childhood to later life, so that individuals can use these new skills to build their financial well-being. The Bureau is using a three-part strategy that includes measurable goals and objectives to accomplish this task. The three elements of the strategy are:

- Providing financial education to the public, directly and by expanding and augmenting the local delivery of financial education.
- Sharing research on effective financial education and financial well-being with financial educators and others.
- Addressing needs for inclusion and financial security of servicemembers and veterans, older Americans, traditionally underserved consumers and communities, and students.

Each of the elements of this strategy, and the Bureau's activities aligned with each element of the strategy, are discussed in the sections below, along with the Bureau's progress in meeting performance goals and measures in each area in FY20. Taken together, this work can create opportunities for people to make decisions about money that better meet their own life goals.

The Bureau's major performance measures reflect the broad reach of the Bureau's work. For example, over 12.1 million people used the Bureau's web or print educational resources in FY20. Since 2012, more than 33 million people have visited Ask CFPB web pages.

The Bureau measures results in a number of ways. The Bureau measures outputs such as numbers of individuals served, staff trained, or people who use resources developed by the Bureau. As programs continue over time or expand to reach more people, the Bureau is able to implement intermediate outcome measures such as user satisfaction, gains in participants' knowledge, or changes in behavior after using a particular financial education tool, as appropriate and feasible. While these measures provide some indication of effectiveness, the Bureau has sought, and continues to seek, to develop and apply ways to measure change in consumers' financial well-being or financial circumstances as a result of financial education. The Bureau does so in order to identify effective practices to guide its own work and to help others who provide financial education in their program to help consumers. For example, the

Bureau undertook foundational research to define financial well-being and develop a scale to measure it, as well as a scale to measure financial skill released in FY18. These are two measurement tools that can help identify and quantify effective financial education approaches.

## Strategy Part 1: Provide financial education to the public

The Bureau's consumer financial education programs and resources are designed to empower people to make better informed financial decisions to serve their own life goals and build their financial well-being. The Bureau provides these programs and resources through trusted and established community channels where people may go for other services. The Bureau undertakes initiatives to support development of both knowledge and skills to address the types of financial decisions, opportunities, and challenges that arise throughout the financial life cycle. The Bureau provides financial capability materials, tools, and programs to serve both the general adult population and the needs of specific populations. These specific populations include servicemembers and veterans, students and young adults, older adults and financial caregivers for seniors, and economically vulnerable people who are traditionally underserved.

*Performance Goal: Help people build the knowledge and skills to make money decisions through direct financial education from the Bureau and through community channels providing other services.<sup>19</sup>*

Because financial education needs to begin well before adulthood to be effective, the Bureau also helps those who are working to build the financial skills of the next generation. The Bureau provides information for educators of youth, information for parents who want to have money conversations with their children, and financial capability program resources to people who work with youth in local communities.

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<sup>19</sup> CFPB, Annual performance plan and report, Performance goal 1.1.1

## 2.1.1 Direct to Consumer

The Bureau offers consumers self-help resources, online and in print, to help people make more informed decisions. These resources focus on common financial situations such as debt collection, using a bank or credit union account, improving or fixing credit reports and scores, and getting or refinancing a mortgage. Some of the Bureau's main direct-to-consumer financial education offerings are:

- **Covid-19 Response.** The Bureau's financial education teams responded to the global pandemic by developing and updating materials that encompassed many topics and sought to meet the needs of consumers in crisis. Over 4.3 million users accessed educational web content in response to COVID-19 from March 13, 2020 through October 31, 2020. The response included creating more than 70 blogs, web pages, videos, and updates on COVID-19 related resources and consumer education materials, including a number of these materials available in languages other than English. The Bureau created a landing page to organize the frequent COVID-19 related resources and updates to previously released content. Topics covered include mortgages, credit reporting, debt collection, student loans, frauds and scams, and more. The Bureau published:
  - 2 microsites and 34 blogs on Consumerfinance.gov including a guide to COVID-19 economic stimulus relief with over 1,362,339 pageviews, a guide to learn about mortgage relief options and protections with over 786,550 pageviews, and the Coronavirus landing page with over 401,636 pageviews;
  - An interagency housing assistance hub with more than 763,598 users;<sup>20</sup>
  - Over 46 substantial updates to these blogs and pages;
  - 128 blog translations and translation of the interagency housing microsite into Spanish, Traditional Chinese, Simplified Chinese, Tagalog, Vietnamese, and Korean;
  - 22 videos with more than 338,000 views on YouTube, Facebook and Twitter;
  - A video on mortgage forbearance that has been viewed 160,559 times;
  - 1,096 social media messages.
- **Start Small, Save Up (SSSU).** The Bureau launched this initiative in February 2019 to increase people's opportunities to save and empower them to realize their personal

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<sup>20</sup>consumerfinance.gov/housing

savings goals as a step toward improved financial well-being. In FY20 the SSSU initiative worked toward that vision through direct to consumer tools and strategic engagement with a variety of external entities that focused on promoting solutions that make savings easier and more accessible. The Bureau reached more than 1.3 million consumers with targeted messages encouraging saving for emergencies. The Bureau also added to its suite of online tools including the *Guide to Building an Emergency Fund* and the *Guide to Saving at Tax Time*. In addition, the Bureau updated its savings tools and resources available to consumers on the Bureau’s website, ensuring that our tools reflected the new economic realities faced by many people in the wake of the coronavirus pandemic.

