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ASEC
AMERICAN SAVINGS EDUCATION COUNCIL

By

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Chairman Sarbanes, Ranking Member Gramm, and Members of the Committee:

I am pleased to appear before you this morning to testify on the status and importance of financial literacy and education in America. My name is Don Blandin and I am president of the American Savings Education Council (ASEC) – a coalition of private– and public-sector organizations that undertakes initiatives to raise public awareness about what is needed to ensure long-term personal financial independence.

ASEC works through its partners to educate Americans on all aspects of personal finance, saving, and wealth development, including credit management, college savings, home purchase, and retirement planning. ASEC develops and distributes educational materials, all of which are available in hard copy and on the ASEC Web sites: www.asec.org and www.choosetosave.org

ASEC was launched in July 1995 as a result of discussions between representatives of the U.S. Department of Labor and the Employee Benefit Research Institute to take the savings message to the American public. ASEC is a program of the EBRI Education and Research Fund (EBRI-ERF), a 501(c)(3) nonprofit, nonpartisan public policy research organization based in Washington, DC. We do not lobby or advocate specific policy recommendations.

As president of the ASEC coalition over the past six years, I have had the unique privilege and opportunity to witness firsthand the growth and evolution of financial education in America. I can say with great assurance that an increasing number of public- and private-sector organizations are committed to the mission of helping Americans to save and plan for their financial future. Although progress has sometimes been very slow, we are confident that by continuing to build coalitions of organizations that are committed to this common mission of teaching Americans to save, we will achieve more success at a faster rate.

Today, I would like to give you a birds-eye view of financial literacy education in America and address some of the challenges we face as we move forward. I would also like to take this opportunity to highlight a few initiatives that ASEC has undertaken in the past few years. As the Committee knows, the need is obvious: Studies have shown that the United States has the lowest national savings rate in the industrialized world and that many Americans are not saving adequately for their retirement, let alone be fully prepared for unexpected life events such as medical emergencies. With increasing concern over public programs such as Social Security and Medicare, there is a need, more than ever, for individuals to take responsibility in planning and saving for their long-term personal financial independence.

Personal Finance and the Rush to Competence: Financial Literacy Education in the U.S.

In an effort to provide you with the most updated and comprehensive overview of financial literacy education in the United States, I would like to highlight some findings from a national field study conducted by the Institute for Socio-Financial Studies (ISFS) and commissioned and supported by the Fannie Mae Foundation entitled, *Personal Finance and the Rush to Competence: Financial Literacy Education in the U.S.*

The study was done to assess major trends in financial literacy education for adults and to learn the challenges program managers and educators face in trying to educate their constituencies. The research also identified the strategies and practices that are the most effective in helping Americans to better understand money management.

The study found that the 90 personal financial education programs they surveyed were very diverse. The financial literacy education programs were broken into these main sectors: community-based (32 percent); Cooperative Extension Service (27 percent); workplace (20 percent); faith-based (9 percent); community college (8 percent); and military (4 percent). The main reasons these organizations gave for offering financial education programs fell into four categories: (1) empower participants to take charge of their financial lives; (2) help participants get out of or avoid financial problems; (3) comply with regulations or requirements imposed by an outside authority; and (4) meet an organizational goal (e.g. military readiness, increased stewardship, increased employee satisfaction or productivity).

Financial education topics that were most frequently taught fell into these categories: budget and money management; saving/investing; credit and debt; 401(k) investing; financing education; and financing health care.

Program leaders and managers identified the following challenges as those they faced during the design, implementation, and operations stages of their programs: (1) having inadequate resources to design, evaluate, revise, or expand programs; (2) inexperience in socio-cultural aspects of program design, marketing, and evaluation; and (3) the need to attract or expand programs to reach many more participants than they currently do.

What also emerged from the study were solutions found by other program managers that addressed these various challenges. Following is a list of the seven most effective strategies and practices in personal financial education today: clear mission statement; targeted outreach; adequate resources; successful evaluation and follow-up; easy access to program; relevant curriculum; and dynamic partnering.

