Consumer Financial Protection Bureau

Appalachian Higher Education Network Conference | June 29, 2017
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Contact Information

Leslie Jones
Youth Financial Education Analyst
CFPB
202-435-7687
Leslie.Jones@cfpb.gov

Visit the CFPB Youth Webpage for downloadable materials:
www.consumerfinance.gov/youth-financial-education
Today’s discussion

- Intro to CFPB
- Intro to CFPB Financial Education
  - Financial Well Being
  - Youth Financial Capability: Building Blocks
- Paying for College tool and resources
- CFPB tools and resources
About the CFPB

How we started and our mission
Our mission

The Consumer Financial Protection Bureau (CFPB) helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.
We work to

**Educate**
An informed consumer is the first line of defense against abusive practices.

**Enforce**
We supervise banks, credit unions, and other financial companies, and we enforce federal consumer financial laws.

**Study**
We gather and analyze available information to better understand consumers, financial services providers, and consumer financial markets.
Consumer Education and Engagement Division

Financial Education
Identify and promote effective financial education practices, provide education content

Consumer Engagement
Create interactive, informative relationship with consumers

Servicemembers
- Improve financial protection
- Monitor Service members’ complaints
- Coordinate with DoD, etc.

Older Americans
- Protect against financial abuse
- Improve financial literacy
- Planning for life events

Students
- Increase awareness of debt when selecting a college
- Monitor student’s complaints
- Build campus awareness

Financial Empowerment
- Improve financial stability for low-income & other economically vulnerable consumers
Promote more effective financial education for more consumers through trusted sources

<table>
<thead>
<tr>
<th>Deliver</th>
<th>Support and strengthen channels for delivering financial education to consumers</th>
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<tbody>
<tr>
<td>Support</td>
<td>Encourage consumers to <em>ask, plan,</em> and <em>act</em> and support them with tools to do so</td>
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<tr>
<td>Research &amp; Identify</td>
<td>Undertake foundational research to improve the impact of financial education and identify elements of effective practices</td>
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Financial well-being
Research and results
What is financial well-being?

- **Financial well-being**: 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 them to enjoy life.

  - It is not how much you earn, it is about being able to make decisions with the money you have to allow you to experience peace of mind.

Financial capability is the internal capacity to act in one’s best financial interest, given socioeconomic and environmental conditions

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The four elements of financial well-being

- CFPB created a first ever consumer-driven definition of personal financial well-being for adults
- Our research suggests that there are four elements of financial well-being:

<table>
<thead>
<tr>
<th>Present</th>
<th>Future</th>
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</thead>
<tbody>
<tr>
<td><strong>Security</strong></td>
<td><strong>Freedom of choice</strong></td>
</tr>
<tr>
<td>Control over your day-to-day, month-to-month finances</td>
<td>Financial freedom to make choices to enjoy life</td>
</tr>
<tr>
<td>Capacity to absorb a financial shock</td>
<td>On track to meet your financial goals</td>
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</tbody>
</table>
How we’re putting research into practice

We’re here to support the teachers, parents, caregivers, administrators, and community leaders who help youth build financial knowledge, skills, and habits.

Policy
- Support community leaders by fostering connections, providing tools, information, and insights

Practice
- Teaching pedagogy
- Teaching tool (wheel)
- Working with high school students

Parents
- Money as you grow
- Money as you grow book club
- In English and Spanish

www.consumerfinance.gov/youth-financial-education
www.consumerfinance.gov/money-as-you-grow
What is youth financial capability?

Building blocks
Where and when during childhood and adolescence do people acquire the foundations of financial capability?

- CFPB researched the childhood origins of financial capability and well-being.
- CFPB has identified how, when, and where youth acquire critical attributes, abilities, and opportunities that support the development of financial well-being.
- CFPB has created a developmentally informed, skills-based model.