- **Ask CFPB and money topic web pages.** *Ask CFPB*<sup>21</sup> is a financial education tool offered as a digital resource that provides consumers with answers to common money questions. Other Bureau web pages provide information and “how-to” guides on specific money topics such as home mortgages, auto loans, credit reports and scores, debt collection, and student loans.
- **Specialized Tools.** The Bureau’s website offers financial education tools and information that help consumers prepare and plan for specific money decisions such as borrowing to become a homeowner, paying for college, getting an auto loan, and planning for retirement.
  - **Buying a House.** *Buying a House* provides tools and resources to help people know what to expect and what questions to ask in the process of buying a house and choosing a home loan. In particular, *Buying a House* seeks to show prospective homebuyers the benefits of shopping for a mortgage. The Bureau’s Office of Research found that consumers who received Bureau messaging encouraging shopping for a mortgage were 10 percent more likely to talk with more than one lender than those who received no messaging. The Bureau’s research found that close to half of consumers do not shop before taking out a mortgage, “seriously considering” only one lender. Researchers estimated that such consumers ended up paying hundreds of dollars more for their mortgage for each year they made mortgage payments.
  - **Paying for College.** *Paying for College* provides digital tools and resources to help students and former students make informed decisions about financing their college education and repaying their loans. This includes a tool to help students

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<sup>21</sup> <https://www.consumerfinance.gov/ask-cfpb/>

evaluate the cost of post-secondary education; interactive web tool to help students to evaluate their financial aid offers; student financial guides for comparing student loan options and for managing college money; and a tool that provides information and advice for optimizing how students or former students repay their student loans based on some basic information about their situation. In fiscal year 2020, the Bureau released a new tool, *Your financial path to graduation*, to help students turn financial aid offers into plans to pay for college. The tool estimates the total cost for a college education and the amount of debt a student will have borrowed by completion and evaluates how that debt may impact their current and future finances. The Bureau has worked with institutions of higher education, college access advisors, and high school counselors and other K-12 professionals to pilot the tool with their students.

- **Getting an Auto Loan.** Automobile lending is the third largest category of household debt for consumers in America, after mortgages and student loans.<sup>22</sup> Yet, almost half of adults surveyed by the Federal Reserve Board in 2015 said they did not compare loan prices or terms before taking an auto loan.<sup>23</sup> *Getting an Auto Loan* is an online guide that consumers can use in making informed auto financing decisions. The guide seeks to help consumers shop for and compare financing options when purchasing a vehicle. Consumers can use the guide to look beyond the monthly payment to consider the total cost of financing when choosing an auto loan and learn how to be aware of financing features and other factors that will affect their total cost.<sup>24</sup>
- **Planning for Retirement.** Each year, more than two million people make the financial decision about when to claim Social Security retirement benefits. Nearly 40 percent of the eligible people start collecting benefits at the earliest possible age without understanding that claiming early may reduce total lifetime

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<sup>22</sup> Report on the Economic Well-Being of U.S. Households in 2015, Board of Governors of the Federal Reserve, (May 2016). <https://www.federalreserve.gov/2015-report-economic-well-being-us-households-201605.pdf>

<sup>23</sup> Report on the Economic Well-Being of U.S. Households in 2015, Board of Governors of the Federal Reserve, (May 2016). <https://www.federalreserve.gov/2015-report-economic-well-being-us-households-201605.pdf>

<sup>24</sup> <https://www.consumerfinance.gov/consumer-tools/getting-an-auto-loan/>

payments.<sup>25</sup> Claiming early may decrease financial security in retirement. *Planning for Retirement* is an interactive online tool to help people make an informed decision about when to claim Social Security. The tool helps people understand how claiming at a particular age affects their benefits, provides tips relevant to their situation, and prompts consideration of retirement needs and goals. Over 80 percent of people who use the tool to select an intended claiming age, say they will consider claiming later than the earliest possible benefit claiming age (age 62).

- **Money as You Grow.** *Money as You Grow* provides information, activities, and conversation starters for parents and caregivers who want to help their children develop financial capability skills. The Bureau developed these resources to help parents and caregivers who wish to foster the building blocks for growth of financial capability identified in the Bureau's research, discussed below. The *Money as You Grow* resources include *Money as You Grow Bookshelf*, a family financial education program that uses children's books to help families talk about money-related skills. An independent study performed before the Bureau developed its program showed that this approach led parents to talk more with their children about money, with the most significant gains shown among parents with lower household incomes and levels of education.<sup>26</sup>
- **Print Publications.** The Bureau offers print publications on money topics for download or order at no charge. These include publications that consumers can use to help manage their financial lives, and publications that social service and other types of organizations can use with those they serve. For example, the Bureau offers a series of *Managing Someone Else's Money* guides for the millions of Americans who are financial caregivers for an adult who is unable to manage money, pay bills, or make his or her own financial decisions. In FY20, the Bureau reached 34 million

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<sup>25</sup> For the percent of people claiming at the earliest age: see e.g., Alicia Munnell & Anqi Chen, *Trends in Social Security Claiming*, CRR Issue Brief 15 (May 2015), at 3, available at [http://crr.bc.edu/wp-content/uploads/2015/05/IB\\_15-8.pdf](http://crr.bc.edu/wp-content/uploads/2015/05/IB_15-8.pdf); For research on the relationship of claiming and lifetime benefits, see, e.g., Wei Sun & Anthony Webb, *How Much Do Households Really Lose by Claiming Social Security at Age 62?*, SSRN (2009), at <http://dx.doi.org/10.2139/ssrn.1408729>; see also Courtney Coile, et al., *Delays in Claiming Social Security Benefits*, J. of Pub. Econ. Issue 84 (2002), at <http://economics.mit.edu/files/635>; Matt Fellowes, et al., *The Retirement Solution Hiding in Plain Sight How Much Retirees Would Gain by Improving Social Security Decisions*, (June 2019) available at <https://unitedincome.com/library/the-retirement-solution-hiding-in-plain-sight/>

