



Vermont Financial Literacy Commission

April 21st, 2017

Room 11, Noon-1pm

Vermont Financial Literacy Commission Members Present:

Beth Pearce, Co-Chair, Vermont State Treasurer's Office
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
Scott Giles, VSAC
Thomas Leavitt, Northfield Savings Bank
Yvonne Garand, VSECU

Also Present:

Dahne Duffy, Vermont State Treasurer's Office
Sabina Haskell, VSAC
Tim Lueders-Dumont, Vermont State Treasurer's Office
Erika Wolffing, Vermont State Treasurer's Office
Mitzi Johnson, Speaker of the House
Michael Pieciak, VT Department of Financial Regulation
Valerie Stuart, VT Legislator
Jessica Brumsted, VT Legislator
Linda Sullivan, VT Legislator
Maida Townsend, VT Legislator
Matt Hill, VT Legislator
Barbara White, Retired VT Teacher
Chris D'Elia, VT Bankers' Association
Fred Baser, VT Legislator
Gregg Mousley, VT Department of Taxes Deputy Commissioner
Kenric Kite, VT Department of Taxes
Lynette Kemp, VT Department of Taxes
Hildy Jones, VT Department of Taxes
Carrie Stahler, Green Mountain United Way
John Gannon, VT Legislator
Keith Tarr-Whelan, Burlington resident
Bryce Kent, AVCU
Simeon Chapin, VSECU

CALL TO ORDER:

Ms. Pearce, Co-Chair, called the meeting to order at 12:03 p.m. The meeting was held in Room 11 of the Vermont State House, 115 State Street, Montpelier, VT.

Item 1: Opening Remarks & Presentation

Ms. Pearce gave an overview of the Vermont Financial Literacy Commission's (*the Commission*) 2017 Report (*the Report*) and stated the purpose of the meeting. Ms. Pearce invited Mr. Pieciak to speak about the Report and the formation of an inter-governmental task force on financial literacy.

Mr. Pieciak reviewed the importance of financial literacy and stated his commitment regarding the formation of an interagency task force. Mr. Pieciak gave examples regarding the state of financial literacy and the broader economy within Vermont, and the United States. Mr. Pieciak concluded by offering congratulatory remarks to the Commission for their work on the Report.

Ms. Pearce introduced Mr. Pelletier to speak.

Mr. Pelletier summarized the Commission's 2017 Report and outlined the Commission's work to improve financial literacy within three age groups: k-12th grade students, post-secondary education students, and adults. Mr. Pelletier then reviewed the Commission's recommendations from the Report.

Ms. Pearce introduced House Speaker, Mitzi Johnson, to speak.

Ms. Johnson expressed her support for the Commission's work and the formation of an inter-governmental task force on financial literacy, to form a long-term strategy for other financial literacy initiatives for the State of Vermont. She made specific reference to the work that has already been done by the Treasurer's Office in this regard.

Ms. Pearce introduced various Vermont legislators and commended them for their support of financial literacy initiatives.

Ms. Pearce then introduced Mr. Giles. Mr. Giles reviewed the Commission's recommendations for post-secondary education.

Ms. Pearce introduced Mr. Leavitt to speak. Mr. Leavitt reviewed the Commission's recommendations for adult financial literacy.

Ms. Pearce introduced Mr. Pelletier to speak. Mr. Pelletier reviewed the current state of financial literacy within Vermont, and emphasized the Commission's main recommendations for improving financial literacy in Vermont. Mr. Pelletier stated that the first recommendation was the formation of an inter-governmental (inter-agency) task force on financial literacy. The second recommendation was the improvement of financial literacy education at various levels. The third recommendation was the development of a "financial health education" campaign to educate citizens on financial literacy.

Ms. Pearce reviewed her commitment, and the Commission's commitment to improving financial literacy in Vermont. She made note of the accomplishments that have already been made in this area, namely Vermont ABLE. Ms. Pearce then opened the meeting for public comment and general discussion.

Item 2: Public Comment and General Discussion

Mrs. Tarr-Whelan spoke about her support for the inter-agency task force on financial literacy and the testimony that the Commission had heard over the past year. Ms. Tarr-Whelan's points were echoed by the Commission members.

Mrs. Garand thanked Lynette Kemp for her continued work on financial literacy within VT.

Item 3: Adjournment

Mrs. Garand motioned to adjourn. Mr. Pelletier seconded the motion. The Commission unanimously voted in favor, and Ms. Pearce adjourned the meeting at approximately 1:03pm.

