



Highlights of a
FORUM

Convened by the
**Comptroller General of
the United States**

**FINANCIAL LITERACY:
The Role of the Workplace**

July 2015

GAO-15-639SP

GAO Highlights

Highlights of [GAO-15-639SP](#), a summary of a GAO forum

Why GAO Convened This Forum

Americans today confront an array of challenges in their efforts to achieve and maintain financial security. Financial literacy—the ability to use knowledge and skills to manage financial resources effectively—has thus become increasingly important. Experts have identified the workplace as a potentially effective venue for providing financial education and helping individuals improve their financial decision making.

On March 17, 2015, GAO convened a select group of leaders and experts for a forum focusing on financial education in the workplace. The participants discussed

- the role of the employer in promoting financial literacy,
- the effectiveness of such efforts,
- how best to serve low-income and other underserved populations, and
- the federal government's role in supporting these efforts.

Participants, selected to represent a range of experience and viewpoints, included experts from the private sector, federal government agencies, nongovernmental organizations, and academic institutions. Participants reviewed a draft of this summary, and their comments were incorporated as appropriate. Comments expressed during the proceedings do not necessarily represent the views of all participants, the organizations with which they are affiliated, or GAO.

View [GAO-15-639SP](#). For more information, contact Daniel Garcia-Diaz at (202) 512-8678 or garciadiazd@gao.gov.

July 2015

HIGHLIGHTS OF A FORUM

Financial Literacy: The Role of the Workplace

What Participants Said

Participants highlighted the following themes during the forum:

- **Employers are well-suited to play a role in promoting financial literacy.** Participants noted that employers already provide information on employee benefits, have key information about employees' lives, and are generally trusted to provide sound financial information and advice.
- **Workplace financial wellness programs should be comprehensive.** These programs should expand beyond the current emphasis on retirement planning and benefits, participants said, to include education on such areas as everyday budgeting and money management, building an emergency savings fund, and understanding the financial impacts of health care.
- **Effective practices can include automatic enrollment in retirement plans, financial health checks, and personalization.** Automatically enrolling new employees into defined contribution plans increases retirement savings, although it may not be appropriate for some workers who have other pressing resource needs. Some participants said that such behavioral approaches should complement, rather than replace, traditional financial education. Other strategies participants cited included providing unbiased information, individualizing education based on employees' unique circumstances, and offering personal financial coaching.
- **Employers should address the needs of traditionally underserved workplace populations.** Participants noted the importance of effectively reaching all employees, including shift workers, contingent workers, low-income employees, and those with different cultural backgrounds. Strategies included tailoring the content to be relevant and understandable, delivering information through online tools and mobile devices, and leveraging partners, such as unions, churches, and community groups.
- **Additional research and evaluation are needed.** There is limited research on the effectiveness of interventions not related to retirement savings. Some participants said more randomized experiments are needed to truly assess what works, and a standard set of benchmarks for measuring effectiveness would be useful.
- **Financial education benefits employers, but demonstrating return on investment is key.** Financial education can benefit employers through increased employee productivity and improved recruiting and retention, but employers expect solid, independent evidence of these benefits to justify their investment.
- **Federal agencies should build on efforts to support workplace financial education.** Some participants said federal agencies should clarify rules for private sector employers on the financial advice they can give employees, and others wanted increased federal support for research. Other participants encouraged federal agencies to continue their efforts to educate their own employees and build partnerships with the nonprofit and private sectors.

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Introduction

Americans today confront an array of challenges in their efforts to achieve and maintain financial security. From economic hardship experienced during the recent recession, to the increasing responsibility to pay for health care and accumulate retirement savings, individuals and families must navigate a number of issues as they make choices that will have long-term effects. Financial literacy—the ability to use knowledge and skills to manage financial resources effectively—has thus become increasingly important.

Experts have identified the workplace as potentially being a particularly effective venue for providing financial education and helping individuals improve their financial decision making. Employers have the potential to reach large numbers of adults in a cost-effective manner at a place where they make important financial decisions regarding, for example, retirement, life and health insurance, and specialized savings accounts for child care and medical expenses. Further, the Bureau of Consumer Financial Protection (known as the Consumer Financial Protection Bureau) and others have conducted research indicating that workplace financial education programs can result in employees who are better able to manage financial stresses and are more productive.¹

However, the extent to which private and public sector entities offer employee financial education varies. Many employers offer information on retirement and other benefits, sometimes to meet federal requirements. For example, the Employee Retirement Income Security Act of 1974 requires employers to provide certain information to participants in pension and other employee benefit plans about plan features.² In