<sup>26</sup> Behal, P.A., Bennett, K.K., Crites, A.M., Weigel, D. (2003), *Money on the Bookshelf: Using Children's Books to Reach Limited Resource Families with Money Management Education*. Journal of Extension, 41: 3. Ideas at Work.

print publications delivered over the life of the program, covering financial education topics ranging from budgeting and bill paying to avoiding fraud against seniors.

*Related FY20 Performance Measures:*

**TABLE 1:** NUMBER OF PEOPLE WHO USE THE BUREAU'S EDUCATIONAL RESOURCES ON WEB AND IN PRINT.

FY 2020	
Target	9.0M
Actual	12.1M

**TABLE 2:** SATISFACTION RATE FOR USERS OF CFPB'S ONLINE EDUCATIONAL RESOURCES. (NEW MEASURE)

FY 2020	
Target	Baseline
Actual	80%

## 2.1.2 Community channels

In addition to providing financial education resources that people can access directly, the Bureau works to make it easier for people to access financial education in their local communities. In this way, the Bureau works to foster a lasting local financial education infrastructure. An important way to do this is by integrating financial education into trusted and established community channels where people already go for other services. These community channels include libraries, workplaces, social service organizations, military recruiters, Army Reserve Officer Training Corps (ROTC) host colleges and universities, government agencies, financial institutions, and financial educators. The Bureau also coordinates actively with the FLEC to identify areas for synergy and collaborates with other federal agencies to amplify each other's mutual ability to reach the public with financial education. Major community channel initiatives in FY20 include the following:



- **Libraries Community Education.** The Bureau's libraries program continued to provide librarians with free publications, trainings, and opportunities to connect with local financial education providers to help their libraries become a go-to resource on financial topics for their patrons. By the end of FY20, 3,182 library locations were signed up to participate in this project.
  
- **Your Money, Your Goals (YMYG) train-the-trainer program and tools.** YMYG offers training and materials to enable local service providers help the people they serve develop financial capability knowledge and skills. The program is centered on a toolkit that covers a full range of financial topics, and that service providers can use to help people address specific financial goals and challenges. The toolkit is available in digital and print format. The Bureau continued to disseminate and provide training on its fully interactive, digital version of the YMYG toolkit. In FY20, a total of 42,124 print copies of the toolkit were ordered by organizations located in every state, the District of Columbia, Guam, and Puerto Rico. The digital version was highlighted in training programs for providers who were adapting to serve clients remotely in the COVID-19 context. In FY20, 4,796 copies of the complete digital toolkit were downloaded. Complementary YMYG print materials include action booklets to use with individuals. In FY20, a total of 384,523 action booklets were ordered to address topics of money management, debt, credit and savings. Additional print materials available in FY20 include specialized companion guides that address unique needs of people with disabilities, (6,368 ordered), people with criminal records (8,495 ordered) and Native communities (2,393 ordered). Over the life of the YMYG program, the Bureau has facilitated the training of over 34,117 frontline staff and volunteers nationwide in social service organizations, faith-based organizations, and other types of local service organizations. Participating in this training gives frontline staff the confidence they need to talk with consumers about financial issues. Frontline staff and volunteers participating in our field tests reported significant increases in confidence to discuss financial topics with the people they serve and members of their community. In FY20 training sessions, the percentage of people reporting high levels of confidence rose from 39 percent before the training to 69 percent after the training.
  
- **Misadventures in Money Management (MiMM).** MiMM is a cutting-edge virtual learning experience that delivers financial education content to young servicemembers through the power of storytelling and gamification techniques. The Bureau offers this online training program for future servicemembers in the Delayed Entry Program (DEP), future leaders in the Junior Reserve Officers' Training Corps (JROTC) and Reserve Officer Training Corps (ROTC) and active duty servicemembers reporting to their first duty station. The program focuses on early-career financial choices faced by the newest members of the military and on avoiding costly mistakes in one's personal finances.

The program is now available to all members of the United States Armed Forces.<sup>27</sup> Today, over 35,000 current and future servicemembers have used the program. Tests of participant knowledge before and after the training showed the following positive changes: 17 percent increase in knowledge of availability of free credit reports; 18 percent increase in knowledge of the Servicemembers Civil Relief Act (SCRA) and 10 percent reduction in mistaken belief that SCRA puts a hold on debt; 39 percent reduction in focus on just the monthly payment in buying a car and 43 percent increase in understanding that total price matters when buying and financing a car. Once in the military, 90 percent of participants who completed MiMM state if they have an unexpected financial burden they can't handle, they know all their options. Overall, 91 percent of future and current servicemembers who completed MiMM scored higher on the post-assessment than on the pre-assessment.