Executive Summary
2017 Vermont Financial Literacy Report
Vermont Financial Literacy Commission

State residents struggle with personal finance and have not learned the basic concepts from their parents, in schools, or through their workplace. This unfortunate situation is prevalent nationwide.

The Vermont Financial Literacy Commission studied this problem over the past year, holding numerous hearings across the state and gathering important data in order to prepare the 2017 Vermont Financial Literacy Report.

Just as Vermont and other states would not allow citizens to drive motor vehicles without a license, the commission feels strongly that the state should make every effort to ensure that Vermonters in school and in the workplace have the personal finance knowledge and skills they need to have financial well-being.

The commission calls on the General Assembly and Vermonter Leaders to take steps to promote responsibility, affordability, and sustainability for financial wellbeing of all citizens. The steps include:

- Promote expanded financial literacy education at the primary, secondary, and postsecondary levels;
- Increase access to available state resources by appointing an interagency task force to evaluate current programs and to coordinate and improve the effectiveness of existing outreach efforts to our schools, colleges, and with citizens; and
- Launch a financial health campaign to educate our citizens about the importance of basic financial education, credit worthiness, saving, investing, and to direct them to existing reputable personal finance resources.

The commission members believe strongly that Vermont can do more to advance the financial literacy of its citizens by building on successful programs and more efficiently utilizing existing resources. Further, we know that many state priorities such as decreasing poverty and increasing the proportion of young Vermonters continuing their education beyond secondary school rest on our citizens having the financial tools they need for a better future.

We need to help our citizens better understand debit and credit cards, mortgages, banking, investment and insurance products and services, retirement planning, and an array of other financial topics. We need to also help them avoid falling into expensive traps like auto title loans, paying only the minimum amount owed on credit cards, having poor credit scores and paying higher interest rates on mortgages, credit cards and auto loans, and having higher overall debt and delinquency levels.

We note in the report that a college education is key to lifetime income security, and that understanding the income and employment disparity between high school and college graduates might encourage higher college attendance.

Better financial knowledge and skills can help adults in the state understand the value of saving for emergencies and retirement, avoiding dangerous financial products, and improving credit scores, which lowers one's interest rates on credit cards, mortgages, car loans, insurance and other everyday purchases.

Finally, our collective conviction is that a more financially sophisticated citizenry will help improve Vermont's economy and, potentially, stretch state dollars now needed for services for Vermonters.

The following is the list of recommendations from the Commission.

K-12 Recommendations--Increase the number of Vermont K-12 students that are receiving quality personal finance education in our schools prior to entering college or the workforce:

- Update Vermont's existing education standards on personal economics and career choices to reflect highly regarded national and international financial literacy standards.
- Provide personal finance training opportunities to K-12 educators.
- Expand assistance to supervisory unions, schools, and educators interested in providing quality personal finance education to their students.
- Provide incentives to supervisory unions, schools, and educators to offer or expand personal finance education.

Higher Education Recommendations--: Increase Vermont students' understanding of financial aid, loans, debt, credit, and budgeting so they become better consumers of higher education:

- Promote savings by helping Vermont families build funds for higher education in the Vermont Higher Education Investment Plan, the state's 529 college savings plan.
- Guide Vermonters to become better consumers of postsecondary education and training prior to and during their enrollment.
- Increase Vermonters' understanding of the relationship between postsecondary education, fields of study, and higher earnings.
- Partner with Vermont postsecondary institutions to create, implement, and measure a robust financial literacy education plan.

Adult Recommendations--Enhance the ability of adults of all income and age categories to access information and resources to manage credit, help save for future needs, increase earning capacity, and support a lifetime of security and opportunity:

- Create an interagency task force to review and evaluate current state policies and programs and coordinate new outreach to promote these efforts.
- Develop and share financial literacy resources in the workplace and in accessible public institutions.
- Work with public and private sources to help Vermonters develop their credit.
- Develop new structures that encourage Vermonters to save.
- Work with public and private sources to assist low-income, unbanked, and Vermonters with no or low credit scores to improve their ability to access and manage credit, save, and build assets.

NEWS RELEASE

For Immediate Release—April 21, 2017

Press Contact: Tim Lueders-Dumont (802) 828-1451, John Pelletier (802) 860-2744

Vermont Financial Literacy Commission and State Treasurer Beth Pearce Call for New Strategies to Improve the Financial Capability of Vermonters

MONTPELIER, Vt.— State Treasurer Beth Pearce, House Speaker Mitzi Johnson, Champlain College Center for Financial Literacy Director John Pelletier, and members of the Vermont Financial Literacy Commission today urged policymakers to act on the recommendations contained in the Commission's [2017 Financial Literacy Report](#).