**Three Building Blocks of Financial Capability**

1. Executive Function
2. Financial habits and norms
3. Financial knowledge and decision-making skills
Building Block 1: Executive Function

What it is
- Self-control, planning, problem-solving
- Future orientation, perseverance, planning and goal setting, general cognitive flexibility

Examples of financial application in adulthood
- Saving, setting financial goals, developing and executing budgets

develops ages 3-21
Building Block 2: Financial Habits & Norms

Healthy money habits, norms, rules of thumb

Decision shortcuts for navigating day-to-day financial life and effective routine money management

Having a system to pay bills on time

Examples of financial application in adulthood

primary focus of financial development during ages 6-12
Building Block 3: Financial Knowledge and Decision Making Skills

**What it is**

Factual knowledge, research and analysis skills

**What it supports in adulthood**

Effective comparison shopping

**Examples of financial application in adulthood**

Deliberate financial decision-making, like financial planning, research, and intentional decisions

becomes fully relevant during ages 13-21
Paying for College

Tools and resources
Student Debt now exceeds $1.4 trillion

As of January 2017

Federal Loans $1.29 Trillion (93%)

Private Loans ~$100 Billion (7%)

Total U.S. Borrowers With Student Loan Debt: 44.2 million

Sources: U.S. Department of Education; Federal Reserve Board
Tell Your Story: Leah Repaying student loans
Paying for College

Welcome!

It’s more important than ever for students and former students to make smart decisions about financing their college education. Whether you’re attending college soon, are a current student, or already have student loans, we’ve put together some tools and resources to help you make the best decisions for you.

STUDENT FINANCIAL GUIDES

For many people, how to pay for a college education is one of the first major financial decisions they’ll make. These guides cover some of the big decisions you’ll face and will help you understand your options for financing your college education.

www.consumerfinance.gov/paying-for-college
Student Loans: Choosing a loan that's right for you

WHY IS IT IMPORTANT?

If you’re considering student loans to help pay for school, you’re not alone - many students need loans to cover their full cost of attendance. In 2010, 67% of bachelor’s degree recipients used loans to pay for their education. But the more money you borrow now, the higher your monthly loan payments will be after you graduate.

If you have to take out student loans, comparing your options can help you find the student loan best suited for your needs.

TAKE ACTION

1. Fill out the FAFSA. Complete the form and submit it early.
2. Explore all your federal loan options first.
3. Shop around if your aid package doesn’t cover the full cost of college.

www.consumerfinance.gov/paying-for-college
Paying for College

Managing college money
Practical advice on how to make sure you're getting the best deal.

Student Banking: Managing your college money

WHY IS IT IMPORTANT?
Unlike that first school ID photo, your first banking relationship could last long after you graduate. Making a smart decision now will mean fewer surprise fees that can add up later.

ACTION STEPS
1. Choose an account as soon as possible.
2. Avoid paying unexpected fees.
3. Sign up for direct deposit as soon as possible.

Choose an account as soon as possible - you should try to find one before you start school.
Once you have a bank account, sign up for direct deposit with your school before classes start. If you are expecting money from your financial aid office, you'll often get it faster this way - it can be weeks before the school gets to writing you a paper check.

www.consumerfinance.gov/paying-for-college
Compare college costs and financial aid offers.

Add some information about the schools you're considering to see the financial impact down the road. If you don't have a financial aid offer, we'll show you where to find cost info for each school.

You can compare up to 3 schools.

www.consumerfinance.gov/paying-for-college
## Paying for College

### First Year Costs

<table>
<thead>
<tr>
<th>School</th>
<th>Cost of Attendance</th>
<th>Money for School</th>
</tr>
</thead>
<tbody>
<tr>
<td>School 1</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>School 2</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>School 3</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

### First Year Financial Aid Offer

<table>
<thead>
<tr>
<th>School</th>
<th>Money for School</th>
</tr>
</thead>
<tbody>
<tr>
<td>School 1</td>
<td>$0</td>
</tr>
<tr>
<td>School 2</td>
<td>$0</td>
</tr>
<tr>
<td>School 3</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Compare First Year Costs

Edit the contribution amounts above and see how it affects the breakdown.