¹Such research is described in Consumer Financial Protection Bureau, *Financial Wellness at Work: A Review of Promising Practices and Policies* (Washington, D.C.: August 2014), pp. 12-24. Accessed June 16, 2015. <http://www.consumerfinance.gov/reports/financial-wellness-at-work/>

²Pub. L. No. 93-406, 88 Stat. 829 (codified as amended at 29 U.S.C. §§ 1001-1461). The Employee Retirement Income Security Act of 1974 establishes requirements for most private sector employee benefit plans. Because qualified employee benefit plans receive preferential tax treatment, the Department of Labor shares oversight and enforcement responsibilities over such plans with the Internal Revenue Service.

addition, the Office of Personnel Management requires federal agencies to develop plans for educating their employees on retirement planning.³

Some employers have developed comprehensive programs aimed at overall improvement in employees' financial health. These programs—often called financial wellness programs—can parallel the physical wellness programs employers have established to encourage exercise and healthy food and lifestyle choices. Such comprehensive, or holistic, financial wellness programs may offer employees assistance with budgeting, emergency savings, and credit management, in addition to the traditional information and assistance provided for retirement and health benefits.

Researchers have made progress in identifying effective financial education programs and other types of financial interventions. For example, a substantial body of research has focused on interventions to increase employees' retirement savings.⁴ However, there are important gaps in the understanding of how employers can best effect positive changes in other aspects of their employees' financial behavior.

The federal government plays an important role in supporting financial literacy generally, and also has a role in supporting financial education in the workplace. In 2014, we reported that federal agencies had 12 significant financial literacy programs or activities under way.⁵ For example, the Consumer Financial Protection Bureau has a broad mandate to support financial literacy and education for all consumers, and other agencies, such as the Social Security Administration, focus on specific topics or audiences. The multiagency Financial Literacy and Education Commission is responsible for coordinating federal financial literacy efforts and developing a national strategy to promote financial

³The Thrift Savings Plan Open Elections Act of 2004 required the Office of Personnel Management, in consultation with the Federal Retirement Thrift Investment Board, to develop and implement a retirement financial literacy and education strategy for federal employees as part of the retirement training offered under 5 U.S.C. § 8350. Pub. L. No. 108-469, § 2, 118 Stat. 3891, 3892 (2004) (codified at 5 U.S.C. § 8350 note).

⁴We reviewed the body of research on the effectiveness of financial literacy programs in GAO, *Financial Literacy: A Federal Certification Process for Providers Would Pose Challenges*, [GAO-11-614](#) (Washington, D.C.: June 28, 2011), pp. 6-15.

⁵GAO, *Financial Literacy: Overview of Federal Activities, Programs, and Challenges*, [GAO-14-556T](#) (Washington, D.C.: Apr. 30, 2014).

literacy.⁶ Some federal agencies, such as the Department of Labor and the Internal Revenue Service, influence private sector workplace financial education efforts, such as through enforcing certain pension plan requirements. In addition, federal agencies, including GAO, have initiatives to educate their own employees.

GAO plays a number of roles in addressing financial literacy. Our reports and testimonies at congressional hearings have provided oversight of federal financial literacy programs and activities and have integrated financial literacy issues into broader reviews of such areas as credit card products, elder financial exploitation, and fraudulent foreclosure rescue schemes.⁷ In addition, we have implemented an internal financial literacy program for our own employees, including classroom-based training, a speaker series, and other resources. GAO also has facilitated knowledge transfer among key players in the arena of financial literacy, including through prior Comptroller General forums in 2004 and 2011.⁸

On March 17, 2015, GAO convened a group of 20 financial literacy leaders and experts for a forum focusing on financial education in the workplace. The participants included representatives from the private sector, federal government agencies, nongovernmental organizations, and academic institutions, and were selected to represent a range of viewpoints and backgrounds. In the first session of the day-long forum, participants discussed the role of the employer in promoting financial literacy. The second session addressed the effectiveness of interventions

⁶The multiagency Financial Literacy and Education Commission was created by Congress in the 2003 Financial Literacy and Education Improvement Act, Pub. L. No. 108-159, Tit. V, § 513, 117 Stat. 1952, 2003 (2003) (codified as amended at 20 U.S.C. § 9702). The Commission is charged with, among other things, developing a national strategy to promote financial literacy and education, coordinating federal efforts, and identifying areas of overlap and duplication. See 20 U.S.C. §§ 9702(b), 9703(f).