The research from the financial literacy study was collected in better financial times, but one can argue that there is an even greater need for basic financial education facts today. Here are some additional recommendations from the study:

- Urge more employers to offer personal finance courses in the work place (it is the best venue for reaching out to most people), and provide public policy initiatives that offer incentives to those employers who do so.

- Increase public and philanthropic support for financial education by faith-based and other community-based organizations, since they provide a comfortable learning environment for many people.
- Incorporate socio-culturally sensitive teaching methods in financial education materials and curricula to address different communities.
- Utilize a life-planning approach when teaching about finances to encourage individuals to think more proactively about their future.
- Make financial education for older Americans a national priority (e.g., daily money management, avoiding scams and other forms of financial abuse, alternative sources for health care, home care, medication, etc.).

According to a recent conversation EBRI staff had with the Institute for Socio-Financial Studies, one concern that needs to be addressed is the ability to sustain programs over a period of time. Unfortunately, few programs have the resources and support they need to be more than a one-time effort or to reach more than a fraction of the people they need to reach.

Impact on Lower-Income Households

The lack of financial sophistication or awareness by lower-income consumers translates into significantly lower participation in the mainstream financial system. Another report by the Fannie Mae Foundation titled *Financial Services in Distressed Communities* highlights the fact that between 10 and 12 million households in the United States have no relationship with a traditional bank or savings institution. This population, also known as the unbanked, pays many times more for access to routine financial services than the typical American family.

Unbanked households are more likely to rely on check cashiers, payday lenders, rent-to-own establishments, and other alternative or "fringe" financial services providers whose interest rates can average from 300 percent to more than 1,000 percent on an annualized basis. Moreover, these institutions are growing exponentially in the nation's most impoverished and distressed communities. And over-reliance on these alternative financial services firms significantly undermines the ability of unbanked households to accumulate assets and build wealth.

The report points out that while many factors lead unbanked households to rely on excessively priced financial services, poor choices is a leading reason. As a result, greatly increased financial education for lower-income households, particularly those living in distressed urban and rural communities, is essential.

Despite these somber findings, some organizations are addressing this very important issue. According to the National Association of Federal Credit Unions (NAFCU), credit unions across the country are making a national effort to reach out to underserved communities through their own local programs. San Antonio City Employees Federal Credit Union (CECU) is just one example. CECU uses its financial knowledge and experience of its staff to prepare and teach basic financial courses for the city's Adult Basic Education and G.E.D. Preparation Program.

The Second National Summit on Retirement Savings

In light of recent events in the news regarding 401(k)s and retirement planning, I want to remind everyone that the second National Summit on Retirement Savings is scheduled for February 27 – March 1, 2002. In 1997, the Savings Are Vital to Everyone's Retirement (SAVER) Act was passed in Congress and signed by the president. As part of the bill, the first national summit was held on June 4–5, 1998, in Washington, D.C. The summit, jointly convened by the president and the bipartisan leadership of Congress, strived to increase public awareness of the importance of retirement planning and to identify ways to promote greater retirement savings by all Americans.

This year's national summit should offer a very compelling and enlightening look at the future of retirement savings in America. Additional information on the 1998 National Summit on Retirement Savings can be found at: www.saversummit.org For information on the upcoming Summit, see www.saversummit.dol.gov The SAVER legislation (in .pdf format) is available for your review at www.saversummit.org

Since the 1998 SAVER Summit, ASEC and its partner institutions have participated in numerous efforts to increase public awareness about savings and retirement planning. The selected initiatives outlined below have attempted to achieve many of the goals expressed in the SAVER Act, including: 1) coordinating with public- and private-sector organizations to work together and share resources to support various public-education campaigns; 2) getting involved with local and state-level organizations; 3) involving the media in helping inform the public about retirement savings; and 4) urging employers to sponsor retirement plans and educate employees about the importance of retirement savings.

