

CONSUMER FINANCIAL PROTECTION BUREAU | MARCH 2023

Financial Literacy Annual Report



Consumer Financial
Protection Bureau

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1. Introduction

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) mandates that the Director of the Consumer Financial Protection Bureau (CFPB) submit to Congress an annual report on the CFPB’s financial literacy activities and strategy to improve the financial literacy of consumers.¹ We are pleased to submit this 10th Financial Literacy Annual Report. The report covers fiscal year 2022 (FY22), the period from October 2021 through September 2022.

One of the CFPB’s five statutory objectives² is to ensure that “consumers are provided with timely and understandable information to make responsible decisions about financial transactions,” and one of its primary functions is “conducting financial education programs.”³ The statute also delineates more specific responsibilities in this area. Congress directed the CFPB to develop and implement initiatives to “educate and empower consumers to make better informed financial decisions,”⁴ to “develop and implement a strategy to improve the financial literacy of consumers,”⁵ and to provide “opportunities for consumers to access” activities and information on a broad range of financial capability topics.⁶

The CFPB strives to be a source for objective information and, where appropriate, seeks partners that can provide neutral and unbiased financial education programs free of marketing motives. The CFPB continues to highlight its financial well-being research, with the five principles of effective financial education⁷ that together offer a holistic framework for the wide variety of financial education strategies aimed at boosting financial well-being for adults. Financial education should never be used to shame people or to shift responsibility from corporate wrongdoers to individual consumers. Instead, financial education should empower consumers to assert their rights and seek help when something goes wrong.

¹ 12 U.S.C. § 5493(d)(4).

² 12 U.S.C. § 5511(b)(1).

³ 12 U.S.C. § 5511(c)(1).

⁴ 12 U.S.C. § 5493(d)(1).

⁵ 12 U.S.C. § 5493(d)(2).

⁶ 12 U.S.C. § 5493(d)(2).

⁷ Consumer Fin. Prot. Bureau, *Effective financial education: Five principles and how to use them* (Jun. 2017), <https://www.consumerfinance.gov/data-research/research-reports/effective-financial-education-five-principles-and-how-use-them/>.

The CFPB has developed tools for educators and consumers in multiple languages:

- *Ask CFPB* is an online educational tool that provides answers to common questions about financial products and services. Since its launch in 2012, the *Ask CFPB* portal has provided answers to almost 48 million unique visitors.
- *Free publications* provide tools and resources to consumers and other stakeholders. In FY 2022, the CFPB reached 45.7 million publications delivered over the life of the program, covering financial education topics that range from know your rights when a debt collector calls to avoiding fraud.⁸
- *Information and “how-to” guides* offered as digital tools on specific money decisions such as borrowing to buy a house, getting an auto loan, paying for college, and tools and information for parents who want to teach their children about money. The guides also offer information on other critical topics. For example, the Bureau’s guide for medical debt includes step-by-step instructions on navigating medical bills in the U.S., from dealing with debt collectors to determining if the consumer qualifies for charity care.
- The CFPB’s comprehensive website for renters and homeowners remains one of the most heavily used resources on our website.

The Consumer Financial Protection Act also directs the CFPB to conduct programs and activities focused on financial security and inclusion for special populations: servicemembers, older consumers, underserved consumers and communities, and students and young adults.

This annual report describes the CFPB’s financial education efforts in a broad range of topics, informed by feedback from consumers, stakeholders, and others working directly with consumers.

⁸ The CFPB makes publications available via electronic delivery and, in some cases, print.

2. Financial education strategy and implementing activities

The CFPB develops programs and resources to address incomplete and often asymmetric information about financial services, products, and practices provided to consumers by consumer financial service providers. Ensuring that consumers know where to turn when they need help is central to our financial education strategy. The CFPB engages directly with consumers to learn about their experiences with financial products and services and then uses that information to inform financial education efforts. A deeper understanding of consumers' experiences helps the CFPB identify areas of focus and tailor its financial education efforts. Consumer insights can also contribute beyond consumer education, helping the CFPB's supervision, enforcement, and rulemaking work to better achieve its goals.

Described below are two approaches the CFPB employs to carry out its financial education mandate:

- Addressing needs for inclusion and financial security of underserved consumers and communities, students, servicemembers and veterans, and older consumers.
- Sharing research on financial well-being, the five principles of effective financial education, and financial education tools with financial educators and others.

2.1 Address needs for inclusion and financial security of underserved consumers and communities, students, servicemembers and veterans, and older consumers

The CFPB works to support financial inclusion and access to financial products and services for special populations identified in the Consumer Financial Protection Act. These include servicemembers and veterans, older consumers, students, and traditionally underserved consumers and communities. Within traditionally underserved consumers and communities, one specific area of focus for the Bureau is limited English proficient (LEP) consumers. The

CFPB also seeks to ensure that its financial education programs serve the needs of people in all geographies, including rural and tribal communities across the country.

The CFPB does this by researching challenges facing these consumer populations and identifying solutions to improve access to safe and affordable financial services; and providing information, guidance, and technical assistance, often through a broad variety of community partners. Some of these community partners are highlighted below. For example, the CFPB provides technical assistance to civic leaders who are trying to bring more people into the credit reporting system.