⁷For example, see GAO, *Credit Cards: Consumer Costs for Debt Protection Products Can Be Substantial Relative to Benefits but Are Not a Focus of Regulatory Oversight*, [GAO-11-311](#) (Washington, D.C.: Mar. 25, 2011); *Elder Justice: National Strategy Needed to Effectively Combat Elder Financial Exploitation*, [GAO-13-110](#) (Washington, D.C.: Nov. 15, 2012); and *Financial Crime: Foreclosure Rescue Schemes Have Become More Complex, and Efforts to Combat Them Continue*, [GAO-14-17](#) (Washington, D.C.: Oct. 29, 2013).

⁸GAO, *Highlights of a Forum: Financial Literacy: Strengthening Partnerships in Challenging Times*, [GAO-12-299SP](#) (Washington, D.C.: Feb. 9, 2012); and *Highlights of a GAO Forum: The Federal Government's Role in Improving Financial Literacy*, [GAO-05-93SP](#) (Washington, D.C.: Nov. 15, 2004).

to improve employees' financial decision making. The third session focused on the challenges associated with addressing the needs of low-income, blue-collar, service, and shift workers who may not work in an office environment or receive comprehensive benefits and who may change jobs frequently. In the fourth session, participants discussed the role of the federal government in educating its own employees and facilitating private sector efforts. The participants completed the day by identifying what they believed were the key themes generated by the forum.

The following is a summary of the discussion among the forum's participants. The summary attempts to capture the ideas and themes that emerged at the forum and the collective discussion of participants at the sessions. The summary does not necessarily represent the views of the organizations, including GAO, whose representatives participated in the forum. The forum was structured so that participants could comment on issues openly, although not all participants commented on all topics. Participants were given the opportunity to comment on a draft of this summary.

We conducted our work from August 2014 to July 2015 in accordance with all sections of GAO's Quality Assurance Framework that are relevant to our objectives. The framework requires that we plan and perform the engagement to obtain sufficient, appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for any findings and conclusions.

Appendix I provides the forum agenda, and appendix II provides a list of the participants. Appendix III is a description of our scope and methodology, and appendix IV lists related GAO products. This report is available on our website at www.gao.gov. For additional information on our work related to financial literacy, please contact Daniel Garcia-Diaz, Director, Financial Markets and Community Investment, at (202) 512-8678 or garciadiazd@gao.gov. Key contributors to this report included Rachel Batkins, Jason Bromberg (Assistant Director), David Dornisch, Catherine Gelb (Analyst-in-Charge), Robert Letzler, Jennifer Schwartz, Andrew Stavisky, and Seyda Wentworth.

I wish to thank all of the participants for their thoughtful contributions to our discussion of financial education in the workplace. The discussion enhanced our understanding and provided valuable suggestions for ways to make progress on this important issue.

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Gene L. Dodaro
Comptroller General of the United States

July 7, 2015

Financial Literacy: Highlights of the Forum Discussion

On March 17, 2015, GAO convened a forum to discuss financial education in the workplace. Twenty participants discussed the role of employers in improving employees' financial decision making and wellness; the effectiveness of various interventions; how to address the needs of workplace populations traditionally underserved by financial education; and the role of the federal government in supporting these efforts. The following summarizes the collective discussion of the forum participants.

Employers Are Well-Suited to Play a Role in Promoting Financial Literacy

Forum participants cited several reasons why employers are well-suited to play a role in improving the financial literacy and wellness of their employees.

- **Employers already provide information about benefits.** Participants generally noted that employers, in both the private and public sectors, already provide retirement and health benefits and information about those benefits to their employees, and thus are well-positioned to provide information more broadly on financial topics. Several participants noted that some employers, in both the private and public sectors, already have broad financial education or financial wellness programs in place.
- **Employers have key information about employees' lives.** Two participants noted that employers are well-suited to target timely and appropriate financial education to employees because they already possess key information about their employees' financial lives—such as salary and benefits and timing of key life events, such as marriage or the birth of a child. For example, one participant cited an employer that combines notification of pay increases with suggestions on using those funds to increase savings or pay down debt.
- **Employees trust employers to provide sound financial information.** Employees often trust the financial information or advice that they get from their employers, believing—rightly or wrongly—that employers have vetted the information they provide, according to several participants. Four participants observed that employers generally are perceived as acting in their employees' interest when offering financial information, although one participant noted that some employees may be wary of employers intruding into their personal lives. Another participant noted that employers can be an important source of financial information because many people otherwise seek out such information from friends and family, whom

they perceive as ethical and unbiased, even when they may doubt their competence.

- **Challenges remain for some employers.** However, several participants acknowledged the challenges faced by some employers in addressing employees' financial wellness. One participant noted that smaller companies in particular may not view financial education programs as an urgent priority compared with other competing claims on limited resources. In addition, a few participants said that many employers remain skeptical of the benefits of financial education to them or their employees, and one noted that some employers do not view financial education as their responsibility.