- **Youth Employment Success Initiative (YES).** YES aims to increase the financial capability of economically vulnerable young workers between the ages of 16-24 as they enter the workforce. Through the YES program, the Bureau is currently working with 10 Department of Labor funded youth employment programs that serve out-of-school, out-of-work youth to integrate financial capability skill building into their programs. In FY19, the Bureau identified a need for financial capability materials that addressed specific financial decisions that young workers face. As a result, in FY20, after consulting with youth workforce programs across the country, the Bureau created a digital transportation decision-making tool, as well as a car-buying tool to test with youth to help young people through a critical financial decision point for those entering the workforce.
- **Money Smart for Older Adults (MSOA).** MSOA is an award-winning<sup>28</sup> instructor-led curriculum program on preventing elder financial exploitation. The Bureau developed and offers the program jointly with the Federal Deposit Insurance Corporation (FDIC). It is designed to educate older consumers and caregivers, and may be offered by law enforcement, financial institutions, faith-based organizations, organizations serving seniors, and other local community providers. The curriculum focuses on common issues facing seniors, including how to identify a potential scam or fraud and other forms of elder financial exploitation. The *Resource Guide* can be ordered in bulk and is widely distributed as a stand-alone resource at senior centers,

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<sup>27</sup> In November of 2020, MiMM rolled out a new character which addresses scenarios surrounding debt of family members. This character was created specifically for the family members of servicemembers.

<sup>28</sup> 2019 Gloria Cavanaugh Award for Excellence in Training and Education Winner, American Society of Aging.

senior fairs and fraud prevention and awareness events. Cumulative distribution of MSOA reached 1.1 million from program launch into FY20.

- **Tax-Time Savings.** The Bureau provides technical assistance and materials to Volunteer Income Tax Assistance (VITA) sites to help encourage consumer savings at tax time. This annual effort supports the mandate in the Dodd-Frank Act “to provide opportunities for consumers to access wealth building and financial services during the preparation process to claim earned-income tax credits and Federal benefits.” In 2020 the tax season was cut short by the pandemic as almost all VITA programs closed their doors to direct service in early March. Some programs were able to recover and begin offering virtual tax preparation services but at a significantly decreased scale compared to prior years. Forty-two of the original 73 participating programs were able to report partial results. Of customers served, 3.75 percent of people receiving a refund were able to save a portion of their refund in 2020.

***Related FY20 Performance Measures:***

**TABLE 3:** NUMBER OF MAJOR ENTITIES ENGAGED AND ACTIVE IN ENCOURAGING SAVINGS, REDUCING BARRIERS TO SAVINGS, OR INCREASING OPPORTUNITIES TO SAVE. (NEW MEASURE)

FY 2020	
Target	3-5
Actual	5

**TABLE 4:** NUMBER OF CONSUMERS WITH ENHANCED OPPORTUNITIES TO SAVE. (NEW MEASURE)

FY 2020	
Target	1.0M
Actual	1.3M

**TABLE 5:** INCREASE IN FRONTLINE STAFF REPORTING AFTER TRAINING THAT THEY ARE VERY OR EXTREMELY CONFIDENT IN DISCUSSING FINANCIAL MANAGEMENT WITH CLIENTS. (NEW MEASURE)

FY 2020	
Target	60%
Actual	90%

**TABLE 6:** PERCENTAGE OF SERVICEMEMBERS (FUTURE AND CURRENT WHO ACCESSED MISADVENTURES IN MONEY MANAGEMENT WHO SHOWED KNOWLEDGE GAIN (IN ONE OR MORE TOPICS).

FY 2020	
Target	40%
Actual	91%

**TABLE 7:** NUMBER OF STAFF TRAINED WITH LOCAL AND REGIONAL ORGANIZATIONS TO ASSIST THE PEOPLE THAT THEY SERVE WITH FINANCIAL INFORMATION.

FY 2020	
Target	2,500
Actual	4,434

## Strategy Part 2: Share research on effective financial education and financial well-being with financial educators

The principal aim of financial education is to improve financial well-being by helping people make better-informed financial decisions and take financial steps to achieve their own life goals. The Bureau develops and shares information and tools to amplify the reach and effectiveness of financial education for adults and children to achieve this goal. This includes conducting research to understand what financial well-being is, how to measure it, and how financial education can effectively support it. It also includes providing financial educators with research, analysis, and tools for understanding and measuring financial well-being, implementing effective practices in adult financial education, and providing teachers, parents and guardians with practical materials to help children and youth develop the building blocks of adult financial well-being.

*Performance goal: Amplify the effectiveness of financial education for adults and children.<sup>29</sup>*

### 2.1.3 Financial Education Research

The Bureau engages in financial education research to assess, identify, and spread knowledge about effective financial education approaches and tools for financial education practitioners and to inform the Bureau's program design for consumer education resources. This is applied research, with an emphasis on concepts and materials that financial educators can use with the people who they serve.

The Bureau's previous research efforts aimed at achieving this goal include:

- The Bureau formally defined financial well-being and identified the likely personal drivers of financial well-being that may be influenced by financial education and other decision-making supports. The Bureau used input from consumers and experts in financial education. The definition of financial well-being that emerged from the Bureau's research: a state of being reflecting a person's ability to meet current and

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<sup>29</sup> CFPB, Annual performance plan and report, Performance goal 1.1.2

ongoing financial obligations, feel secure in their financial future, and make choices that allow enjoyment of life.<sup>30</sup>