Performance goal: Provide information, guidance, and technical assistance for the underserved to participate in financial services and encourage innovation for inclusion⁹

Traditionally underserved consumers and communities: Support inclusion

The CFPB helps consumers who are historically underserved build financial capability to access financial products and services and achieve their financial goals. The CFPB provides information and tools to organizations across the country to integrate financial capability into programs where people are already receiving other services.

- **Tax-time savings:** The CFPB provides technical assistance and materials to Volunteer Income Tax Assistance (VITA) sites and private tax preparers that want to encourage consumer savings at tax time. In FY22 the CFPB partnered with 70 VITA and Tax Counseling for the Elderly (TCE) programs to provide resources and technical assistance to help them adapt to a virtual service environment and develop strategies to encourage consumer savings at tax time.
- **Tax credit and economic impact payments distribution:** The CFPB continued to provide updated information on expanded tax credits and economic impact payments (EIP) authorized under the COVID-19 relief legislation passed in late 2020 and the American Recovery Plan Act passed in March of 2021. The primary focus was to engage in outreach to people who have very low incomes and may not be required to file tax returns but who were likely eligible to receive the expanded credits, EIP, or both. The CFPB provided resources on steps consumers needed to take to provide information to the Internal Revenue Service, including filing a tax return, so that they could receive the

⁹ See *Performance goal 1.1.3* at Consumer Fin. Prot. Bureau, *Annual performance plan and report and budget overview* (Feb. 2022), https://files.consumerfinance.gov/f/documents/cfpb_performance-plan-and-report_fy22.pdf.

payments. The CFPB also provided resources and information on how to access the funds safely and efficiently by opening a bank account or registering a prepaid card to receive payments via direct deposit.

Students and young consumers: Support informed financial choices

The CFPB works to empower students and young consumers to make better informed financial choices when saving or paying for college, managing money, building credit, and repaying debt with the purpose of preventing negative financial events, such as student loan default. These efforts include helping students, young consumers, and student loan borrowers through the CFPB's Paying for College tool,¹⁰ conducting training and outreach through webinars and presentations,¹¹ publishing episodes of the *Financial inTuition* podcast,¹² providing technical assistance to organizations that serve students and young consumers and drawing insights from students and former students about their experiences with student loans. The CFPB also has published numerous blogs and reports related to students, young consumers, and higher education.

- **Repaying student debt:** The CFPB revised the Repay Student Debt¹³ suite of resources, which seeks to improve financial security for students with student loan debt by offering guidance and information about student loans. This resource helps students optimize how they pay off their student loans and provides guidance based on the borrower's personal situation. The tool walks people through their repayment options based on some basic information. It also provides borrowers with information about COVID-related student benefits information, including the payment pause, and the PSLF limited waiver.
- **Targeted outreach to student loan borrowers:** The CFPB conducted targeted outreach to consumers and stakeholders to share resources on student loans, focusing on the COVID-19 payment pause for borrowers with federally held loans and changes to loan forgiveness programs. Presentations over the past year have focused on CARES Act

¹⁰ Consumer Fin. Prot. Bureau, *Paying for College*, <https://www.consumerfinance.gov/paying-for-college/> (last visited Mar. 3, 2023).

¹¹ Consumer Fin. Prot. Bureau, *Section for Student and Young Consumers training webinars*, <https://www.consumerfinance.gov/paying-for-college/student-young-consumers-training-webinars/> (last visited Mar. 3, 2023).

¹² Consumer Fin. Prot. Bureau, *Financial inTuition Podcast*, <https://www.consumerfinance.gov/paying-for-college/financial-intuition/> (last visited Mar. 3, 2023).

¹³ Consumer Fin. Prot. Bureau, *Find advice for your student loans*, <https://www.consumerfinance.gov/paying-for-college/repay-student-debt/> (last visited Mar. 3, 2023).

benefits for student loans and the PSLF limited waiver that was implemented by the Department of Education. The CFPB provided training and webinar opportunities to a wide variety of organizations to broaden its impact in providing information on student loans and the PSLF. Additionally, the CFPB collaborated with the federal partners, including the Department of Education, to further our outreach and education efforts.

- **Higher education focused reports and resources:** The CFPB published multiple reports and blogs to highlight the experiences of students, young consumers, and student loan borrowers. Over the past fiscal year, the CFPB focused on COVID relief as the primary topic. The Office for Students and Young Consumers published information with a dual focus of preparing student loan borrowers for entering repayment when the CARES Act payment pause ends and to prevent potential negative financial impact on consumers of the payment pause ending. The CFPB also published information on student loan cancellation for students who attended Corinthian Colleges.¹⁴

Servicemembers and veterans: Enhance financial security throughout the military lifecycle

The CFPB works to support the financial well-being of servicemembers, veterans, and military families as they make decisions at significant stages throughout the military lifecycle. The CFPB also collaborates with the Department of Defense as it fulfills its statutory financial education obligations.