Workplace Financial Wellness Programs Should Be Comprehensive

Traditionally, workplace financial education has focused primarily on retirement and health benefits. However, forum participants generally advocated expanding such efforts to cover a more comprehensive set of issues, recommending that employers do the following:

- **Educate on everyday money management.** Several participants noted that some employees may need help with budgeting and basic money management, as well as addressing high-cost debt and improving their credit records. Two participants mentioned that employees may need help learning how to avoid self-destructive mistakes and predatory practices.
- **Help employees prepare for financial emergencies.** Several participants highlighted the importance of helping employees understand the need to build up an emergency savings fund. One recommended that employers also assist interested employees in setting up or allocating a portion of their paychecks to such an account.
- **Incorporate information on the financial impacts of health care.** Four participants emphasized educating employees on the issues around health care expenses. They noted that the growth in medical costs and health insurance options and the role of tax-preferred health savings accounts have made health care an essential and complex part of financial planning.

Effective Practices Can Include Automatic Enrollment in Retirement Plans, Financial Health Checks, and Personalization

Forum participants identified a number of employer practices that research and experience have shown can help employees improve their overall financial wellness. Participants said that not all strategies are appropriate for all workplaces but that several techniques could work well in a number of environments.

- **Use automatic enrollment as appropriate.** Several participants noted that automatically enrolling new employees into employers' defined contribution plans has been proven widely effective at increasing retirement contributions across diverse populations. Some participants did caution that this approach may not be appropriate for all employees, noting that a default savings contribution (such as 5 percent of salary) may be too low for some employees (such as those nearing retirement) and too high for others (such as those having trouble making ends meet, paying down high-cost debt, or trying to build up an emergency savings fund). Two participants noted that in some workplaces, 30 percent to 40 percent of employees who were automatically enrolled in a retirement account had taken a loan against that account, suggesting that the default contribution rate was too high.
- **Do not use behavioral approaches in isolation.** At least three participants said that behavioral approaches such as automatic enrollment should complement, rather than replace, traditional financial education. Several participants said that well-run traditional financial education methods—such as seminars and personal financial coaching—also are effective tools for changing behavior.
- **Provide unbiased information and advice.** Three participants stressed that employers should ensure that the financial information they provide is unbiased and avoids even the appearance of conflicts of interest. For that reason, three participants cautioned against using retirement and health plan providers to deliver financial education to employees. Another participant noted that it can be challenging to ensure that third-party advisors brought in by the employer are working in employees' best interests because they may be trying to sell a product.
- **Assess employees' financial health and literacy.** Some participants advocated employer programs that periodically assess employees' financial situations and goals, which can pinpoint how best to provide assistance and help employees set priorities. One participant noted that such assessments can be important because many people have limited financial knowledge but do not know it, and

three participants cited research demonstrating that many employees do not understand basic concepts like compound interest or insurance deductibles.

- **Personalize information.** Employers can use information on employees' income, life events, and participation in retirement and health plans to personalize the advice that they provide. Some participants noted that employees nearing retirement require different information from those just starting their careers. One participant described how his organization uses employee data to tailor financial education messages to specific individuals as they experience certain life events.
- **Consider personal financial coaching.** Three participants recommended that employers provide access to one-on-one financial coaches who can help employees understand their priorities and then take action on those priorities. Participants discussed the importance of making it easy for participants to convert knowledge to action—for example, by helping employees set up emergency savings accounts, rather than just encouraging them to do so.

Employers Should Address the Needs of Traditionally Underserved Workplace Populations

Employer-based financial education has tended to focus on white-collar workers with retirement plans rather than blue-collar, service, and shift workers who may not work in an office environment or receive comprehensive benefits and who may change jobs frequently, noted several participants. They suggested ways of tailoring the content, delivery mechanisms, or approach of financial education to reach a diverse workforce.

- **Vary the topics as appropriate.** Several participants said the topics covered in financial education must be tailored to the needs of different types of workers. For example, retirement planning may not be a priority for many low-income workers, who may need assistance on how to manage day-to-day expenses or pay down high-cost debt.
- **Make content accessible.** Several participants said that employers should make sure the content of financial education is easy to understand for all populations. One participant discussed translating educational materials into other languages and ensuring they are culturally relevant to diverse communities. Participants also encouraged using plain language instead of technical terms like compound interest.

