



**DRAFT – Not yet approved by the commission.**

**Vermont Financial Literacy Commission**

December 19, 2016

**Vermont Financial Literacy Commission Members Present:**

John Pelletier, Co-Chair, Champlain College  
Courtney Poquette, Winooski High School  
Lisa Falcone, United Way of Northwest Vermont  
Linda Tarr-Whelan, Tarr-Whelan Associates  
Mary Niebling, Capstone Community Action  
Sabina Haskell, representing commission member Scott Giles  
Thomas Leavitt, Northfield Savings Bank  
Yvonne Garand, VSECU

**Also Present:**

Dylan Giambatista, Vermont State Treasurer's Office  
Solveig Overby, citizen

**CALL TO ORDER:**

Mr. Pelletier, Co-Chair, called the meeting to order at 2:03 p.m. The meeting was held in the Common Room of VSAC, 10 East Allen Street, Winooski, VT 05404.

**Item 1: Approval of Meeting Minutes**

Mr. Pelletier presented the draft meeting minutes from November 21, 2016. He suggested a technical edit. The Commission unanimously approved the technical change. Ms. Garand made a motion to accept the amended meeting minutes. Ms. Haskell seconded the motion. Ms. Niebling abstained from approving the minutes, citing that she was unable to attend the November 21 meeting. The remaining Commission members approved the amended meeting minutes.

**Item 2: Discussion and drafting overview**

Mr. Giambatista noted that Co-Chair Beth Pearce could not attend due to a schedule conflict. He explained that she had designated him to participate on her behalf.

Mr. Pelletier presented a first draft of the Commission report. Ms. Niebling inquired about who had participated in the drafting process. Mr. Pelletier reported that Ms. Haskell, Mr. Giambatista and Ms. Tarr-Whelan contributed to the first draft of the report.

The Commission reviewed its statutory reporting requirements. Mr. Giambatista noted that the report was due to the Governor, the House Committees on Commerce and Economic Development, on Education, on Government Operations, and on Human Services, as well as the Senate Committees on Economic Development, Housing and General Affairs, on Education, on Government Operations, and on Health and Welfare.

Mr. Pelletier provided an update on the release of Champlain College's *2016 National Report Card on Adult Financial Literacy*.

### **Item 3: Document introduction review and discussion of possible changes**

The Commission reviewed the draft introduction of the report and discussed potential changes to strengthen its content. Ms. Niebling stated a preference for including more information about financial literacy and how it relates to the economic health of Vermonters and Vermont. Commission members concurred.

Mr. Pelletier reviewed language from previous reports, including the 2014 Financial Literacy Task Force Report. Ms. Tarr-Whelan noted that the State of Vermont's goals are dependent on Vermonters achieving financial well-being. She urged that the language be redrafted to enlarge the scope of the introduction.

Ms. Garand suggested that the introduction should capture the connection between financial well-being and the everyday activities that citizens need to undertake to reach financial capability. Ms. Tarr-Whelan echoed Ms. Garand's remarks.

Ms. Tarr-Whelan noted the importance of explaining where Vermont stands, relative to the *2016 National Report Card on Adult Financial Literacy's* finding that Vermont ranks as a B compared to other states. She questioned whether conflicting reports about Vermont's rank could confuse readers. Commission members agreed that the different financial wellness grades should be described in the introduction to underscore the fact that Vermonters still lack critical skills to achieve financial capability.

The Commission discussed whether the draft graphic was appropriate as presented in the introduction. Ms. Niebling agreed that the report's introduction should be redrafted and that changes might be appropriate to edit the graphic. She noted the importance of including information about individuals who may or may not have an income, and urged a broader narrative to capture the experiences of more Vermonters.

Ms. Falcone questioned whether the draft graphic conveyed the right message. She recommended the development of a broader, economic message to outline the scope of Vermont's personal finance challenge. She suggested that the report would benefit from more

personal stories to explain how acting on the Commission's recommendations could positively impact Vermonters.