- **Office of Servicemember Affairs (OSA) Annual Report:** The CFPB published an annual report on the top financial concerns facing servicemembers, veterans, and military families, based on the complaints they submitted to the CFPB.¹⁵ Servicemembers told the CFPB about billing inaccuracies and that debt collectors used aggressive tactics to recover allegedly unpaid medical bills. Servicemembers also reported failures by credit reporting companies in helping to resolve inaccuracies and other credit reporting issues.
- **Informing servicemembers of their rights:** The CFPB worked with partners at the Federal Trade Commission, Department of Defense, Department of Justice, and the

¹⁴ See, e.g., Consumer Fin. Prot. Bureau, *Loan Cancellation for Student Loan Borrowers Who Attended Corinthian Colleges*, <https://www.consumerfinance.gov/about-us/blog/loan-cancellation-for-student-loan-borrowers-who-attended-corinthian-colleges/>.

¹⁵ Consumer Fin. Prot. Bureau, *Office of Servicemember Affairs Annual Report* (Jun. 2022), https://files.consumerfinance.gov/f/documents/cfpb_osa-annual-report-2021.pdf.

Department of Veteran Affairs, as well as other policymakers across federal and state government to highlight current challenges facing servicemembers, veterans, and their families as they navigate the financial marketplace. The CFPB also partnered with military and veteran service organizations. Some of the topics included expanding awareness of the protections in the Servicemembers Civil Relief Act (SCRA) and Military Lending Act (MLA). Other resources aimed to inform and protect servicemembers from abuses of the military allotment system, protecting servicemembers from costly auto loans, wrongful repossessions, protecting housing rights of servicemembers, ensuring servicemembers take advantage of expanded student loan forgiveness, and further enhancing and increasing understanding of credit and consumer reporting issues among servicemembers.

- **Military Consumer Protection Month (MCPM):** The CFPB conducted outreach throughout the United States through the National Association of Attorneys General (NAAG) to highlight MCPM. In coordination with the Department of Defense and the Federal Trade Commission, we cross-promoted MilitaryConsumer.gov content through our respective channels and encouraged MCPM ancillary partners to do the same.
- **National Veterans and Military Families Month:** By presidential proclamation November is a month to honor American veterans and military families. OSA continued a government-wide approach to work with partner agencies, such as Department of Veterans Affairs (VA), Federal Housing Administration (FHA), Federal Trade Commission (FTC), Federal Deposit Insurance Commission (FDIC), and NAAG. The CFPB held webinars to discuss tools, resources, and information from each agency to help servicemembers effectively navigate the financial marketplace.
- **Misadventures in Money Management (MiMM):** MiMM, a free online educational product, provides young servicemembers with a critical baseline of financial education and policy awareness through the power of storytelling and gamification.¹⁶ MiMM covers topics including understanding the importance of building savings, buying a car, how to avoid impulse purchases, how debt can affect a military career, and understanding protections under the SCRA and MLA.
- **Navigating the military financial lifecycle:** The CFPB updated its *Military Financial Lifecycle* model, which is a representation of a military career beginning at the signing of an enlistment contract or Reserve Officers' Training Corps (ROTC) commitment, through the subsequent steps in an individual's and family's military

¹⁶ Consumer Fin. Prot. Bureau, *Misadventures in Money Management*, <https://www.mimm.gov/> (last visited Mar. 3, 2023).

career and life.¹⁷ The CFPB offers web resources and related materials that provide targeted information and links to CFPB tools that help servicemembers and their families address the financial challenges that arise at the various stages of their military lives. Some of these challenges are unique to servicemembers, such as frequent and often unanticipated moves, deployments, long periods of separation from family, difficulty for spouses to maintain career tracks, and mobilization for members of the Reserve and National Guard. The CFPB also provides information and resources to help servicemembers as they transition from military to civilian life.

- **Direct-to-servicemember educational outreach:** The CFPB continues to partner with the Department of Defense’s Office of Financial Readiness to provide technical assistance, educational tools, and joint outreach initiatives as it implements its mandate under the National Defense Authorization Act to deliver financial education across the stages of the military lifecycle.¹⁸ The CFPB also continues to work with other governmental agencies on educational outreach initiatives and engagements designed to deliver financial education, tools, and resources to the military community.

Older consumers: Strengthen the financial security of older adults

To improve financial security and protections for older consumers, the CFPB works with service providers, financial institutions, law enforcement, and federal, state, and local government agencies that interact with older adults and their families. Major initiatives include nursing home debt collection, age-friendly banking recommendations to banks and credit unions, assistance to local organizations and governmental entities creating elder fraud prevention and response networks, work to ensure housing stability for older homeowners and renters (including issues involving aging in place such as reverse mortgages), and educational initiatives.

- **Elder fraud prevention and response networks:** Elder financial exploitation threatens and destroys the financial security of millions of older consumers every year. In response to this crisis, hundreds of communities across the United States have created collaborative networks that bring together key partners including law enforcement, financial institutions, and adult protective services to protect seniors from financial exploitation. Since 2016, the CFPB has released a series of reports and resources to

¹⁷ Consumer Fin. Prot. Bureau, *Financial resources for your military career*, https://files.consumerfinance.gov/f/documents/cfpb_lifecycle-of-military-consumer_resources.pdf (last visited Mar. 3, 2023).

¹⁸ 10 U.S.C. § 992.

increase consumer understanding of how elder financial protection networks can grow and endure.

