

## **District of Columbia Financial Literacy Council (DCFLC) Meeting Minutes**

Date: April 21, 2022

Location: Webex – D.C. Department of Insurance, Securities, and Banking

### **Present:**

Jeffrey A. Banks, Chair

Allen C. Cheaves

Eugenia Collis

Sybongile Cook

Chip Lusk

Michelle Hammonds

Anthony V. Stevens

### **Absent:**

Idriys Abdullah

Angel Rich

### **Presenters:**

Leslie Jones – Consumer Financial Protection Bureau (CFPB)

Anthony V. Stevens – Northwestern Mutual & Member of DCFLC

### **Support Staff:**

Bill McGill Jones – Office of Financial Empowerment & Education

Aristides Pereira – Office of Financial Empowerment & Education

Shankar Vaidyanathan – DISB-IT, Office of Administration & Policy Division

### **Call to Order:**

The meeting was called to order at 3:12 p.m. by Michelle Hammonds due to a technical problem that prevented Chairman Banks from joining the meeting on time. Ms. Hammonds wished everyone a happy Financial Literacy Month and gave an overview of the agenda. Upon joining the meeting, the Chairman briefly re-echoed the history and mission of the Council and thanked Ms. Hammonds for standing in for him.

### **Meeting Minutes:**

Sybongile Cook noted a minor correction to the minutes of the previous meeting. Chip Lusk made a motion to accept the minutes of the previous Council meeting as corrected. The motion was seconded by Ms. Cook and approved unanimously.

## **New Business:**

Leslie Jones from the U.S. Consumer Financial Protection Bureau (CFPB) gave a presentation on financial fraud and scams. In 2020, there were 2.8 million reports of fraud in the U.S. with over \$5 billion reported as having been lost through identity theft, imposter scams, and credit bureau reports. Of note, refunds are still available to those who wired money to scammers through Western Union between January 1, 2004 and January 19, 2017, following a \$586 million settlement Western Union reached with the Federal Trade Commission and Department of Justice. The deadline to file a claim is July 1, 2022.

Ms. Jones noted that younger people report losing money to fraud more often than older people, but the median loss for those aged 70 and older is much higher than for younger people. Losses are reported in a variety of forms, including credit cards, bank transfers, and cryptocurrency. Phone calls, text messages, and emails are the leading methods by which people are contacted, with the text messaging tactic growing substantially.

She noted that fraud has a disproportionate impact on minority communities, with nearly 20% of African American consumers being victims, 17.3% of Hispanic consumers, and almost 15% of non-Hispanic white consumers. Reverse redlining refers to the practice of targeting those who are more likely to fall victim. Looking at CFPB complaints by census tract, lower-income and communities of color are more likely to submit complaints about credit reporting, identity theft, and delinquent servicing; higher-income and majority white neighborhoods are more likely to submit complaints about mortgage origination and servicing; and the most complaints per resident come from neighborhoods with the highest share of Black residents.

Cyber scams that target older adults are largely in the areas of tech support, online dating, mortgage closing, and investment scams. Online dating or romance scams have become much more common, and CFPB has tips and red flags for avoiding them. Consumers should avoid unsolicited calls for tech support. For investment scams, consumers should be cautious if asked to invest their savings, seek verification that they are dealing with a real company, and be cautious of any opportunity that urges them to act quickly or “before it’s too late.” Verification that you’re dealing with a legitimate business is also important in mortgage closing scams. Consumers should exercise caution if asked to make last minute changes to things like wiring instructions.

Finally, Ms. Jones noted some related CFPB resources, such as Money Smart for Older Adults, a service to find youth financial literacy activities, and a page devoted to protecting one’s finances during the coronavirus pandemic.

**New Business:**

Anthony Stevens discussed a campaign by Northwestern Mutual D.C. to influence and help develop \$50 billion of intergenerational wealth in Black and African American communities in the D.C. area. The efforts will be focused on four main areas: recruiting talent, marketing, education for advisors, and community financial literacy. The financial literacy effort will have a particular focus on communities east of the Anacostia River, with the goal to empower District residents, in partnership with DISB and community-based organizations already engaged in this type of work, to further the mission of shrinking the wealth gap.

In the area of recruitment, Northwestern Mutual D.C. has and will continue to recruit Black advisors, and looks to recruit talent from the community to serve the community. Northwestern Mutual D.C. will be a host site for the Marion Barry Summer Youth Employment Program to give young people exposure to the business of wealth management.

**Announcement of Upcoming Events:**

Michelle Hammonds/Jeffrey Banks – DCFLC Financial Literacy Month event on April 28, in-person/virtual hybrid

Michelle Hammonds – GW University financial education, various other Financial Literacy Month events, money motivation webinar for District employees

**Adjournment:**

Chairman Banks hoped everyone would be able to participate in the April 28<sup>th</sup> Financial Literacy Month event. Chairman Banks made a motion to adjourn the meeting, which was seconded by Chip Lusk and approved unanimously at 4:17 p.m. The next Council meeting is slated for Thursday, July 21, 2022.