- The Bureau developed a validated “scale” that could be used to measure financial well-being and that would allow meaningful comparisons among approaches to achieving financial well-being. The Financial Well-Being Scale is a self-reported set of questions that reflects a person’s financial well-being, as so defined.<sup>31</sup>
- The Bureau deployed the scale in a national survey to test its hypotheses and identify the specific types of attributes, abilities, and opportunities that help people achieve greater financial well-being. The results of the financial well-being survey suggest that financial education can support consumers in improving their financial situations, especially through development of financial skill. This action-oriented concept has three critical components: knowing when and how to find reliable information to make financial decisions, knowing how to process financial information to make financial decisions, and knowing how to execute financial decisions and adapt as necessary to stay on track. These skills are powerful because they can be applied to all kinds of financial decisions, even those that are new and unfamiliar, by adults of any age. To enhance the development and study of strategies that enhance financial skill, the Bureau released the Financial Skill Scale that was used in the financial well-being national survey.<sup>32 33</sup>
- The CFPB Financial Well-Being Scale continues to gain widespread adoption and integration into the broader field. For example, the Board of Governors of the Federal Reserve System included the questions that measure financial well-being in its 2017 Survey of Household Economics and Decisionmaking,<sup>34</sup> the Department of Defense included the questions in its survey of Servicemembers (Status of Forces Survey),<sup>35</sup> and the University of Southern California included the questions in the Understanding

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<sup>30</sup> <https://www.consumerfinance.gov/data-research/research-reports/financial-well-being/>

<sup>31</sup> <https://www.consumerfinance.gov/data-research/research-reports/financial-well-being-scale/>

<sup>32</sup> [https://files.consumerfinance.gov/f/documents/bcfp\\_financial-well-being\\_pathways-role-financial-capability\\_research-brief.pdf](https://files.consumerfinance.gov/f/documents/bcfp_financial-well-being_pathways-role-financial-capability_research-brief.pdf)

<sup>33</sup> <https://www.consumerfinance.gov/data-research/research-reports/measuring-financial-skill/>

<sup>34</sup> <https://www.federalreserve.gov/consumerscommunities/shed.htm>

<sup>35</sup> [https://download.militaryonesource.mil/12038/MOS/Reports/SOFS-A\\_Briefing\\_20160311.pdf](https://download.militaryonesource.mil/12038/MOS/Reports/SOFS-A_Briefing_20160311.pdf)

America Study,<sup>36</sup> an online survey panel supported by the Social Security Administration. In FY19, the FINRA Investor Education Foundation released the results of its tri-annual National Financial Capability Study<sup>37</sup> conducted in 2018 which included the Financial Well-Being Scale. As discussed earlier, the 2020 FLEC National Strategy recommends use of the scale as a best practice to measure an individual's ability to balance multiple financial decisions.

Throughout FY19, following the September 2018 release of the report “*Pathways to Financial Well-Being*” and the companion guide to measuring financial skill, the Bureau continued to disseminate and delve into the implications of that research. The Bureau released the following research reports and resources related to financial well-being in FY19:

- **Financial Well-Being of Older Americans.** This report describes the distribution of financial well-being scores for adults ages 62 and older in the United States, and the relationship between financial well-being and age. The report shows that financial well-being generally increases with age but declines again at later ages. In addition, the report examines and quantifies for the first time the association of financial well-being and a range of topics including employment and retirement; housing situation; debt; family and living arrangements; health-related experience; and financial knowledge, skill, and behavior.<sup>38</sup>
- **Financial Well-Being of Veterans.** The Bureau's review of the data about veterans in the financial well-being survey found that veterans reported higher levels of financial well-being than the average U.S. adult. However, the analysis also found that veterans, like other U.S. adults, have financial experiences that are negatively associated with financial well-being, including student loan debt, using non-bank, short-term credit products and being contacted by a debt collector. The analysis suggests that, for veterans, as for the general population, there is a pathway from financial skill to financial well-being.<sup>39</sup>

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<sup>36</sup> <https://uasdata.usc.edu/index.php>

<sup>37</sup> <https://www.usfinancialcapability.org/>

<sup>38</sup> <https://www.consumerfinance.gov/data-research/research-reports/financial-well-being-older-americans/>

<sup>39</sup> [https://files.consumerfinance.gov/f/documents/cfpb\\_osa\\_financial-well-being-americans\\_report.pdf](https://files.consumerfinance.gov/f/documents/cfpb_osa_financial-well-being-americans_report.pdf)

## 2.1.4 Channels for sharing financial education research and resources

The Bureau shares its research, knowledge, insights, and tools with adult financial educators, K-12 teachers and others who want to help children and youth develop financial capability.

- **Financial Education Exchange (CFPB FinEx).** A key channel through which the Bureau distributes its research and resources is the Financial Education Exchange, or CFPB FinEx. The CFPB FinEx is an online and in-person information exchange through which the Bureau shares its research on consumer financial behavior and effective financial education practices, and shares tools and other resources for financial educators. The Bureau also uses the network to gather feedback from and facilitate discussion among financial educators. There were 21,583 FinEx practitioners at the end of FY20. Financial educators can access the Bureau’s financial education resources through the *Resources for financial educators’* web page..<sup>40</sup>
- **K-12 teachers:** Teacher financial education platform and tools. The Bureau seeks to empower families and schools to build financial skills for the next generation. Research shows that there is demand for financial education in U.S. schools, and that most educators say they are not well equipped to meet this need.