- **Housing insecurity:** The CFPB released two data spotlights on the impact of COVID-19 on older consumers and housing security to inform market participants and intermediaries about problems consumers experience. The first, *Older renters struggling to make their rent payments during the pandemic*,¹⁹ used Census Bureau data to highlight the number of older renters struggling to make their rent payments. The second, *Older homeowners struggling to make their mortgage payments during the pandemic*,²⁰ similarly used Census Bureau data to highlight that, “Hundreds of thousands of older homeowners are behind on their mortgage payments, and more expect to miss next month’s payment.” The CFPB also released guides for consumers considering reverse mortgages.²¹

Limited English Proficient communities: ensuring a safe and equitable financial marketplace

Limited English proficient²² (LEP) consumers often encounter significant barriers to participating in the consumer financial marketplace, including completing key financial documents, managing bank accounts, resolving problems with financial products, and accessing financial education.²³ This can make it difficult for LEP consumers to conduct everyday financial affairs and make them more vulnerable to deceptive products or predatory actors. The effective and responsible integration of LEP consumers into the financial marketplace has the potential to create positive benefits for consumers and the financial services industry alike.

¹⁹ Consumer Fin. Prot. Bureau, *Data Spotlight: Older renters struggling to make their rent payments during the pandemic* (Aug. 2021), https://files.consumerfinance.gov/f/documents/cfpb_old-er-renters-struggling-rent-payments-during-pandemic_data-highlight_2021-08.pdf.

²⁰ Consumer Fin. Prot. Bureau, *Data Spotlight: Older renters struggling to make their mortgage payments during the pandemic* (Aug. 2021), https://files.consumerfinance.gov/f/documents/cfpb_old-er-homeowners-mortgage-payments-during-pandemic_data-highlight_2021-08.pdf.

²¹ Consumer Fin. Prot. Bureau, *Reverse mortgage loans*, <https://www.consumerfinance.gov/consumer-tools/reverse-mortgages/> (last visited Mar. 3, 2023).

²² In this document, a consumer with “limited English proficiency” or a “limited English proficient” (LEP) consumer means a person who has a limited ability to read, write, speak, or understand English.

²³ U.S. Gov’t. Accountability Off., *Consumer Finance: Factors Affecting the Financial Literacy of Individuals with Limited English Proficiency* (May 2010), <https://www.gao.gov/products/gao-10-518>.

More than 67 million people, or about 22 percent of the U.S. population over the age of five, speak a language other than English at home.²⁴ Of this, more than 26 million people in the United States have limited proficiency in English.²⁵

- **In-language home pages:** One of the CFPB's goals is to give consumers practical, actionable information that they can use in pursuing their own financial goals and in making financial decisions. The CFPB offers information and tools to help consumers build the financial knowledge and skills that they need to make well-informed financial decisions for themselves and their families to serve their own financial goals. For the LEP community, this includes access to consumer financial education materials in consumers' preferred languages. The CFPB offers this information directly through Arabic, Chinese, Haitian Créole, Korean, Russian, Spanish, Tagalog, and Vietnamese translated content on the CFPB website and has also promoted its availability to LEP consumers through community service channels.
- **Educational publications:** The CFPB offers financial education materials translated into various languages for LEP consumers, which are distributed by both the CFPB and others who serve LEP consumers. The publications provide straightforward information about money management and other financial issues. The publications cover topics like checking a credit report, avoiding checking account fees, tax time savings, how to avoid foreclosure, what consumers can do when they are unable to pay credit card bills, and other topics. To date, the CFPB has routinely translated its most frequently requested brochures into Arabic, Chinese, Haitian Créole, Korean, Russian, Spanish, Tagalog, and Vietnamese.
- **Handling complaints from consumers about consumer financial products and services:** The CFPB's Office of Consumer Response hears directly from consumers about the challenges they face in the marketplace and brings consumers' concerns to the attention of consumer financial product or service providers. The Office of Consumer Response currently accepts complaints about a wide variety of financial products and services and can assist consumers with complaints in more than 180 languages.

²⁴ U.S. Census Bureau, *Language spoken at home*, <https://data.census.gov/cedsci/table?q=language%20spoken%20at%20home&tid=ACST1Y2019.S1601> (last visited Mar. 3, 2023).

²⁵ U.S. Census Bureau, *Limited English-speaking households*, <https://data.census.gov/cedsci/table?q=language%20spoken%20at%20home&tid=ACST1Y2019.S1602> (last visited Mar. 3, 2023).

Consumers have the choice to receive written communications in Spanish. The CFPB may also refer consumers to other regulators and resources, as needed.