Mr. Leavitt recalled that the Commission had previously discussed the concept of financial well-being and whether the group had adequate resources to address concepts beyond financial literacy and financial capability. He reviewed the statute that created the Commission and noted that financial literacy and financial capability were the defined terms set forth by the General Assembly.

Ms. Tarr-Whelan discussed the extent to which the concepts of financial capability and financial well-being should be included in the report. A wide-ranging discussion ensued.

Mr. Leavitt suggested that the Commission might benefit by spending the remainder of the meeting reviewing and finalizing the report recommendations, with the intent of redrafting the introduction for final review at the January 9, 2017 Commission meeting. Commission members agreed.

#### **Item 4: Comments on draft of recommendations and approval of final recommendations**

Ms. Tarr-Whelan directed the Commission to the placeholder text on page 6 of the draft. She distributed a document (see attached *Thoughts for Financial Literacy Report* handout) that had been utilized by the drafting team as they began their work in November. Referencing the handout, Ms. Tarr-Whelan asked Commission members whether summary points 3a, 3b, and 3c could be redrafted to populate the placeholder text on page 6 of the draft Financial Literacy Commission report.

Commission members reviewed the bullet points presented by Ms. Tarr-Whelan. Ms. Garand recommended that the Commission focus on adding recommendations, where appropriate, into the template. Several edits were proposed to strengthen the drafted text.

Ms. Poquette inquired about the decision to include a recommendation to direct the Agency of Education (AOE) to create a financial literacy point person. Mr. Pelletier recalled the stakeholder process that he convened in the summer. Commission members concluded that the recommendation was appropriate and should be included in the report.

Ms. Haskell asked whether references to "K-12" should be redrafted as "K-16" to include higher education in the overall recommendations. While Mr. Pelletier supported the idea, Mr. Leavitt reminded Commission members that K-12 is a more commonly used term. He recommended retaining the K-12 references. After discussion, the Commission determined it would retain "K-12" throughout the document.

Mr. Giambatista recommended that the K-12 recommendation 3a be moved before the recommendations related to creating a task force (3b) and launching a financial health campaign (3c). Commission members agreed.

Ms. Haskell urged the Commission to utilize the term “postsecondary education” in place of “college.” Members agreed to incorporate the edit in the next draft of the report.

Regarding 3b, Ms. Niebling recommended that language be included to request additional resources to scale up programming. After discussion, the Commission decided to focus its charge on launching a financial health campaign.

Ms. Tarr-Whelan directed the Commission to page 7 of the draft report. She suggested separating the recommendations into sections by including topical headings with K-12, Higher Education, Adult. After discussion, the Commission determined that the summarized list of recommendations on page 7 could be eliminated and replaced by the addition of bold headings throughout the rest of the document.

Ms. Tarr-Whelan recommended that the data and key points described in the background sections of the recommendations should be highlighted to maximize their visibility. Commission members agreed. Mr. Pelletier recommended that box be created to capture key statistics. Mr. Giambatista said he would edit the recommendations to reflect the request.

The Commission moved on to reviewing and approving the draft recommendations, starting with K-12, and continuing through Higher Education and Adult.

On page 9, under the K-12 Recommendations, Sec. 1 was amended to read “Update Vermont’s existing personal economics and career choices education standards to reflect highly regarded national and international financial literacy standards.”

On page 9, under the K-12 Recommendations, Sec. 2 was approved without edits.

On page 9, under the K-12 Recommendations, Sec. 3 was amended to read “Expand assistance to supervisory unions, schools and educators interested in providing quality personal finance education to their students.”

On page 9, under the K-12 Recommendations, Sec. 4 was amended to read “Provide incentives to supervisory unions, schools and educators to offer or expand personal finance education.”

Commission members discussed the italicized text on page 9. There was discussion about whether the italicized text, which acted as a disclaimer about the challenges educators and administrators face, should be carried into a final draft. It was determined that, given the fact that the Commission’s recommendations do not call for a mandate, it would not be necessary to include the language as drafted. Commission members agreed to remove the italicized text.

Commission members proceeded with a review and discussion of the Higher Education recommendations.