The Bureau’s K-12 work in FY20 builds upon its earlier work in this area. Building on its adult financial well-being research described above, the Bureau researched the childhood origins of financial capability and well-being to identify where and when during childhood and adolescence people acquire the foundations of financial capability. The research identified attributes and abilities that provide the building blocks of adult financial capability, which can develop through the stages of a person’s growth. Through *Money as You Grow* resources for parents (discussed above), the teacher pedagogy and other resources for teachers based on the building blocks research, the Bureau shares evidence-based tools with families, K-12 educators, and others interested in supporting youth financial capability..<sup>41</sup>

The Bureau previously released the following reports and resources for K-12 financial education:

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<sup>40</sup> <https://www.consumerfinance.gov/adult-financial-education/>

<sup>41</sup> <https://www.consumerfinance.gov/data-research/research-reports/personal-finance-teaching-pedagogy/>



- **A review of youth financial education: Effects and evidence.** This literature review was launched on April 3, 2019. The goal is to help education policymakers, program leaders, financial educators, and academic researchers make evidence-informed policy, programming, and resourcing decisions about school-based financial education.<sup>42</sup>
- **Youth financial education research priorities.** This report lays out key unanswered research questions in youth financial education identified by a range of stakeholders. The goal is to encourage investigation into these questions to point the way towards evidence-based solutions that are effective, scalable, and invite implementation.<sup>43</sup>

**Teacher financial education platform.** Building upon the platform launched in 2018, the Bureau continues to add resources to encourage and train educators at scale to teach financial education across various subjects and grade levels. The platform is based on the Bureau’s research-based framework, *Building Blocks for Youth Financial Capability*. The strategy is to make it easy for teachers of all subjects and all grades to integrate financial education into their classrooms by offering easy-to-apply techniques and age-appropriate materials via a website. The key elements of the platform include a website interface that is robust, appealing, easy to use, and has strong search capabilities, over 250 downloadable activities for K-12 educators, a curriculum review tool, student financial capability self-assessment for grades 3-12, a new series of five story books, a five video series that explains how teachers can use the building blocks in their classroom, new materials available for ordering, and teacher guides for all subjects.

*Related FY20 Performance Measures:*

**TABLE 8:** NUMBER OF TEACHERS REACHED WITH ACTIVITIES FOR CLASSROOM USE

	FY 2020
Target	20,000
Actual	50,768

<sup>42</sup> [https://files.consumerfinance.gov/f/documents/cfpb\\_youth-financial-education\\_lit-review.pdf](https://files.consumerfinance.gov/f/documents/cfpb_youth-financial-education_lit-review.pdf)

<sup>43</sup> [https://files.consumerfinance.gov/f/documents/cfpb\\_yrp\\_report.pdf](https://files.consumerfinance.gov/f/documents/cfpb_yrp_report.pdf)

## Strategy Part 3: Address needs for inclusion and financial security of servicemembers, older Americans, traditionally underserved consumers and communities, and students

The Bureau works to support financial security and access to financial products and services for special populations identified in the Dodd-Frank Act. This includes servicemembers and veterans, older Americans, students, and traditionally underserved consumers and communities. The Bureau also seeks to ensure that its financial education programs serve the needs of people in all geographies, including rural communities across the country.

*Performance goal: Provide information, guidance and technical assistance for the underserved to participate in financial services and encourage innovation for inclusion.*<sup>44</sup>

The Bureau does this by providing information, guidance, and technical assistance, often through a broad variety of community channels. Some of these community channels are highlighted below. For example, the Bureau provides technical assistance to civic leaders who are trying to bring more people into the credit reporting system. The Bureau also conducts research about ways to support money management and savings.

### 2.1.5 Servicemembers and veterans: Enhance financial security throughout the military lifecycle

The Bureau works to support the financial well-being of servicemembers, veterans, and military families as they make decisions at significant stages throughout the military lifecycle. The Bureau also advises the Department of Defense as it fulfills its statutory financial education obligations.

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<sup>44</sup> CFPB, Annual performance plan and report, Performance goal 1.1.3

- **Office of Servicemember Affairs Annual Report.**<sup>45</sup> This annual report, issued in FY20, highlights the education and engagement, compliant monitoring, cross-agency coordination, and research done by the OSA and the Bureau in Fiscal Year 2019.
- **Financially Fit? Comparing the credit records of young servicemembers and civilians.**<sup>46</sup> This report, issued in FY20, uses a representative sample of young servicemembers' credit reports to show how their credit histories evolve from the time they turn 18 until their mid-twenties. It also compares servicemembers to a cohort of same-age civilians. Financial well-being, including credit history, is an important consideration in an individual's ability to join the military as well as his or her ability to maintain a security clearance and continue in military service.
- **Navigating the Military Financial Lifecycle.** The *Military Financial Lifecycle* model is a representation of a military career beginning at the signing of an enlistment contract or ROTC commitment, through the subsequent steps in both an individual's and family's military career and life. The Bureau offers a web page and related materials that provide targeted information and links to Bureau tools that help military consumers address the financial challenges that arise at the various stages of their military lives. Some of these challenges are unique to servicemembers, such as frequent and often unanticipated moves, deployments, long periods of separation from family, difficulty for spouses to maintain career tracks, and mobilization for members of the Reserve and National Guard.
- **Technical assistance.** The Bureau continues to provide the Department of Defense's Office of Financial Readiness with technical assistance as it implements its mandate under the National Defense Authorization Act to deliver financial education across the stages of the military lifecycle.<sup>47</sup>

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<sup>45</sup> <https://www.consumerfinance.gov/data-research/research-reports/office-servicemember-affairs-annual-report-fy-2019/>

<sup>46</sup> <https://www.consumerfinance.gov/data-research/research-reports/financially-fit-comparing-credit-records-young-servicemembers-civilians/>

<sup>47</sup> 10 U.S.C. § 992.