- **Language glossaries:** The CFPB created glossaries translating common financial terms into Spanish, Chinese (Traditional), Tagalog, Vietnamese, and Korean.²⁶ Terms for the updated glossaries have been compiled from other entities, including the Federal Housing Finance Agency, Department of Housing and Urban Development, Internal Revenue Service, Department of Justice, Federal Deposit Insurance Corporation, Federal Trade Commission, Social Security Administration, Freddie Mac, Fannie Mae, General Services Administration, and National Association of Hispanic Real Estate Professionals. The CFPB uses the glossaries to ensure consistency as it translates consumer education materials. The CFPB publicly shares the glossaries as a resource that may help other people and organizations that provide financial information to those who have more proficiency in languages other than English.
- **Translated disclosures:** Financial service providers increasingly recognize the need for more services and customer-facing materials in languages other than English. Over the years, the Bureau has encouraged financial institutions to provide fair and transparent access to products and services to people who are more comfortable using a language other than English. Broad access to clear and relevant information helps promote competitive markets and strengthens relationships between financial services providers and their customers. We have made Spanish translations of the following disclosures available:
 - Prepaid card model forms, delivering information to consumers about fees and provisions of reloadable and payroll cards.²⁷
 - Adverse action sample notices, providing reasons credit was denied or offered on different terms, and notice of incomplete applications and the applicant's right to obtain information.²⁸

²⁶ Consumer Fin. Prot. Bureau, *Helping multilingual communities and newcomers*, <https://www.consumerfinance.gov/language/> (last visited Mar. 3, 2023).

²⁷ Consumer Fin. Prot. Bureau, *Prepaid model forms and samples*, <https://www.consumerfinance.gov/compliance/compliance-resources/consumer-cards-resources/prepaid-cards/prepaid-model-forms-samples/> (last visited Mar. 3, 2023).

²⁸ Consumer Fin. Prot. Bureau, *ECOA model and sample forms*, <https://www.consumerfinance.gov/compliance/compliance-resources/other-applicable-requirements/equal-credit-opportunity-act/model-credit-application-and-sample-notification-forms/> (last visited Mar. 3, 2023).

- Home mortgage origination documents, including the Loan Estimate and Closing Disclosure,²⁹ plus explanatory booklets such as Your Home Loan Toolkit, the Consumer Handbook on Adjustable-Rate Mortgages, and the Home Equity Line of Credit booklet.³⁰
- Early intervention clauses for mortgage servicers, informing delinquent mortgage borrowers about their options.³¹
- Credit reporting notices,³² explaining a firm offer of credit³³ and outlining a consumer's rights under the Fair Credit Reporting Act³⁴ and their rights in the event of identity theft.³⁵
- Debt collection model validation notice, helping consumers identify and verify debts being collected.³⁶

²⁹ Consumer Fin. Prot. Bureau, *Loan estimate and closing disclosure forms and samples*, <https://www.consumerfinance.gov/compliance/compliance-resources/mortgage-resources/tila-respa-integrated-disclosures/forms-samples/> (last visited Mar. 3, 2023).

³⁰ Consumer Fin. Prot. Bureau, *Learn more: Navigating financial rules and regulations*, <https://www.consumerfinance.gov/learnmore/#financial-service-industry> (last visited Mar. 3, 2023).

³¹ Consumer Fin. Prot. Bureau, *Mortgage Servicing: Early Intervention Written Notice Model Clauses and Translations* (Jul. 2021), https://files.consumerfinance.gov/f/documents/cfpb_mortgage_servicing_early_intervention_model_clauses_translations_2021-07.pdf.

³² Consumer Fin. Prot. Bureau, *Model forms and disclosures*, <https://www.consumerfinance.gov/compliance/compliance-resources/other-applicable-requirements/fair-credit-reporting-act/model-forms-and-disclosures/> (last visited Mar. 3, 2023).

³³ Consumer Fin. Prot. Bureau, *Appendix D to Part 1022 - Model Forms for Firm Offers of Credit or Insurance*, <https://www.consumerfinance.gov/rules-policy/regulations/1022/d/#b-1> (last visited Mar. 3, 2023).

³⁴ Consumer Fin. Prot. Bureau, *Un resumen de sus derechos en virtud de la Ley de Informe Justo de Crédito* (Sep. 2018), https://files.consumerfinance.gov/f/documents/bcfp_consumer-rights-summary_2018-09_es.pdf.

³⁵ Consumer Fin. Prot. Bureau, *Remediando los efectos del robo de identidad* (Sep. 2018), https://files.consumerfinance.gov/f/documents/bcfp_consumer-identity-theft-rights-summary_2018-09_es.pdf.

³⁶ Consumer Fin. Prot. Bureau, *Debt Collection model forms and samples*, <https://www.consumerfinance.gov/compliance/compliance-resources/other-applicable-requirements/debt-collection/forms-and-samples/> (last visited Mar. 3, 2023).

2.2 Sharing research on financial well-being, the five principles of effective financial education and financial education tools with financial educators and others

The principal aim of financial education is to improve financial well-being. The CFPB develops and shares information and tools to amplify the reach and effectiveness of financial education for adults and children, to help more consumers achieve or improve their financial well-being. The

*Performance goal: Amplify the effectiveness of financial education for adults and children.*³⁷

CFPB conducts research to understand what financial well-being is, how to measure it, and how financial education can effectively support it. It also contributes to the infrastructure for effective financial education by providing financial educators with research, analysis, and tools for understanding and measuring financial well-being, implementing effective practices in adult financial education, and providing teachers, parents, and caregivers with practical materials to help children and youth develop the building blocks of adult financial well-being.