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- **Tailor delivery mechanisms.** Participants cited challenges that can arise in delivering financial education to employees who are dispersed geographically or may work in a retail or factory setting, or out in the field, rather than in an office with a computer. Four participants said that social media and mobile technology can be effective ways of distributing information because they are scalable, inexpensive, and socially accepted, noting that even most workers without computer access now use mobile devices. One participant cited his company's use of text messages to reach employees with financial education messages. However, two participants cautioned that employees already receive a lot of information and may ignore information if they receive too much. Three participants advocated centralized online financial education resources for employees—or their family decision makers—to access at any time on any device. Three participants highlighted the need to compensate shift workers, in particular, for the time they spend in employer-provided financial education programs.
 - **Leverage trusted messengers and external partners.** Six participants encouraged using trusted coworkers and other peers to provide or facilitate assistance on financial matters. Two participants said that their organizations trained employees to explain financial information to their colleagues, and another suggested using recently retired employees for this purpose. Four participants advocated leveraging external parties such as community groups and church groups, or using unions to expand outreach to underserved populations. One participant suggested bringing community groups that offer free tax assistance into the workplace during tax season, in part to help ensure that lower-income employees take advantage of the Earned Income Tax Credit.⁹

Additional Research and Evaluation Are Needed

Participants discussed additional research and evaluation needed to determine effective means of improving workplace financial education and employee financial wellness.

⁹The Earned Income Tax Credit is a refundable credit available to low-income workers, meaning that working taxpayers who qualify may receive an income tax refund if the amount of the credit is greater than their tax liability. See GAO, *Advanced Earned Income Tax Credit: Low Use and Small Dollars Paid Impede IRS's Efforts to Reduce High Noncompliance*. [GAO-07-1110](#) (Washington, D.C.: Aug. 10, 2007).

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- **Nonretirement issues and ways to motivate behavioral change are among the research priorities.** Participants emphasized that while there is much research on interventions related to retirement savings, there is less information available on the effectiveness of interventions related to other financial issues, such as avoiding high-cost debt and managing health care expenses. In addition, three participants highlighted the need for more research on effectively motivating individuals to engage in positive financial behaviors.
 - **Employers should consider benchmarks for measuring effectiveness.** Several participants advocated development of a widely accepted definition of success, or a standard framework or set of goals, against which employers can measure the effectiveness of their interventions. Some participants noted that it is far easier to measure some outcomes—such as enrollment in a retirement or health plan—than others for which the employer does not maintain data, such as employees’ levels of savings and debt. They also cautioned that the definitions of success may not always be obvious—for example, while increasing retirement plan contributions is generally considered a positive goal, it may not be the most appropriate action for all employees in all situations.
 - **Randomized controlled trials and user testing are valuable.** Three participants highlighted the importance of determining effectiveness through randomized controlled trials with, as feasible, large representative samples and appropriate metrics.¹⁰ In addition, two participants said that testing specific financial programs on their intended audiences can be a powerful tool to refine the programs and assess their clarity, format, and effectiveness. One participant noted that Internet-based interventions are well-suited for simple randomized experiments, such as testing two versions of a communication to determine which one prompts more people to take action.
 - **Lessons from other fields and partnerships can aid research.** Two participants noted that research on influencing health and

¹⁰Randomized controlled trials (or randomized experiments) measure the impact of an intervention by comparing outcomes for participants who were randomly assigned either to a group receiving the intervention or to a nonparticipating control group, in an effort to control for any systematic difference between the groups that could account for a difference in their outcomes.

nutrition behaviors can apply to influencing financial behaviors. One participant noted that research on the use of monetary incentives to change eating behaviors can be instructive for interventions designed to affect financial decision making. Several participants encouraged greater cooperation and partnership between employers and researchers to improve understanding of which workplace financial education interventions work best.

Financial Education Benefits Employers, but Demonstrating Return on Investment Is Key

Most participants said that workplace financial education benefits both employees and employers. However, while human resources managers often recognize these benefits, they must do a better job making the case for financial education to senior executives, who typically want to see evidence of a return on investment in these efforts.

- **Reducing stress about finances can improve productivity.** A key benefit of workplace financial wellness programs, said several participants, is improved productivity due to reduced employee stress about financial matters, a point that was noted in a recent report by the Consumer Financial Protection Bureau.¹¹ Two participants cited recent surveys that found that employees typically spend several hours per week addressing financial issues during work hours and that poor financial planning by employees has affected their performance on the job.
- **Financial education can aid recruiting and retention.** Two participants said that workplace financial education can improve employees' engagement, loyalty, and retention, and can be an attractive recruiting tool. One participant said that his organization's financial health and wellness programs had helped attract and retain employees.
- **Independent analysis of benefits is lacking.** Participants generally agreed that employers want to see a "business case" for financial wellness programs—that is, evidence demonstrating a return on their investment in such programs. Two participants commented that while some studies have shown a positive return on investment, these studies generally focused on small-scale experiments or were published by service providers viewed as potentially biased. As a result, many participants said that independent, third-party

¹¹Consumer Financial Protection Bureau, *Financial Wellness at Work*.

assessments of the return on investment of employer financial wellness programs are important.

