

District of Columbia Financial Literacy Council Meeting Minutes

Date: November 16, 2017

Location: DC Department of Insurance, Securities and Banking
810 First St, NE, 7th Fl. Conference Room, Washington, D.C. 20002

Call to Order

3:05 pm-Idriys J. Abdullah, Government Representative

Roll Call

Jeffrey Banks, Sybongile Cook, Idriys J. Abdullah, Dameon
Proctor- Present Jamila Yore -Absent

Introduction of meeting attendees

Jeffrey Banks, United Bank
Albert Pearsall III, UDC Community College
Pete Chandler, FINRA
Susan Sarver, FINRA Foundation
Lourdes Perez, New York Life
Ken Howard, OSSE
Deidra K. Hughes, UDC Student
Lyn Haralson, CFPB
Idriys J. Abdullah, DISB
Sybongile Cook, Office of the Deputy Mayor for Planning & Economic Development
Joel Murray, FELA
Wale Oriola, SEC,

Welcoming Remarks

Idriys J. Abdullah, Government Representative, provided welcoming remarks.

Minutes of the Previous Meeting

Minutes of the previous (August 2017) meeting were reviewed. Idriys J. Abdullah, Government Representative entertained a motion to accept minutes with corrections. Jeffrey Banks moved to accept minutes with correction, second by Sybongile Cook. Council members voted unanimously to accept.

Idriys J. Abdullah made a motion to begin the meeting with new business to accommodate presentations by financial literacy services providers Peter Chandler, FINRA and Albert Pearsall, University of the District of Columbia Community College.

Jeffrey Banks second the motion. to change agenda and begin meeting with new business.

New Business

Presentation: Albert Pearsall, Assistant Professor, University of the District of Columbia Community College

Mr. Pearsall introduced himself as graduate of Ballou Senior High School and Federal City College. He provided information on the discrepancy in retirement savings of African American households and White American households.

He described the partnership between the University of the District of Columbia and Guardian Life Insurance Company which provides support for teaching personal finance at community colleges across the country. The intent of the course is to teach critical skills to effectively manage money and have been offered since 2015. Approximately 130 students have successfully completed the course to date.

Guardian provides course materials, technical assistance and resources for field trips. Company staff also serve as guest speakers for the course and have formed a bond with the University and its students.

The course seeks to provide practical skills through academic rigor. Students are required to complete a capstone project which is development of a personal financial plan.

Six UDC students visited Guardian headquarters in the fall to meet with company executives and learn about their career stories. Mr. Pearsall emphasized the value of exposing students to executives of a Fortune 250 financial services firm.

Another group of students visited the Federal Reserve Bank of Richmond and the Maggie Walker House; home of the nation's first female bank president and African-American businesswoman.

Mr. Pearsall further described an essential element of the capstone personal financial plan which includes an oral presentation of their respective plan with Guardian Life Insurance company executives

Future for the personal finance education class is to offer a hybrid course that is a combination of in-class instruction and online learning. The University is also looking at making personal financial education a mandatory class for graduation

Mr. Pearsall stated a field trip to FINRA was a possibility since the organization is local. He also expressed the need to involve students in local financial literacy conferences, Mr. Pearsall also stated a desire to do something with his class for financial literacy month in April.

The challenge of educating youthful learners was discussed particularly in producing a personal financial plan. Mr. Pearsall requested the student do the plan with their parents which added a

totally unique perspective and learning experience for the student and family.

Jeffrey Banks stated he had worked with UDC students in the past and offered to have successful businessmen who are also returning citizens visit his class.

Consumer Financial Protection Bureau expressed willingness to explore possibility of internship opportunities for UDC students.

U.S. Securities and exchange Commission expressed interest in having students visit the agency and serving as in-class guest speaker.

Presentation: Peter Chandler, Director of Investor Education, FINRA, Susan Saber

Peter Chandler provided an overview of the Financial Industry Regulatory Authority including registering and licensing of industry participants i.e. securities brokers and brokerage firms. Stated regulatory agencies are a reliable source for investor education since they are not in the business of selling products.

Peter introduced the group to the FINRA Foundation which addresses the investor education needs of small retail investors and traditionally underserved populations.

Investor alerts and the agency's investor hotline were both consumer protection and investor education products.

Mr. Chandler reflected on the recent FINRA National Financial Capability study which benchmarks key indicators of financial capability of American adults. His part of the presentation ended with the introduction Ms. Susan Sahbur, Director, FINRA Education Foundation.

Presentation: Susan Sarver, Director, FINRA Education Foundation

Ms. Sarver introduced her presentation on a Foundation supported project: Employer Sponsored Small Dollar Loan Program which provides employees low limit short term unsecured loans. The pilot project was introduced through a small employer in Burlington, Vermont,

The programs help employees avoid payday and auto title loans, build their credit profile and encourage savings. The 6-12-month unsecured loans have a maximum \$2000-dollar limit with 16-19 percent interest rate.

Loan repayment is through payroll deduction with payments reported to the credit bureaus to help reestablish credit. Once the loan is repaid the deduction continues unless the employee opts out which helps encourage saving.

Employers support the program with an annual participation fee and program marketing through established corporate channels. Community based organizations provided coaching, counseling

and financial education to borrowers which made a significant impact. T

The program later came to the attention of the Ford Foundation which provided resources for a national expansion. Thirteen financial institutions in eight states participated with support from community based organization that provided wrap around services including financial education, one on one counseling and tax preparation assistance.

Idriys J. Abdullah asked how the Council could be of benefit to the FINRAA Foundation Small Dollar Loan Program. The response was the Council could spread the word about the program's success especially with municipal government with the possibility of introducing to the District of Columbia government.

Albert Pearsall stated the program could be beneficial to adjunct professors and students that have short term low dollar loan needs. The role of student loan debt was also mentioned as an issue.

It was suggested that DISB link its Student Loan Ombudsman give a presentation to the Financial Literacy Council and establish a linkage with the UDC Community College

Unfinished Business

Idriys J. Abdullah introduced the DCFLC 2018 workplan deliverables including development of website content, bi-monthly calendar, and State of the District report.

Michelle Hammonds had volunteered to work on the bi-monthly calendar. Albert Pearsall and Jeffrey Banks volunteered to work on the State of the District Report which includes financial literacy recommendations to the Mayor and City Council.

Lyn Haralson, CFPB, noted her agency was having conversations with the District of Columbia Library about reintroducing the investor education in your library series.

Peter Chandler tentatively volunteered to work on the website content work group

Lola Perez volunteered to work on the website content work group

CFPB was asked to provide editorial services. Lyn Haralson volunteered to ask her colleagues for assistance.

Adjournment:

Idriys J. Abdullah moved to close the meeting at 5:00 pm and seconded by Jeffrey Banks