The CFPB has summarized its findings into five principles that financial educators and other practitioners can put into practice to help drive financial action and well-being.³⁸ The principles are described below and are currently being refined with additional empirical data:

- *Know the individuals and families to be served.* Financial education programs can be more effective if they are matched to people's specific circumstances, challenges, and goals.
- *Provide actionable, relevant, and timely information.* People are more likely to absorb information if it is connected to an upcoming decision that matters to them, at the time when they can put it to use, with concrete steps they can follow.

³⁷ See Performance goal 1.1.2 at Consumer Fin. Prot. Bureau, *Annual performance plan and report and budget overview* (Feb. 2022), https://files.consumerfinance.gov/f/documents/cfpb_performance-plan-and-report_fy22.pdf.

³⁸ See Consumer Fin. Prot. Bureau, *supra* note 7.

- *Improve key financial skills.* Key skills include knowing when and how to find reliable information to make financial decisions, how to process the information, and how to follow through, as well as when and how to seek help.
- *Build on motivation.* Financial education can help people strengthen qualities and attitudes that allow them to stay motivated.
- *Make it easy to make good decisions and follow through.* The situations people encounter can strongly influence what they actually do. Effective financial education helps people follow through on their intentions by working with the influences or forces at play within their surroundings.

Financial well-being research

The CFPB engages in financial education research to assess, identify, and spread knowledge about effective financial education approaches and tools for financial education practitioners, and to inform its program design for consumer education resources. This is applied research, with an emphasis on concepts and materials that financial educators can use with the people they serve.

The CFPB's research efforts aimed at achieving this goal include:

- **Data Spotlight: Financial well-being in America, from 2017 to 2020:** This analysis used data from the Federal Reserve's Survey of Household Economics and Decision-making (SHED) to examine changes in financial well-being for Americans from 2017 through 2020, the first year of the pandemic. The spotlight finds that overall, Americans experienced an average increase in their financial well-being between 2017 and 2020, likely boosted by the large government response to the COVID-19 pandemic. While the largest increases were experienced by those at the highest incomes, U.S. adults of color, younger adults, and women had smaller increases than their respective counterparts. Additionally, people with the lowest levels of financial well-being were more susceptible to the financial struggles many Americans faced during the pandemic. Particularly, individuals who scored low or very low were more likely to face out-of-pocket medical expenses due to the pandemic, to be laid off, or to have a childcare disruption due to not being able to work from home.
- **Servicemember research:** The CFPB conducted research on activated Guard and Reserve servicemembers' usage of credit protections in the Servicemembers Civil Relief Act (SCRA). This report undertook statistical analysis of reservists' consumer loan experience during periods of activation, covering four loan types: automobile and personal installment loans, credit cards, and first mortgages. For all four loan types, the

CFPB examined whether consumers' interest rates changed from above the SCRA's six percent interest rate cap to below the cap during periods of activation that follow the origination of a loan. In addition, the CFPB looked at whether consumers' experiences with automobile repossessions were consistent with the SCRA's protections.

Sharing financial education research and resources

The CFPB shares research, knowledge, insights, and tools with adult financial educators, K-12 teachers, and others who want to help adults, children, and school-aged youth develop financial capability.

- **K-12 educators:** The CFPB's K-12 work in FY22 reviewed earlier work in this area and completed needed updates. This work expands on the adult financial well-being research described above and leverages CFPB research on the childhood origins of financial capability and well-being to identify where and when during childhood and adolescence people acquire the foundations of financial capability. This research identified attributes and abilities that provide the building blocks of adult financial capability, which can develop through the stages of a person's growth.
- **Teacher financial education platform:** The CFPB updated resources to the new national youth financial education standards to ensure these resources were accurate across various school subjects and all grade levels. The resources are founded on the CFPB's research-based framework, *Building Blocks for Youth Financial Capability*.³⁹ The goal is to make it easy for teachers of all subjects and all grades to integrate financial education into their classrooms by offering easy-to-apply techniques and age-appropriate materials. The key elements of the platform include a website interface that is robust, appealing, easy to use, and has strong search capabilities, 275 downloadable activities for K-12 educators, a curriculum review tool, a story book series for youth ages 3 - 12, and an interactive student financial capability self-assessment survey for grades 3-12.
- **K-12 learning clusters:** Financial educators and policymakers face many decisions about whether and how to implement financial education. To understand how to help policymakers and education leaders integrate financial education into school curriculum and drive a demand for high quality financial education, the CFPB held two learning clusters, which are facilitated discussions about specific and timely issues in K-12

³⁹ Consumer Fin. Prot. Bureau, *Building Blocks to Help Youth Achieve Financial Capability: Measurement guide* (Jun. 2018), <https://www.consumerfinance.gov/data-research/research-reports/building-blocks-help-youth-achieve-financial-capability-measurement-guide/>.

financial education. These learning clusters were held with participants from various state governments, local education agencies, and nongovernmental organizations. Each learning cluster covered topics related to youth financial education, offered opportunities for collaboration between national and local organizations, provided professional development for educators, and identified effective practices for historically underserved communities. Through these interactions with key state and local stakeholders, the CFPB shared research with K-12 policymakers and education leaders to identify effective practices of youth financial education and create demand for high quality resource that support traditionally underserved, racially diverse, Native, and rural students.