Federal Agencies Should Build on Efforts to Support Workplace Financial Education

Participants were asked how the federal government can support private sector employers' financial education efforts, as well as ways that federal agencies can further educate their own employees.

- **Clarify rules about employer-provided financial advice and guidance.** Several participants said they believed it would be helpful for the federal government to provide additional clarification about the difference between educating plan participants and providing them with investment advice.¹² Two participants said that fear of legal liability for breaching their fiduciary duties has made some employers reluctant to directly offer employees guidance on which retirement plan options may be most appropriate based on their specific financial situation. They said that many employers instead rely on third-party vendors—such as firms managing an employer's retirement or health plan—to advise employees, despite the fact that these firms may not always work in employees' best interest.
- **Conduct or fund additional research and data collection.** Several participants encouraged increased federal support for research and data collection on workplace financial education.¹³ Three participants praised the Social Security Administration's prior support of financial literacy research, with one participant commenting that the support had produced some of the top research in this field and recommending its funding be resumed.¹⁴ One participant also

¹²The Employee Retirement Income Security Act of 1974 requires plan fiduciaries, including plan sponsors, to act solely in the interest of plan participants. 29 U.S.C. § 1104(a). The Department of Labor recently published a proposed rule on the act's definition of fiduciary that would, among other things, clarify the distinction between fiduciary investment advice and nonfiduciary investment information and education. Definition of the Term "Fiduciary"; Conflict of Interest Rule—Retirement Investment Advice, 80 Fed. Reg. 21,928, 12,939 (Apr. 20, 2015).

¹³We have previously reported on the wide range of research and evaluation related to financial education that is conducted or supported by federal agencies. See GAO, *Financial Literacy: Overlap of Programs Suggests There May Be Opportunities for Consolidation*. GAO-12-588 (Washington, D.C.: July 23, 2012), pp. 27-37.

¹⁴In 2009, the Social Security Administration established a Financial Literacy Research Consortium that funded 63 research projects at three academic centers on a range of consumer financial behavior and retirement savings issues. The program did not receive funding after fiscal year 2010.

highlighted the value of the Consumer Financial Protection Bureau's research on defining financial well-being and financial capability, and the Department of the Treasury's Financial Empowerment Innovation Fund.¹⁵ Two participants believed the federal government could take the lead on developing a uniform data set that could be used broadly for research.

- **Continue partnerships with the nonprofit and private sectors.** Some participants encouraged federal agencies to continue or expand their partnerships with other government entities and with nonprofits and private sector organizations. One participant highlighted the efforts of the President's Advisory Council on Financial Capability for Young Americans and its role in making connections with employers, nonprofits, and local service providers.¹⁶ This participant noted the council's interest in reaching young people during their summer employment to teach them about savings and other financial skills. Two participants highlighted the Department of the Treasury's *myRA* (*my Retirement Account*) program, which aims to work with employers to offer basic retirement savings products to employees whose employers do not offer retirement plans.¹⁷ A few participants suggested that federal agencies should consider additional ways of publicly recognizing employers that have broad-based financial education programs.
- **Reduce the regulatory burden to free up resources.** Three private sector participants expressed the opinion that the general burden of federal regulation and reporting requirements served to divert

¹⁵The Department of the Treasury has awarded contracts under the Financial Empowerment Innovation Fund to develop, test, and evaluate new ways to "empower Americans with their finances and help them access safe and affordable financial products and services."

¹⁶The President's Advisory Council on Financial Capability for Young Americans was created within the Department of the Treasury by Executive Order in June 2013. The council advises the President and the Secretary of the Treasury on how to promote financial capability among young Americans and encourage building the financial capability of young people at an early stage in schools, families, communities, and the workplace and through use of technology. Exec. Order No. 13,646, 78 Fed. Reg. 39,159 (June 25, 2013).

¹⁷The Department of the Treasury describes *myRA* as a retirement savings account designed to be simple, safe, and affordable. The accounts have no maintenance fees or minimum contribution and the investment is backed by the United States Treasury. See <https://myra.gov/>.

resources that employers could otherwise use for efforts like financial education. One of these participants noted additionally that simplifying the complex rules governing employer-provided benefits would reduce the amount of financial education employees require to understand them.