"The Financial Literacy Commission believes strongly that the State of Vermont can do more to advance the financial capability of our citizens by building on successful programs and more efficiently utilizing existing resources," said Treasurer Beth Pearce, who serves as Co-Chair of the Commission.

Commission members noted that many Vermonters struggle with personal finance concepts and lack financial capability at all income levels and stages of life. The Commission called on the General Assembly and Vermont leaders to take substantive steps to promote responsibility, affordability, and sustainability for the financial well-being of all Vermont citizens. The steps, which are detailed in the full report, include:

- Promote expanded financial literacy education at the primary, secondary, and postsecondary levels;
- Increase access to available state resources by appointing an interagency task force to evaluate current programs and to coordinate and improve the effectiveness of existing outreach efforts to our schools, colleges, and with citizens; and
- Launch a financial health campaign to educate our citizens about the importance of basic financial education, credit worthiness, saving, investing, and to direct them to existing reputable personal finance resources.

"Too many Vermonters struggle with debt, poor credit, and costly emergencies with little to no savings, sending them in to a dangerous debt spiral," noted House Speaker Mitzi Johnson. "Financial literacy is a critical skill for Vermonters and for the economic growth and prosperity of our state. Vermont must do better. We must give our citizens access to financial literacy tools to ensure our communities are strong and our economy is healthy."

The Vermont General Assembly established the Vermont Financial Literacy Commission during the 2015 Legislative session. The 12-member commission was created to make recommendations to measurably improve the financial literacy and financial capability of Vermont's citizens (attached is an Executive Summary of the report).

To date, several of the Commission's recommendations have been enacted, or are moving through the legislative process, including the development of a public retirement plan option for Vermonters who do not currently have access to employer-sponsored plans (proposed in S.135), changes to state policy to address benefit cliffs and asset tests (proposed by

H.326), and the State Treasurer's Office's successful launch of VermontABLE accounts, which allow individuals with disabilities the opportunity to save and invest up to \$14,000 per year without being removed from public benefit programs.

John Pelletier, Co-Chair of the Commission and Director of the Center for Financial Literacy at Champlain College, noted the importance of prioritizing policies to increase the financial sophistication of Vermont's citizenry: "many state initiatives such as decreasing poverty and increasing the proportion of young Vermonters continuing their education beyond secondary school rest on our citizens having the financial tools they need for a better future. The number of financial decisions Vermonters face continues to intensify as the variety and complexity of financial products grow."

Commission members shared data that individuals often do not fully understand debit and credit cards, mortgages, banking, investment and insurance products and services, retirement planning, and an array of other financial topics. A lack of financial capability can limit an individual's access to credit and saving options, leading to a higher cost of living.

"We believe that by prioritizing how we provide Vermonters with the tools to manage their money, we can help improve our state's economy and stretch our dollars to ensure maximum benefit for taxpayers," said Pearce.

Members of the Commission include diverse thought leaders and advocates representing the financial literacy community:

- Beth Pearce, State Treasurer, Co-Chair
- John Pelletier, Champlain College Director of the Center for Financial Literacy, Co-Chair
- Mark Perrin, member State Board of Education
- Courtney Poquette, Business Educator, Winooski High School
- Justin Brown, Assistant Principal, Colchester High School
- Sabina Haskell, Director of Public Affairs, designee of the Vermont Student Assistance Corporation
- Lisa Falcone, Working Bridges Director, United Way of Northwest Vermont
- Mary Niebling, Director of Community Economic Development, Capstone Community Action
- Thomas Leavitt, President and CEO of Northfield Savings Bank
- Yvonne Garand, Senior Vice President, VSECU
- Linda Tarr-Whelan, Consultant, Tarr-Whelan & Associates

The enabling legislation creating the Commission defines financial literacy as, "the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being." Financial capability is defined in the law as having "financial literacy and access to appropriate financial products; and the ability to act—including knowledge, skills, confidence and motivation; and the opportunity to act—through access to beneficial financial products and institutions."

For more information on the Vermont Financial Literacy Commission please visit the webpage linked [here](#).

**Join Vermont State Treasurer Beth Pearce
Members of the Financial Literacy Commission,
and others for a discussion about the importance of
increasing the financial capability of Vermonters**



**Friday, April 21 - Noon
Room 11, State House**

FINANCIAL LITERACY:

Financial literacy—the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being—is crucial for the economic growth and prosperity of Vermont and Vermonters. Too many Vermonters struggle with personal finance and have not learned basic concepts from their parents, in schools, or through their workplace. Join us to learn more about what can be done to improve Vermonters' financial capabilities.

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Hosted by the Vermont State Treasurer's Office