## 2.1.6 Older Americans: Strengthen prevention of elder financial exploitation

To improve financial security and protections for older Americans, the Bureau works with service providers, financial institutions, law enforcement, and federal, state, and local government agencies that interact with older adults and their families. Major initiatives include age-friendly banking recommendations to banks and credit unions, assistance to local stakeholders creating elder fraud prevention and response networks, and educational initiatives.

- **Age-friendly banking practices.** In FY16, the Bureau released an Advisory for Financial Institutions, which includes a comprehensive set of voluntary recommendations for preventing and responding to elder financial exploitation. In FY19, the Bureau updated the advisory,<sup>48</sup> building on earlier recommendations and its recent research on Suspicious Activity Reports (SARs) on Elder Financial Exploitation (EFE).<sup>49</sup> The update provides new information about reporting EFE based on federal and state law changes. The new analysis of current laws aims to help financial institutions in their efforts to combat elder fraud.
- **Elder fraud prevention and response networks.** Elder financial exploitation destroys the financial security of millions of older Americans annually. In response to this crisis, hundreds of communities across the United States have created collaborative networks that bring together key partners like law enforcement, financial institutions, and adult protective services, to protect seniors from financial exploitation. The Bureau conducted research to increase understanding of how elder financial protection networks can grow and endure; and issued a report on its findings and recommendations, along with an accompanying *Resource Guide*, for establishing a protection network.<sup>50</sup>

In FY20, the Bureau released an Elder Fraud Prevention and Response Network Development Guide. The Guide is a step-by-step online resource to help stakeholders launch networks in communities where they don't currently exist and to support existing networks to expand their capacity. It offers tools to help stakeholders create a network,

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<sup>48</sup> <https://www.consumerfinance.gov/about-us/blog/financial-institutions-report-widespread-elder-financial-abuse/>

<sup>49</sup> <https://www.consumerfinance.gov/data-research/research-reports/suspicious-activity-reports-elder-financial-exploitation-issues-and-trends/>

<sup>50</sup> [www.consumerfinance.gov/data-research/research-reports/report-and-recommendations-fighting-elder-financial-exploitation-through-community-networks/](https://www.consumerfinance.gov/data-research/research-reports/report-and-recommendations-fighting-elder-financial-exploitation-through-community-networks/)

including templates: exercises to plan and host a retreat, and exercises to help establish priorities and expand network capabilities.

In addition, the Bureau conducted regular webinars on a range of topics including Preventing frauds and scams in the age of Covid-19, Covid-19 trends and resources, Financial Well-Being of Older Americans, *Money Smart for Older Adults*, Financial Abuse of Older Adults, and Retirement Security.<sup>51</sup>

- **Fraud prevention placemats.** Since 2016, the Bureau has offered a series of placemats to reach older adults who receive meal services at home or at congregate sites, with targeted financial education information. The placemats vary in topic and all have a focus on helping elders avoid fraud and scams. All of the resources help older adults avoid fraud and scams. There are 15 placemats available in English and Spanish. More than 4 million placemats have been distributed since the program began in 2016. The resources are available for download and for free bulk orders.<sup>52</sup>

*Related FY20 Performance Measures:*

**TABLE 9:** NUMBER OF COMMUNITIES SUPPORTED TO CREATE OR ENHANCE NETWORKS TO PROTECT FROM AND ADDRESS CASES OF ELDER FINANCIAL EXPLOITATION.

	FY 2020
Target	4
Actual	1

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<sup>51</sup> The Bureau conducted 41 webinars between March 2020 and November 2020.

<sup>52</sup> <https://www.consumerfinance.gov/placemats>

## 2.1.7 Traditionally underserved consumers and communities: Support inclusion

The Bureau helps economically vulnerable consumers who are traditionally underserved build financial capability to access financial products and services and achieve their financial goals. The Bureau provides information and tools to organizations across the country to integrate financial capability into programs where people already are receiving other services.

- **Enhance credit access for credit invisibles.** “Credit invisibles” refers to the 26 million consumers who do not have a credit history with one of the nationwide credit reporting companies. An additional 19 million consumers have “unscorable” credit files, meaning that their file is thin and has an insufficient credit history, or have stale files and lack any recent credit history. Consumers who are credit invisible or unscorable make up almost 20 percent of the U.S. adult population. These consumers may have difficulty accessing credit and may face a range of other issues such as not being able to lease an apartment. The Bureau has been working to provide technical assistance to communities as they seek to address credit invisibility among their residents. The Bureau also has worked with these communities to add a focus on protecting credit in response to the coronavirus pandemic. In FY20, the Bureau worked with organizations in six communities as they planned credit-building initiatives: Minneapolis/St Paul, MN; Bronx, NY; Cincinnati, OH; Klamath Falls, OR; Washington, DC; and Benton Harbor, MI. Typically, communities engaging in these initiatives work with a broad set of partners to provide credit education, services and products to consumers, with the goals of helping more consumers improve their credit profile and manage credit responsibly.
- **Research to support savings and money management.** The Bureau conducts research about ways to support consumer savings and money management. Current research projects include working with private companies to learn more about how to help their customers engage in effective savings and management, including building a credit record and addressing cash flow. These reports are intended to support community channels in implementing effective practices.
- **Child saving for postsecondary education.** The Bureau has undertaken a multi-phase project to identify promising practices to involve lower-income and economically vulnerable consumers in saving for their children’s post-secondary education. Research has shown that starting savings for future education early in a child’s life increases the likelihood that the child will later attend and complete post-secondary education. In FY20, the Bureau published two guides to help child savings account programs to better identify and implement key metrics to measure the effectiveness of their programs. The

two guides were titled “Design and evaluation principles for measuring the effects of Children Savings Account programs” and “Common metrics guide for Children’s Savings Account programs.”