- **Build on existing efforts to educate federal employees.**

Participants discussed federal agencies' efforts to provide financial education to their own employees. One participant encouraged wider use by federal agencies of promising practices and policies for workplace financial wellness that were identified by the Consumer Financial Protection Bureau.¹⁸ In addition, four participants said that federal agencies should provide the Thrift Savings Plan with their employees' e-mail addresses to facilitate communication and education.¹⁹ One participant noted that federal agencies may benefit from the results of the Financial Literacy and Education Commission's review of how to reach employees with financial education early in their careers.

¹⁸Consumer Financial Protection Bureau, *Financial Wellness at Work*.

¹⁹The Thrift Savings Plan is a retirement savings and investment plan for federal civilian employees and members of the uniformed services established by Congress in the Federal Employees' Retirement System Act of 1986. Pub. L. No 99-335, § 101, 100 Stat. 514, 541-557 (codified as amended at 5 U.S.C. §§ 8431-8440f). It offers retirement savings opportunities and tax benefits similar to those available to private sector employees through 401(k) plans.

Appendix I: Forum Agenda

Financial Literacy: The Role of the Workplace
A Forum Convened by Comptroller General of the United States Gene L. Dodaro
U.S. Government Accountability Office

Tuesday, March 17, 2015

Agenda

8:30 a.m.	Continental Breakfast	McCarl Room
9:00 a.m.	Opening Session -Welcome -Personal introductions -Overview of agenda	Staats Briefing Room Gene L. Dodaro Comptroller General of the United States
9:30 a.m.	The Role of Employers in Providing Workplace Financial Education	Moderators: Gene L. Dodaro Andrew Stavisky Senior Methodologist GAO
10:45 a.m.	Break	
11:00 a.m.	What Works?	Moderators: Susan Offutt Chief Economist GAO David Dornisch Senior Methodologist GAO
12:15 p.m.	Lunch	
1:15 p.m.	Addressing Employees Underserved by Workplace Financial Education	Moderators: Barbara D. Bovbjerg Managing Director Education, Workforce, and Income Security, GAO Andrew Stavisky
2:30 p.m.	Break	

Financial Literacy: The Role of the Workplace
A Forum Convened by Comptroller General of the United States Gene L. Dodaro
U.S. Government Accountability Office

Tuesday, March 17, 2015

2:45 p.m.	The Federal Government's Role in Facilitating Workplace Financial Education	Moderators: Orice Williams Brown Managing Director Financial Markets and Community Investment, GAO David Dornisch
3:45 p.m.	Concluding Observations and Discussion of Potential Topics of Future Financial Literacy Forums	Moderators: Daniel Garcia-Diaz Director Financial Markets and Community Investment, GAO David Dornisch
4:15 p.m.	Adjournment	David Dornisch

Appendix II: Forum Participants

Ted Beck	President and CEO National Endowment for Financial Education
Saurabh Bhargava	Assistant Professor of Economics, Department of Social and Decision Sciences Carnegie Mellon University
Phyllis C. Borzi	Assistant Secretary of Labor, Employee Benefits Security Administration U.S. Department of Labor
Barbara D. Bovbjerg	Managing Director, Education, Workforce, and Income Security GAO
Orice Williams Brown	Managing Director, Financial Markets and Community Investment GAO
Liz Davidson	Founder and CEO Financial Finesse, Inc.
Katy Davis	Vice President ideas42
Gene L. Dodaro	Comptroller General of the United States GAO
David Dornisch	Senior Methodologist GAO
Debra Golding	Deputy Director, Consumer and Compliance Outreach and Education U.S. Department of Labor
Daniel Garcia-Diaz	Director, Financial Markets and Community Investment GAO
Kevin T. Hanney	Director, Pension Investments United Technologies Corporation
Aaron J. Harding	Director, Financial Education and Wellness Practice PricewaterhouseCoopers LLP

Appendix II: Forum Participants

Gail Hillebrand	Associate Director of Consumer Education & Engagement Consumer Financial Protection Bureau
Angela Hung	Director, Center for Financial and Economic Decision Making RAND Corporation
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Brian Silva	Chair, Board of Directors Society for Human Resource Management
Andrew Stavisky	Senior Methodologist GAO
Stephen Wendel	Principal Scientist HelloWallet
Rosemary Williams	Deputy Assistant Secretary (Military Community and Family Policy) U.S. Department of Defense

Appendix III: Scope and Methodology

This report summarizes discussions at the GAO forum, Financial Literacy: The Role of the Workplace, which took place on March 17, 2015. We selected and invited participants with a wide range of experience and expertise to attend the forum, which consisted of four topic-based sessions and a final wrap-up session. We then prepared a summary of the discussions and submitted a draft of that summary to participants for their review. We incorporated participants' comments, as appropriate. The following sections describe our approach to the forum and summary in greater detail.