On page 12, under the Higher Education Recommendations, Sec. 1 was amended to read “Promote savings by helping Vermont families save for higher education in the Vermont Higher Education Investment Plan (VHEIP), the state’s 529 college savings plan.”

On page 13, under the Higher Education Recommendations, Sec. 2 was amended to read “Guide Vermonters to become better consumers of higher education and training prior to and during their enrollment in postsecondary education.”

On page 13, under the Higher Education Recommendations, Sec. 3 was amended to read “Increase Vermonters’ understanding of the relationship between higher education, fields of study, and higher earnings.”

On page 13, under the Higher Education Recommendations, Sec. 4 was amended to read “Partner with all Vermont postsecondary institutions to create, implement, and measure a robust financial literacy education plan.”

Prior to moving on to a review of the Adult recommendations, Mr. Pelletier requested a break to allow Ms. Overby to give public comment. Commission members agreed.

Ms. Overby thanked the Commission for its efforts to improve the financial literacy of Vermont citizens. She provided examples about how basic money skills can impact a Vermonter’s ability to make informed decisions. Ms. Overby praised the Treasurer’s Office’s financial literacy programming and the Reading is an Investment program. She urged the Commission to take bold steps to inform the Governor and General Assembly about the importance of financial capability.

With the conclusion of public comment, Mr. Pelletier brought up the importance of promoting a State-managed clearinghouse of personal finance education resources. He pointed to the example of Ms. Overby, who told Commission members that she had discovered the work by accessing information on the Treasurer’s Office’s financial literacy website. Ms. Tarr-Whelan echoed Mr. Pelletier’s comments and emphasized the significance of being able to easily access materials.

Commission members proceeded with a review and discussion of the Adult recommendations.

On page 15, under the Adult Recommendations, Sec. 1 was amended to read “Create an Interagency Task Force to review and evaluate current State policies and programs to coordinate new outreach efforts.”

On page 15, under the Adult Recommendations, Sec. 2 was amended to read “Develop and share financial literacy resources in the workplace and in accessible public institutions.”

Reviewing Secs. 3 and 4 of the Adult Recommendations, Ms. Garand provided feedback that it might be appropriate to rework the sections to better describe the unique needs of developing credit and growing savings. Ms. Niebling concurred.

Mr. Pelletier suggested that the needs of low income Vermonters could warrant an additional section, distinct from the sections on credit and savings. Ms. Falcone questioned whether pulling out low income Vermonters was the best approach. Ms. Garand presented alternative language, which the Commission generally supported. Mr. Giambatista acknowledged the proposed changes and said that he would redraft Secs. 3 and 4 to reflect the Commission’s discussion.

Mr. Giambatista noted several draft edits that Ms. Garand circulated prior to the Commission meeting. Ms. Garand indicated that she had revisited a proposal to create an interest rate buydown program, which was first discussed at the October 24 Commission meeting. Mr. Pelletier acknowledged the concept, but stressed that, in the current budget environment, it might not be prudent to recommend proposals that would require an appropriation.

Ms. Falcone praised Ms. Garand for putting an innovative concept on the table. She noted that, in the interest of time constraints, it might be appropriate to revisit the proposal with other proposals at subsequent meetings. Mr. Pelletier echoed the sentiment.

Ms. Falcone reminded the Commission that the Vermont General Assembly had a track record of enhancing consumer protection laws to protect Vermonters from financial abuse. Mr. Pelletier and Mr. Giambatista agreed to include language about consumer protection as an illustration of how laws can help more Vermonters achieve financial well-being.

#### **Item 5: Public Comment**

Ms. Overby gave public comment earlier in the meeting. No additional comment was provided.

#### **Item 8: Adjournment**

The Commission's next meeting will be held at VSAC's Common Room at 2:00 p.m. on January 9, 2017.

Ms. Haskell made a motion to adjourn. Ms. Garand seconded. Mr. Pelletier adjourned the meeting at 4:22 p.m.

Attachments:

- December 19, 2016 Preliminary Financial Literacy Commission Report DRAFT
- November 28, 2016 *Thoughts for Financial Literacy Report* document