

President's Advisory Council on Financial Capability Principles for Recommendations

In beginning our work and participating in listening sessions, we members of the President's Advisory Council on Financial Capability (PACFC) are struck by recurring themes we see in the landscape today:

- The sheer number of initiatives aimed at improving financial literacy and capability is staggering. These efforts emanate from every aspect of federal, state and local governments, a vibrant non-profit community, and the private, for-profit sector.
- There is an abundance of content available for most target populations, but much of this content is under-utilized, and has not been studied as to its effectiveness in effecting positive behavioral change.
- There may be some real “bright spots” in financial capability that need to be further studied and then supported and scaled.
- The population that would benefit from assistance appears to fall into two general categories: those who need additional financial literacy and those who are financially literate but need help transforming knowledge into action.

In response to this landscape and to aid both the PACFC and the public, we have developed a series of principles that will underlie the recommendations the PACFC will eventually make to the Secretary of the Treasury and the President.

Recommendations will:

1. **Be focused, impactful, executable and have measureable outcomes.** The Secretary and President deserve recommendations that can be practically and quickly implemented and judged for their effectiveness in changing behavior.
2. **Align with, consolidate and boost, rather than supplant, existing efforts of the private, for-profit, non-profit, and governmental sectors.** There are countless extraordinary efforts underway, many of which need help achieving better awareness and broader distribution.
3. **Be consistent with the latest findings in behavioral economics.** Literacy for its own sake is not the goal; financial capability means knowledge-based *action*.
4. **Address issues related to the entire population, and where appropriate, take into account the particular needs of traditionally underserved populations (e.g., women, minorities, low and moderate income consumers, and the elderly).**
Recommendations should account for the different needs of different segments of our population.
5. **Leverage the use of technology to engage, inform, and impact behavior.** Technology can help us provide content and coaching closely associated with “teachable moments” in financial capability.