- **School 1**:
  - Total first year costs: $0
  - Contributions, scholarships, and grants: $0
  - Federal Loans: $0
  - Private Loans: $0
  - Left to pay: $0

- **School 2**:
  - Total first year costs: $0
  - Contributions, scholarships, and grants: $0
  - Federal Loans: $0
  - Private Loans: $0
  - Left to pay: $0

- **School 3**:
  - Total first year costs: $0
  - Contributions, scholarships, and grants: $0
  - Federal Loans: $0
  - Private Loans: $0
  - Left to pay: $0

[www.consumerfinance.gov/paying-for-college](http://www.consumerfinance.gov/paying-for-college)
Paying for College

College Scorecard

Find Schools
Programs/Degrees
Location
Size
Name
Advanced Search
FIND SCHOOLS

By The Numbers
On average, college graduates earn $1 million more over their lifetimes than high school graduates.
You could be eligible for up to $5,920 for free in Pell grants to help pay for college. No repayment needed!
Did you know that 30% of college students started college at age 25 or older?

www.collegescorecard.ed.gov
If you’re a student starting college for the first time or transferring to a new college, you may be busy meeting new roommates and going through orientation. During these first few weeks, you may also need to get a checking or prepaid debit account.
Financial education

Tools and resources
Ask CFPB

We offer clear, impartial answers to hundreds of financial questions. Find the information you need make more informed choices about your money.

Credit cards

Whether you’re shopping for a new card or managing an existing card, it helps to have the facts. From late fees to lost cards, get answers to your credit card questions.

- Filter results by audience or topic
- Search for answers
- See the most common questions up front

consumerfinance.gov/askcfpb
Youth financial education

We're here to support the teachers, administrators, and community leaders who help students build financial knowledge, skills, and habits. The tools and resources listed here show recommended policies and practices for K-12 financial education.

Featured
Nurturing financial capability
Learn how you can help young people acquire the three "building blocks" of financial capability to navigate the financial marketplace.

Personal finance teaching tool
Identify teaching techniques and learning strategies to address the three building blocks that influence the development of lifelong personal finance decision-making skills.

Curriculum review tool
Our Curriculum Review Tool helps you review and compare financial education curricula across four key dimensions, so you can select the most promising ones for your classroom.

CFPB's Youth Financial Education webpage
www.consumerfinance.gov/youth-financial-education
Money as you grow: book club

Find popular books for children ages 4 to 10 that you can read together and discuss. This book list and guides can help you get started reading and talking about money choices like saving, spending, and more.

- *Alexander, Who Used to Be Rich Last Sunday*, by Judith Viorst
- *A Bargain for Frances* by Russell Hoban
- *The Berenstain Bears & Mama’s New Job* by Stan and Jan Berenstain
- *The Berenstain Bears Trouble with Money* by Stan and Jan Berenstain
- *My Rows and Piles of Coins* by Tololwa M. Mollel
- *Ox-Cart Man* by Donald Hall
- *Sheep in a Shop* by Nancy Shaw
- *A Chair for My Mother* by Verna Williams
- *Count on Pablo* by Barbara deRubertis
- *Curious George Saves His Pennies* by Margaret and H.A. Rey
- *Just Shopping with Mom* by Mercer Mayer
- *Lemonade in Winter* by Emily Jenkins
- *The Purse* by Kathy Caple
- *The Rag Coat* by Lauren Mills
- *Those Shoes* by Maribeth Boelts
- *Tia Isa Wants a Car* by Meg Medina

FinEx: Resources for Financial Educators

An inventory of materials that you can access, download, and use for free.
Order CFPB Publications

CFPB Bulk Publications

Order FREE Consumer Financial Protection Bureau Publications.

The central mission of the Consumer Financial Protection Bureau (CFPB) is to make markets for consumer financial products and services work for Americans—whether they are applying for a mortgage, choosing among credit cards, or using any number of other consumer financial products.

You may download products by clicking on each product's name, and download Adobe Reader to view the products. Please allow 3-4 weeks for delivery.

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Moving Your Checking Account Checklist

A 10-step checklist for closing your current checking account and opening a new checking account.

Do You Know If You Have Opted in for Debit and ATM Overdraft

Act Fast if You Can't Pay Your Credit Cards

FEATURED PUBLICATIONS
- Parent Guide: Alexander, Who Used to Be Rich Last Sunday
- Parent Guide: Just Shopping with Mom
- Parent Guide: The Berenstain Bears & Mama's New Job
- Parent Guide: Sheep in a Shop
- Parent Guide: The Ox Cart Man

pueblo.gpo.gov/CFPB.Pubs/CFPB.Pubs.php
Questions?