Delphi Survey

EBRI contracted with Mathew Greenwald & Associates (Greenwald), Inc., to conduct a Delphi survey to evaluate ideas generated by delegates to the first National Summit on Retirement Savings held on June 4–5, 1998. Specifically, these ideas focused on ways to increase Americans' retirement savings and enhance the retirement income security of today's workers. The results of the survey have been the foundation for various action steps undertaken by ASEC over the past few years.

In order to develop the questionnaire, EBRI provided Greenwald with a categorized list of the ideas generated at the summit. Greenwald then incorporated these ideas into a questionnaire asking respondents to rate each idea according to the respondent's perception of its priority for further action. For the second round of the study, respondents were presented with the same list of ideas, ranked within each category according to the results of the first round, and asked to rate each idea again according to its priority. The third round of the study again presented respondents with the same list of ideas, ranked according to the results of the previous round (but no longer within categories), and asked them to rate each idea a final time. Forty-one percent of summit delegates responded to the first round of the survey. The second round had a delegate response rate of 22 percent. Forty percent of summit delegates responded to the final round of the survey.

The Top 20

Table 1 presents the top-20 ranked ideas by the percentage of summit delegates rating each a high priority. While the rankings vary somewhat by each survey round, they also show some surprising consistency. "Educating about the benefits of starting to save early" is the top-ranked idea by delegates in the final two waves of the survey. This signals that delegates believe that an educational campaign with this idea as one of its central messages should be the top priority for anyone seeking to implement ideas from the national summit.

Seven of the ideas ranked among the top 10, and 13 of the ideas ranked among the top 20, also concern education. "Educate people on the costs of retirement" is the second-ranked idea, while "develop financial planning curriculum for high schools and colleges" is ranked 4th. A delegate priority is also to "develop an on-going, funded, public awareness program to create a culture of saving and thrift" (ranked 8th). There also appears to be a sentiment that such a campaign should involve "different messages targeted at different groups, such as people at risk, young people, low-income people, savers vs. nonsavers, ethnic groups, and high/low education levels" (ranked 10th). According to delegate responses, a priority should also be to "encourage the use of payroll deductions" (ranked 3rd) and to "increase availability of payroll deductions and direct deposits for IRAs and/or other (retirement) savings vehicles" (ranked 9th).

Three of the ideas ranked in the top 20 directly concern the high priority that should be placed on the education of children and youth. "Developing a financial-planning curriculum for high schools and colleges" is ranked 4th, while "institute education projects that start at a young age" is tied for 13th place and "encourage financial literacy in the schools through public/private partnerships" is ranked18th. In addition, educating employers, specifically on how to set up low- cost plans, is also a priority for summit delegates.

Table 1

Top 20 Ideas Among Delegates

Ranked by percentage rating each a high priority

		1st Round	2nd Round	3rd Round
1	Educate about the benefits of starting to save early.	2	1	1
2	Educate people on the costs of retirement.	1	5	2
3	Encourage the use of payroll deductions.	3	3	3
4	Develop financial-planning curriculum for high schools and colleges.	16	2	4
5	Provide simple, user-friendly, easy-to-understand information on retirement savings.	10	6	5
5	Encourage portable models.	8	10	5
7	Educate employers on how to set up low-cost plans (as part of a national public awareness campaign).	4	4	7
8	Develop an on-going, funded, public awareness program to create a culture of savings and thrift.	5	6	8
9	Increase availability of payroll deductions and direct deposits for IRAs and/or other savings vehicles to encourage savings (that would not be accessible till retirement).	10	8	9
10	Develop an education campaign that includes different messages targeted at different groups: people at risk, young people, low-income people, savers vs. non-savers, ethnic groups, and high/low education levels.	13	9	10
11	Educate employers on how to set up low-cost plans (as part of opportunities for plan expansion).	25	19	11
11	Position "lifetime savings" campaign as opposed to "retirement"—which does not register for young people.	43	27	11
13	Encourage long-term investing.	16	15	13
13	Institute education projects that start at a young age.	8	16	13
15	Simplify the message.	14	33	15
16	Use automatic enrollment/negative consent to raise 401(k) participation.	27	12	16

