



Vermont Financial Literacy Commission
January 4, 2016

Vermont Financial Literacy Commission Members Present:

Beth Pearce, co-chair, Vermont State Treasurer
John Pelletier, co-chair, Champlain College
Mark Perrin, State Board of Education
Martha Reid, Vermont State Librarian
Courtney Poquette, Winooski High School
Justin Brown, Colchester High School
Scott Giles, Vermont Student Assistance Corporation
Lisa Falcone, United Way of Chittenden County
Thomas Leavitt, Northfield Savings Bank
Yvonne Garand, VSECU
Linda Tarr-Whelan, Tarr-Whelan Associates

Also Present:

Lisa Helme, State Treasurer's Office
Barbara White, public attendee
Jim White, Champlain Valley Office of Economic Opportunity
Nelson Baker, Green Mountain United Way
Tawnya Kristen, Green Mountain United Way
Pam Bailey, Green Mountain United Way
Tia Poalino, NeighborWorks of Western Vermont
Liz Scharf, Capstone Community Action

CALL TO ORDER:

Mr. Pelletier, co-chair, called the meeting to order at 2:05 p.m. The meeting was held in the Governor's Conference Room, 4th floor, 109 State Street, Montpelier, VT 05609.

Item 1: Approval of Meeting Minutes

Mr. Perrin moved for approval of the meeting minutes from the November 30, 2015. The motion was seconded by Ms. Garand and approved by the commission.

Item 2: Review of the Duties of the Commission

Mr. Pelletier reviewed the major duties of the commission as outlined in the enabling legislation. The five major duties were: issue a report with recommendations to the State Legislature due in January, 2018; create and maintain a current inventory of all financial literacy and capability initiatives in Vermont; identify and track financial literacy and capability metrics; promotion of financial literacy and financial capability for all Vermonters; and fundraising in support of certain financial literacy and capability initiatives.

Mr. Pelletier reaffirmed the commission's decision to meet monthly until December, 2016. He proposed that meetings in January through April be used to solicit testimony from groups and individuals already working in the area of financial literacy to allow commission members to learn more about what is happening in the state. He proposed the commission divide into subcommittees in the future to write specific recommendations. The commission discussed whether it was necessary to divide up into subcommittees and whether subcommittees should be divided by K-12, collegiate, adult, and promotion. Commission members expressed concern that the commission did not replicate work already done by the financial literacy task force convened by Champlain College in 2015.

The commission discussed whether an overall vision statement was needed to guide them in their work. Mr. Leavitt referenced a report released by the Consumer Financial Protection Bureau in January, 2015, that defined financial well-being and described financial behaviors and knowledge that led to well-being. Ms. Garand specifically noted the summary on page 18 of that report: "In summary, financial well-being can be defined as a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow enjoyment of life."

The commission affirmed they would like to hear future testimony on financial literacy activities in Vermont and that such testimony would inform any decision regarding adoption of a vision statement. Mr. Pelletier halted discussion to accommodate the remaining agenda items. He noted the discussion would continue at the next meeting.

Item 3: Presentations on Adult Financial Literacy Work

Three presentations were given by individuals active in adult financial education work. Each submitted a two-page summary of their organization and work. Those summaries are attached to the minutes.

The first presentation was by Jim White, program director for the financial futures programs, Champlain Valley Office of Economic Opportunity. Mr. White described their work in assisting low income residents to become financially stable and build assets. At the close of his presentation, Mr. White recommended to the commission the following:

1. Build education to take advantage of the reality that people deal with money every day in large and small ways;
2. Find ways to encourage and recognize organizations that partner, because partnering will have the biggest impact in terms of scale and can help with costs;

3. Consider way to provide non-profit staff groups with affordable financial training to enable them to keep up with new information;
4. Encourage banking institutions to innovate products so that they are more affordable and accessible and recognize those institutions doing this;
5. Consider mapping financial education in terms of long-term needs with many points of entry and with both formal and informal learning opportunities; and
6. Identify sources of secure funding for adult financial capability services.

The second presentation was by Nelson Baker, community impact director, Green Mountain United Way. Mr. Baker described their financial literacy work in support of their income initiative that is aimed at assisting lower income working families in moving toward financial independence and increase their income. He offered the commission two recommendations:

1. Compile a list of organizations with whom all of the financial education providers network to promote financial literacy and financial well-being; and
2. Explore the possibility of state funding to provide grant opportunities to non-profit organizations for specific financial literacy projects.

The third presentation was by Tia Poalino, contracted home buyer educator, NeighborWorks of Western Vermont. Ms. Poalino described the topics covered within the first time homebuyer class that included readiness to buy, budgeting and credit, shopping for a home, mortgages, and insurance. She offered these recommendations to the commission:

1. Develop supportive marketing strategies which promote financial literacy education;
2. Assist in developing deeper partnerships with the potential to provide monetary incentives for people to complete financial education work;
3. Explore whether it is possible to require financial education for people prior to obtaining their first revolving credit account;
4. Explore if a “portal” could be available to professionals in the financial education, counseling and coaching services to disseminate latest program news and aid in productive referrals;
5. Consider how the commission could support and market financial education as a first step in the home buying process;
6. Consider identifying “life stages” versus education and age when assessing a strategy; and
7. Consider requiring that Vermonters over the age of 62, and considering a reverse mortgage, participate in financial counseling.

Item 4: Questions and Discussion

Commission members asked the presenters questions at the conclusion of all three presentations.

Item 5: Next Meeting

The commission will meet next on Monday, February 1, in Montpelier. The exact location is yet to be determined.

Item 6: Public Comment

Ms. Kristen urged commission members to think more broadly about financial literacy than just age groups and suggested they instead consider life stages. She also urged the commission to remember Vermont's elderly population and their financial literacy challenges. She underscored the importance of partnerships to accomplish financial literacy goals.

Ms. Scharf asked commission members to look at the groupings of individuals within the younger populations. She said there are kids that are more vulnerable than the average school population and if financial education is only offered in a traditional high school setting, these vulnerable kids may not have access to these courses. She also stressed the importance of partnerships.

Ms. White commented that after hearing the discussion she believes the commission should focus on those groups that need the most help now. She said college-age adults are entering into a critical life stage. She suggested asking people what they need and not just assuming what is needed.

Item 7: Adjournment

Mr. Pelletier adjourned the meeting at 4:05 p.m.

Attachments:

- Champlain Valley Office of Economic Opportunity
- Green Mountain United Way
- NeighborWorks of Western Vermont