- **Money as You Grow:** *Money as You Grow* provides information, activities, and conversation starters for parents and caregivers who want to help their children develop financial capability skills. In FY22, we added new family activities including, “Choose the best cell phone plan for your family” and two new parent guides: one for the *Money Monsters* story book series and the other for the student self-assessment tools. The *Money as You Grow* resources include the *Money as You Grow Bookshelf*, a family financial education program that uses children’s books to help families talk about money-related skills.
- **CFPB Financial Education Exchange (CFPB FinEx):** CFPB FinEx is a key channel through which the CFPB shares research, tools, publications, and other resources with financial practitioners who provide financial literacy and coaching services to adult consumers.⁴⁰ The CFPB also uses the program to gather feedback from and facilitate discussion among financial educators. This engaged group of financial practitioners grew 69% from FY21 to FY22 with a total of 59,054 members. The CFPB FinEx program also maintains a LinkedIn Discussion Group that ended FY22 with 3,880 members. Financial educators can access the CFPB’s financial education resources through the *Resources for helping others* web page.⁴¹ The CFPB FinEx offered 16 webinars to financial practitioners in FY22 with more than 2,500 combined attendees. The webinar with the largest attendance in FY21 was *Unpacking the Black Wealth Gap: Redlining*, with 881 attendees. The CFPB FinEx program also developed two pre-recorded webinars that were sent out to 50,000 subscribers to use with their clients. The webinar topics were: 1)

⁴⁰ Consumer Fin. Prot. Bureau, *Join the CFPB FinEx Network*, <https://www.consumerfinance.gov/consumer-tools/educator-tools/adult-financial-education/join-cfpb-finex-network/> (last visited Mar. 3, 2023).

⁴¹ Consumer Fin. Prot. Bureau, *Financial education for adults*, <https://www.consumerfinance.gov/adult-financial-education/> (last visited Mar. 3, 2023).

Helping Clients Monitor and Improve their Credit Reports and Scores, and 2) Helping Clients Explore their Personal Finance Rights.

Financial education tools

The CFPB provides programs and resources directly to consumers and through trusted and established community partners where people may go for other services. The resources focus on consumer rights as well as common financial situations such as dealing with debt collection, using a bank or credit union account, improving or fixing credit reports and scores, and getting or refinancing a mortgage. Some of the CFPB's main direct-to-consumer financial education offerings are:

*Performance goal: Help people build the knowledge and skills to make money decisions through direct financial education from the CFPB and through community channels providing other services.*⁴²

- **Ask CFPB and money topic web pages:** *Ask CFPB*⁴³ is an online tool that provides clear, authoritative answers to consumers' questions about financial products and services. Many financial decisions are complex, so consumers need objective information they can count on. CFPB-sponsored tools have the advantage of being perceived by the public as neutral and unbiased because they do not seek financial gain. As the government agency charged with protecting America's consumers of financial products and services, the CFPB created *Ask CFPB* to provide clear information on a variety of money topics such as home mortgages, auto loans, credit reports and scores, debt collection, student loans, and much more.
- **Specialized tools:** The CFPB's website offers tools and information that help consumers prepare and plan for significant events and money decisions such as borrowing to become a homeowner, paying for college, getting an auto loan, and planning for retirement:
 - **Buying a House:** *Buying a House* provides tools and resources to help people know what to expect and what questions to ask in the process of buying a house and

⁴² See Performance goal 1.1.1 at Consumer Fin. Prot. Bureau, *Annual performance plan and report and budget overview* (Feb. 2022), https://files.consumerfinance.gov/f/documents/cfpb_performance-plan-and-report_fy22.pdf.

⁴³ Consumer Fin. Prot. Bureau, *Ask CFPB*, <https://www.consumerfinance.gov/ask-cfpb/> (last visited Mar. 3, 2023).

choosing a home loan.⁴⁴ In particular, *Buying a House* seeks to show prospective homebuyers the benefits of shopping for a mortgage.

- **Paying for College tool:** The CFPB’s *Paying for College* tools explain the ins and outs of student financial aid and student loan repayment. These resources also include the *Paying for College: Your financial path to graduation* tool, also known as *Grad Path*.⁴⁵ This tool helps prospective students understand their financial aid offers and compare offers from different schools, develop plans to cover remaining balances, and estimate how much they will owe and if they can afford that debt. The suite of tools provides helpful tips and money saving strategies to help students ultimately select which college to attend and provide them with a financial path forward to affording their college education. Additionally, the CFPB continued to conduct outreach with institutions of higher education, state student loan ombudsman, and high school counselors to continue piloting and hearing feedback that could improve the tool.
- **The Future Self tool:** The *Future Self* tool helps people stay on track for their longer-term financial goals.⁴⁶ Through interactive exercises that help connect people to their “future self,” financial education practitioners can use the tool to motivate and support the people they serve to take immediate action toward long-term financial goals, such as accumulating savings or paying down debt.
- **Getting an Auto Loan guide:** *Getting an Auto Loan* is an online guide that consumers can use in making informed auto financing decisions. The guide seeks to help consumers shop for and compare financing options when purchasing a vehicle. Consumers can use the guide to consider the total cost of financing.⁴⁷

Community partners

In addition to providing financial education resources that people can access directly, the CFPB works to make it easier for people to access financial education in their local communities.