Table 1 continued

		1st Round	2nd Round	3rd Round
17	Raise profile of retirement savings plans when they are offered.	6	13	17
18	Encourage financial literacy in the schools through public/private partnerships (e.g., "adopt a school" programs).	32	16	18
19	Provide more education for workers on an ongoing basis.	28	21	19
19	Translate retirement benefit statements into estimated monthly income statements at retirement, to make these statements more meaningful to workers.	16	11	19

Choose to Save®

EBRI and ASEC's Emmy-award winning *Choose to Save*® (CTS) education program was cited by delegates to the 1998 National Summit on Retirement Savings as the type of campaign that should be conducted throughout the nation. Based on the findings of the RCS, this program provides first-time savings information and also customizes the financial planning message to different "savings personalities."

Underwritten by Fidelity Investments in the Washington, D.C. test market, Choose to Save® includes educational brochures, radio and TV public service announcements (PSAs) in primetime, newspaper ads and outdoor displays, and ongoing news coverage through our DC media partners – WJLA-TV (an ABC affiliate), WGMS Radio, and WTOP Radio. Although the program stresses the seriousness of the savings message, it uses humor and positive examples to help people overcome their reluctance to address financial issues.

For more information, and to see and hear the TV and radio education spots, visit the Choose to Save® Web site at: www.choosetosave.org In addition, CTS PSAs are shown on military bases and ships worldwide. The Public Sector CTS campaign, launched in October 1998, aims to increase participation in state and local government (Sec. 457) deferred-compensation plans. ICMA Retirement Corporation (RC), the National League of Cities, and the Government Finance Officers Association underwrite the program. The CTS program is now in its 5th year.

PSAs are an integral component in the CTS campaign. The goal of showing the PSAs is to raise the general savings awareness level among viewers. The CTS PSAs have been disseminated nationally through a partnership with Goodwill Communications, as well as the U.S. Treasury Department, and the U.S. Social Security Administration.

Some interesting stats from the first national CTS PSA Campaign television broadcast package that was launched in July 2000:

- 1,100 television broadcast stations.
- 35 networks/NAB closed circuit.
- 600 cable stations.
- 181 broadcast stations; 14,945 plays.
- 221 cable stations; 35,363 plays.
- Broadcast value as of July 2001: $4.9 million.

Additional stats from the second CTS PSA Campaign television broadcast package launched in August 2001:

- 229 cable stations; 12,393 plays.
- Radio diskpak distribution: $407,773 (as of January 2002). It also features a spot in Spanish.
- 253 radio outlets in 179 cities: 28,266 plays.
- Broadcast value as of January 2002: $5 million airing nearly 9,000 spots in 149 cities spread through 49 states.

Choose to Save® Forum on Retirement Security and Personal Savings

On April 4– 6, 2000, the Choose to Save® Education Program hosted a Forum on Retirement Security and Personal Savings in Washington, D.C. The forum brought together key representatives in the private, public, and nonprofit sectors to share expertise and best practices encouraging long-term, routine saving, planning, and investing by individuals. The two principal topics of the forum, covered in both plenary and breakout sessions, were: 1) increasing retirement planning and retirement program sponsorship and participation and contributions at all income and age levels, and 2) minimizing the leakage of savings from the retirement system as more defined benefit and defined contribution plans pay lump-sum distributions.