Forum Participant Selection

The 20 participants included individuals affiliated with private sector entities, federal government agencies, nongovernmental organizations, and academic institutions, and they were selected to encompass a range of experience and viewpoints. We began our selection process by reviewing prior GAO work on financial literacy and related issues. We then surveyed recent literature on financial literacy topics and recent financial literacy symposiums and conferences to identify individuals with relevant expertise. We also had discussions with experts in the area of financial literacy about individuals who have been at the forefront of recent research and trends in financial literacy and implementation of workplace financial education programs.

We selected participants to represent a mix of the following:

- organization types that include private sector employers, federal agencies, nongovernmental organizations, and academic research environments;
- individuals with experience managing or implementing financial education initiatives, particularly those in the workplace; and
- individuals with experience conducting research related to workplace financial education or financial decision making, or with familiarity with the relevant body of research.

The group of 20 participants we assembled included 6 individuals from the private sector, 7 from federal government agencies, 3 from nongovernmental organizations, and 4 academic researchers. (An additional 7 individuals from GAO participated in at least one session.)

Comptroller General Forum

The day-long forum on March 17, 2015 consisted of four sessions ranging from 60 to 75 minutes each, with a final 30-minute wrap-up session. Each session was moderated by two GAO staff members—a senior subject-matter expert and a methodologist who served as facilitator. The forum was structured so that participants could comment on issues openly, although not all participants commented on all topics. The first session addressed the role of the employer in promoting financial literacy. The second session addressed the effectiveness of workplace financial education and financial wellness interventions. The third session focused on the needs of populations traditionally underserved by workplace financial education, such as blue-collar, service, and shift workers who may not work in an office environment or receive comprehensive benefits and who may change jobs frequently. The fourth session addressed ways federal agencies could support private sector efforts, and ways that agencies could improve their own internal financial literacy and education programs for federal employees, including military servicemembers and their families. In the final 30-minute session, each participant had the opportunity to identify key themes generated during the forum sessions.

Forum Summary Report

Following the forum, we drafted a summary of the report and submitted it to participants for their review. In addition, two participants contacted us after the forum to clarify certain points and expand on certain topics. We incorporated participants' comments into the final report as appropriate.

The summary does not necessarily represent the views of the organizations with which the forum participants are affiliated, including GAO. The participants were informed that we would not directly identify individuals or their affiliations in association with specific comments without their permission, and this report does not do so.

We conducted our work from August 2014 to July 2015 in accordance with all sections of GAO's Quality Assurance Framework that are relevant to our objectives. The framework requires that we plan and perform the engagement to obtain sufficient, appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for any findings and conclusions.

Appendix IV: Related GAO Products

401(K) Plans: Improvements Can Be Made to Better Protect Participants in Managed Accounts. [GAO-14-310](#). Washington, D.C.: June 25, 2014.

Financial Literacy: Overview of Federal Activities, Programs, and Challenges. [GAO-14-556T](#). Washington, D.C.: April 30, 2014.

Retirement Security: Challenges for Those Claiming Social Security Benefits Early and New Health Coverage Options. [GAO-14-311](#). Washington, D.C.: April 23, 2014.

Private Pensions: Clarity of Required Reports and Disclosures Could Be Improved. [GAO-14-92](#). Washington, D.C.: November 21, 2013.

401(K) Plans: Labor and IRS Could Improve the Rollover Process for Participants. [GAO-13-30](#). Washington, D.C.: March 7, 2013.

Financial Literacy: Overlap of Programs Suggests There May Be Opportunities for Consolidation. [GAO-12-588](#). Washington, D.C.: July 23, 2012.

Financial Literacy: Enhancing the Effectiveness of the Federal Government's Role. [GAO-12-636T](#). Washington, D.C.: April 26, 2012.

Highlights of a Forum: Financial Literacy: Strengthening Partnerships in Challenging Times. [GAO-12-299SP](#). Washington, D.C.: February 9, 2012.

Financial Literacy: A Federal Certification Process for Providers Would Pose Challenges. [GAO-11-614](#). Washington, D.C.: June 28, 2011.

Financial Literacy: The Federal Government's Role in Empowering Americans to Make Sound Financial Choices. [GAO-11-504T](#). Washington, D.C.: April 12, 2011.

Consumer Finance: Factors Affecting the Financial Literacy of Individuals with Limited English Proficiency. [GAO-10-518](#). Washington, D.C.: May 21, 2010.

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