- **Tax-Time Savings.** As discussed above, the Bureau provides technical assistance and materials to Volunteer Income Tax Assistance (VITA) sites and private tax preparers that want to encourage consumer savings at tax time. The Bureau did not release a full report of results from the 2020 tax season cohort of 73 VITA programs because cohort participants had to stop their service to consumers as a result of the pandemic.

Related FY20 Performance Measures:

**TABLE 10:** SAVINGS RATE AMONG PROGRAM PARTICIPANTS AT PARTNER TAX SITES (VITA) IS AT LEAST DOUBLE THE NATIONAL SAVINGS RATE.

	FY 2020
Target	3%
Actual	3.75%

## 2.1.8 Students and young consumers: Support informed financial choices

The Bureau works to empower students and young consumers to make informed financial choices when saving or paying for college, managing money, building credit, and repaying student debt.

These efforts include providing assistance to young consumers directly through the Bureau’s *Paying for College* suite of web tools (discussed above), providing webinars, *Financial inTuition* podcast, and technical assistance to organizations that serve young consumers, and drawing insights from students and former students about their experiences with student loans.

- **Exploring financial aid options.** The Bureau’s *Paying for College: Your financial path to graduation* web tool seeks to help prospective students make informed decisions about financing their college education. The tool helps prospective borrowers navigate

financial aid offers by exploring some important concepts and questions about the short and long-term financial consequences of their aid choices.<sup>53</sup>

- **Understanding student loan repayment options.** The Bureau's *Repay Student Debt* web guide seeks to improve financial security for students with student loan debt. *Repay Student Debt* provides information and advice to help students optimize how they pay off their student loans. The tool walks people through their repayment options based on some basic information about their specific situations.<sup>54</sup>
- **Financial inTuition podcast.** The Bureau's Financial inTuition podcast focuses on a variety of topics pertaining to saving and paying for higher education, managing money, and repaying student loan debt. The podcast episodes share interviews with financial practitioners, students and recent graduates, family members and young adults who have successfully managed their money and repaid their student loan debt. The podcast provides strategies and tips to help students and young adults to make more informed financial decisions.

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<sup>53</sup> <https://www.consumerfinance.gov/paying-for-college/>

<sup>54</sup> <https://www.consumerfinance.gov/paying-for-college/repay-student-debt/>



# 3. Conclusion

Congress tasked the Bureau with substantial responsibility for improving the financial literacy of Americans. This includes educating and empowering people to make better informed financial decisions across a wide range of topics and decisions that arise in people's financial lives. The Bureau provides information and guidance regarding consumer financial products or services available to all Americans, including traditionally underserved consumers and communities.<sup>55</sup> This report described how the Bureau is approaching this responsibility and ways it is holding itself accountable.

In FY20, the Bureau reached 12.1 million consumers through digital and print resources. An additional 4 million web users accessed COVID-19 specific resources, including blogs, videos, consumer education materials, and other regulatory clarifications. This includes consumers in the general population and specified populations, including parents and young children, college students and student loan borrowers, older Americans and their family caregivers, servicemembers, veterans and their families, and traditionally underserved consumers. The Bureau also strengthened the delivery of financial education in the U.S. by providing thousands of diverse professionals with training, tools, approaches, or materials and research to use as they provide financial capability training to the people they serve in their communities. These professionals include financial educators for adults, military leaders, K-12 educators, librarians, tax preparation professionals and volunteers, local leaders, social service providers, persons serving seniors, and persons addressing the prevention of elder abuse.

Through the work described in this report, the Bureau seeks to enhance the financial capability of all Americans to make decisions about money that support their own life goals, in order to help them in their efforts to build financial security and independence.

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<sup>55</sup> 12 U.S.C. § 5493.

## APPENDIX A:

### FY20 PERFORMANCE MEASURES

<b>Table #</b>	<b>Performance Measure</b>	<b>Target</b>	<b>Actual</b>
1	Number of People who use the Bureau's educational resources on web and in print.	9.0M	12.1M
2	Satisfaction rate for users of CFPB's online educational resources. (NEW MEASURE)	Baseline	80%
3	Number of major entities engaged and active in encouraging savings, reducing barriers to savings, or increasing opportunities to save. (NEW MEASURE)	3-5	5
4	Number of consumers with enhanced opportunities to save. (NEW MEASURE)	1.0M	1.3M
5	Increase in frontline staff reporting after training that they are very or extremely confident in discussing financial management with clients. (NEW MEASURE)	60%	90%
6	Percentage of servicemembers (future and current who accessed Misadventures in Money Management who showed knowledge gain (in one or more topics).	40%	91%
7	Number of staff trained with local and regional organizations to assist the people they serve with financial information.	2,500	4,434
8	Number of teachers reached with activities for classroom use	20,000	50,768

<b>Table #</b>	<b>Performance Measure</b>	<b>Target</b>	<b>Actual</b>
9	Number of communities supported to create or enhance networks to protect from and address cases of elder financial exploitation.	4	1
10	Savings rate at VITA tax cohort sites is at least double the national savings rate of all VITA sites nationally.	3%	3.75%