Forum participants addressed the importance of creating a national environment that encourages personal savings and investment for retirement, and focused attention on actions and "best practices" that companies and organizations could replicate and use on their own. At the end of the forum, delegates were presented with a menu of initiatives that emerged from the previous day's breakout sessions. Out of the many initiatives that surfaced, the delegates then re-ranked the top five initiatives (six in practice, since there was a tie for the no. five spot), after a period of discussion on their relative merits and shortcomings. The final-rank ordering was:

1. Create a national media campaign to raise public awareness.
2. Promote negative election as a default design feature.
3. Promote consumer financial literacy in K–12.
4. Promote financial planning tools and Web sites through SSA benefit statement mailings.
5. Promote preservation/rollover through the use of waivers recognizing foregone future accumulations.
6. Require automatic rollover of lump sums as a default design feature.

Annual Retirement Confidence Survey

2002 marks the twelfth year that EBRI, ASEC, and Greenwald have undertaken the *Retirement Confidence Survey (RCS)* and the fifth year for the Small Employer Retirement Confidence Survey (SERS). The 2002 surveys have just been returned from the field, and the results from the 2002 RCS will be presented at the Saver Summit later this month. The RCS has asked certain key questions over these 12 years that have tracked trends in retirement confidence and retirement planning behavior for much of this time. I would like to focus on just a few of the highlights from last year's surveys.

In general, the 2001 RCS found that retirement confidence had declined during the year, with fewer nonretired individuals engaging in retirement planning and savings activities than in recent years. First, the percentage of nonretired individuals who have tried to calculate how much they will need to accumulate to ensure a comfortable retirement decreased from 51 percent in 2000 to 46 percent in 2001. And the percentage who said they tried to do this calculation declined even further, to 39 percent, when workers were first asked about their knowledge of the various components that go into this type of calculation. Second, the proportion of workers who say they have personally saved for retirement has also gone down, albeit only slightly. In 2001, Only 7 in 10 workers said they have personally saved for retirement, as opposed to 3 out of 4 workers in 2000.

With these trends in mind, it should not be surprising that workers were less likely in the year 2001 to say they were on track in terms of planning and saving for retirement than they were in 2000. In 2000, 38 percent reported they felt they were on track, while in 2001 only 33 percent felt they were on track in their financial preparation for retirement. At the same time, the proportion saying they are a lot behind schedule increased from 29 percent to 34 percent. This sense of being behind schedule may be a result of rather small amounts that American workers have thus far accumulated for retirement. Half of workers have saved less than $50,000; 2 in 10 say they have saved nothing at all for retirement. The average amount for retirement increases with age, of course. But still only a quarter of workers age 45 and over have saved at least $100,000.

The increase in the number of workers who feel they are behind schedule in preparing for retirement is no doubt linked to the turnaround in confidence in having a financially secure retirement. After five years of steady increase the proportion of workers who are confident that they will have enough money to live comfortably in retirement dropped from 72 percent in 2000 to 63 percent in 2001.

Other indicators of confidence also fell in 2001 after several years of steady increase.

- In 2000, 77 percent of workers said they were confident they were doing a good job of preparing financially for retirement. In 2001, it dropped to 70 percent.
- Similarly, 84 percent were confident of having enough money to take care of basic expenses in 2000; only 78 percent were confident in 2001.
- 66 percent were confident in 2000 of having enough for medical expenses, compared with 58 percent in 2001.
- And more than 51 percent of working respondents to the 2000 RCS were very confident of having enough to pay for long-term care, compared with 44 percent of working respondents in 2001.

The decline in confidence was not spread evenly across the working population. Workers ages 35– 54 and those with household incomes of $35,000 to $75,000 experienced the biggest declines.

One area where confidence has not declined this year is in Social Security and Medicare, despite the large amount of press concerning the financial health of these two systems. Confidence in these programs has continued to increase from the lows recorded in 1995, although a majority of workers continue to remain not confident. Confidence that these programs would continue to pay benefits of value equal to today's went up in 2001 by 6 percentage points to 34 percent for Social Security and 4 percentage points to 39 percent for Medicare.

On another issue of importance, the 2001 RCS found that clear differences remain between American workers as a whole and minority workers on retirement planning and saving. African American and Hispanic Americans tend to have lower levels of confidence in their financial prospects in retirement and lower levels of retirement planning and saving. Among workers:

- Forty-five percent of Hispanic Americans and 54 percent of African Americans were confident of having enough money to live comfortably in retirement, compared with 63 percent overall.
- Sixty-two percent of Hispanic Americans and 69 percent of African Americans were confident in having enough money for basic expenses, compared with 78 percent overall.
- Twenty-nine percent of Hispanic Americans and 29 percent of African Americans say they tried to figure out how much money they will need to save to live a comfortable retirement, compared with 39 percent of all workers.

As a "best practice" example on this specific issue, I want to highlight the *Investing for Success* program, an ongoing investor education partnership between the Investment Company Institute Education Foundation (ICIEF); the National Urban League (NUL); and the Coalition of Black Investors – Investment Education Fund (COBI-IEF).

The program is designed to promote greater understanding among middle-income African Americans about the benefits of long-term investing. To date, investor education workshops have been held in cities throughout the country. The *Investing for Success* program offers free personal finance workshops nationwide, conducted by African-American investment professionals.

Those who are unable to attend a workshop can visit www.icief.org for all the materials in an interactive, multimedia format. In addition, based on the success of the program, the ICIEF is developing a Spanish-language *Investing for Success* web course that will offer similar investor education opportunities to the Hispanic community.

Youth & Money

Young people today are bombarded with messages to spend, yet the average student graduating from high school lacks even the most basic money management skills (e.g., balancing a checkbook, understanding compound interest, etc.) that can help him or her to make sound financial decisions. Too often, we hear stories of parents bailing their children out of debt – even before they have had a chance to bring home their first paycheck.

It is imperative that children be taught about personal finance at an early age so that they can develop the skills and knowledge they need to have to be financially responsible adults. Helping individuals prepare for long-term financial security needs to begin in the home – by parents. The earlier good savings behavior is taught to children, the better planners, savers, and investors America will have in the future.

Last year, ASEC co-sponsored, along with EBRI and MGA, the *2001 Parents, Youth & Money Survey*, underwritten by the TIAA-CREF Institute. The survey was a follow-up to the *1999 Youth & Money Survey* finding that 94 percent of surveyed students look to their parents for financial education. As the primary teachers of money management, parents have a major impact on the financial attitudes and habits—positive or negative—that their child develops.

The *2001 Parents, Youth and Money Survey* found, however, that while a majority of parents feel confident about their understanding of financial matters, many of their actions and behaviors contradict this self-assessment. For instance, 55 percent of parents roll over credit card debt each month. When asked where they would put or advise their child to put $5,000 to save for education or some other long-term goal, 58 percent do not identify specific long-term investment vehicles such as mutual funds; rather, more than 1 out of 3 parents cited low-yielding certificates of deposit (CDs), savings accounts, and savings bonds. Finally, fewer than half (45 percent) of all parents say they make a budget and stick to it most of the time.

The *2001 Parents Survey* shows that many parents are missing day-to-day opportunities to engage their children in conversations about money management, and provides some ideas for parents to help kids become savvy savers and consumers. One of the reasons for undertaking the survey was to help parents and children recognize the enormous value of understanding everyday financial basics, as well as to motivate financial service providers, K-12 teachers, financial advisors, and youth leaders to develop, provide, and employ tools and resources to strengthen family financial literacy.

In conjunction with the *2001 Parents Survey*, ASEC and the TIAA-CREF Institute have created the following tools to help educate parents and kids about financial matters: "Money Talk" pamphlet series, Youth & Money Poster, Interactive Savings Goal Calculator, and Piggy Bank Wrapper. All tools are available on the ASEC and TIAA-CREF Institute Web sites at www.asec.org and www.tiaa-crefinstitute.org

One question that is often asked is how effective are financial education classes in schools? A 2001 study done by Stanford University entitled, "Education and saving: The long-term effects of high school financial curriculum mandates," attempts to answer that question. The paper explains that between 1957 and 1985, 29 states adopted legislation that required secondary schools to offer some kind of "consumer" education. Fourteen states specifically required that the schools cover topics related to household financial decision-making (e.g., budgeting, credit management, investing, etc.). The goal of the curricula was to ensure that the students gained practical financial knowledge and skills that they could later use in their adult lives.

The study abstract says, "The evidence indicates that mandates have raised both exposure to financial curricula and subsequent asset accumulation once exposed students reached adulthood. The estimated effects are gradual, probably due to implementation lags." These findings support the work of organizations such as the Jump$tart Coalition for Personal Financial Literacy, whose objective is to encourage curriculum enrichment to insure that basic personal financial management skills are attained during the K– 12 educational experience.

ASEC is a founding organization of the Jump$tart Coalition and is represented on its board of directors. ASEC helped to develop the coalition's savings and investing guidelines, which include teaching students about the importance of income, money management, savings and investment, and spending. More information can be found at www.jumpstart.org

A post September 11, 2001 survey report released yesterday by Certified Financial Planner Board of Standards shows the consequences of young people not learning to manage their finances. Young people today are more focused on managing and reducing debt than they were in 1999. Among individuals ages 20– 39, 47 percent list managing and reducing debt as a current financial goal, second only to building a retirement fund. By comparison, 39 percent of that group listed it as a current financial goal in 1999.

What this means is that young people are turning away from other critical facets of the economy, CFP Board's survey shows. Interest in home purchase/renovation as a current financial goal has declined, and interest by the younger generation in vacation/travel also declined from 40 percent in 1999 to 33 percent in 2001. By contrast, those nearing retirement (ages 55–69) showed an increased interest in travel with 45 percent listing it as a current financial goal, up from 41 percent in 1999.

Finally, on a more upbeat note, I would like to bring the committee's attention to an excellent example of a public- and private-sector partnership aimed at educating America's youth about finances – *Money Math:*

Lessons for Life. In response to the country's low financial literacy rates among teens, the U.S. Treasury Department Savings Bonds Program, the Jump$tart Coalition for Personal Financial Literacy, and the Center for Economic Education (University of St. Louis, MO) – along with 17 other partners – developed a supplemental middle school math curriculum that teaches important personal finance skills to students in grades 7 through 9. *Money Math* lesson topics include income, saving, taxes, and budgeting.

The four lessons included in the curriculum are available online at www.savingsbonds.gov and at http://coach.dosomething.org Both the Web-based lessons and print materials are available for free. To request a paper copy of *Money Math*, send an e-mail to moneymath@bpd.treas.gov

Conclusion

Unfortunately, no matter how you look at the statistics, the bottom line is the same – many Americans are not saving enough for their future or taking control of their current financial situation. Individuals need to know that responsible money management is not rocket science, but the financial cost of *not* starting to save today can have a serious impact on their financial well-being 10, 20, or 30 years down the line.

America is the land of opportunities, but many Americans are opting out of their opportunity to build wealth by overspending, carrying excessive credit card debt, and not participating in their company's employment-based retirement plans. Fortunately, many of us here are in a position to make a difference and educate Americans about the importance and urgency of planning financially.

ASEC is a national educational effort supported by public- and private-sector institutions that are fully engaged and committed to educating Americans about the need to save, invest, and plan for retirement and other important life stages. We have been down a road and made significant progress, but we have also faced some turns in our path.

But in the end, I return to my thoughts at the beginning of the testimony about the importance of coalition building. Organizations in both the private and public sectors must collaborate on all levels to help educate Americans about the importance of taking control of their financial future. By combining and leveraging our comprehensive networks and resources, we have a better chance of reaching people that none of us would be able to reach alone.

Mr. Chairman and members of the committee, I thank you for the opportunity to speak to you today on this important topic. I would be pleased to take questions now, and to respond to written questions following the hearing.

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