⁴⁴ Consumer Fin. Prot. Bureau, *Buying a house: Tools and resources for homebuyers*, <https://www.consumerfinance.gov/owning-a-home/> (last visited Mar. 3, 2023).

⁴⁵ Consumer Fin. Prot. Bureau, *Your financial path to graduation*, <https://www.consumerfinance.gov/paying-for-college/your-financial-path-to-graduation/> (last visited Mar. 3, 2023).

⁴⁶ Consumer Fin. Prot. Bureau, *Future Self Tool: Helping people stay on track for financial goals: For practitioners* (May 2021), https://files.consumerfinance.gov/f/documents/cfpb_future-self-tool_2021-05.pdf.

⁴⁷ Consumer Fin. Prot. Bureau, *Auto loans*, <https://www.consumerfinance.gov/consumer-tools/getting-an-auto-loan/> (last visited Mar. 3, 2023).

The CFPB works to integrate financial education into trusted and established community partners where people already go for other services. These include workplaces, social service organizations, military recruiters, Army ROTC, colleges and universities, government agencies, financial institutions, and financial educators. The CFPB Director serves as vice chair of the Financial Literacy and Education Commission and the CFPB coordinates actively with the other federal members to identify areas for collaboration to amplify one another's mutual ability to reach the public with financial education. Major community channel initiatives in FY22 included the following:

- **Your Money, Your Goals (YMYG):** YMYG offers learning resources and training to enable community providers to help people with lower incomes better understand their rights in the consumer financial marketplace and develop skills to effectively manage their financial lives.⁴⁸ Many of the learning resources are available in multiple languages.
- **Money Smart for Older Adults (MSOA):** The CFPB developed and offers MSOA jointly with the Federal Deposit Insurance Corporation (FDIC). It is designed to educate older consumers and caregivers, and may be offered by law enforcement, financial institutions, faith-based organizations, organizations serving older adults, and other local community providers. The program focuses on common issues facing older adults, including how to identify a potential scam or fraud and other forms of elder financial exploitation.
- **Nursing home debt collection:** Distinct from consumer education activities such as YMYG, the Bureau also partners with other government entities to identify emerging risks and to provide guidance to businesses and organizations serving consumers. For example, the CFPB released an Issue Spotlight highlighting some of the difficulties and experiences heard from caregivers about being pursued over friends' or family members' alleged debts from nursing home facilities.⁴⁹ Based on the findings in the report, the CFPB and the Centers for Medicare & Medicaid Services (CMS) issued a joint letter confirming that a nursing care facility may not require that a third-party caregiver personally guarantee payment of a nursing home resident's bills as a condition of the

⁴⁸ Consumer Fin. Prot. Bureau, *Your Money, Your Goals*, <https://www.consumerfinance.gov/consumer-tools/educator-tools/your-money-your-goals/> (last visited Mar. 3, 2023).

⁴⁹ Consumer Fin. Prot. Bureau, *Issue Spotlight: Nursing Home Debt Collection* (Sep. 2022), <https://www.consumerfinance.gov/data-research/research-reports/issue-spotlight-nursing-home-debt-collection/>.

resident's admission to the facility.⁵⁰ Such conditions violate the Nursing Home Reform Act and, as discussed in a circular issued by the CFPB, subsequent attempts to collect debts from caregivers may violate the Fair Debt Collection Practices Act and the Fair Credit Reporting Act.⁵¹

- **Surviving spouses workbook:** *Taking Control of Your Finances: Help for surviving spouses* is a step-by-step guide that helps recently widowed older adults do the most important and pressing things first.
- **Preventing elder financial abuse: Guide for nursing homes and assisted living communities:** During Residents' Rights Month, the CFPB released an updated version of *Preventing elder financial abuse: A guide for nursing homes and assisted living communities* to help long-term care staff prevent and respond to financial exploitation of the people in their care. This updated guide walks team members through the four steps to fighting elder financial abuse: Prevent, Recognize, Record, and Report. The update includes new information on using technology to stay connected and informed, along with new scenarios and resources found during the COVID-19 pandemic. The guide is for assisted living community and nursing home managers and staff who can step in to help people who are experiencing financial abuse.
- **Guide for family members and friends of people living in nursing homes and assisted living communities:** During National Family Caregivers Month, the CFPB's Office for Older Americans released a new guide to help family members and friends of people living in nursing homes and assisted living communities learn how to prevent and report elder financial abuse. The guide, which can be downloaded for free, lists red flags to watch for, shares some common scenarios, and includes resources people can use to help their loved one. The CFPB also released a "quick reference" handout that is focused on how to report elder financial abuse.⁵²

⁵⁰ Consumer Fin. Prot. Bureau, *Notification letter* (Sep. 2022), https://files.consumerfinance.gov/f/documents/cfpb_nursing-home-debt-collection_joint-letter_2022-09.pdf.

⁵¹ Consumer Fin. Prot. Bureau, *Consumer Financial Protection Circular 2022-05 Debt collection and consumer reporting practices involving invalid nursing home debts* (May 2022), <https://www.consumerfinance.gov/compliance/circulars/circular-2022-05-debt-collection-and-consumer-reporting-practices-involving-invalid-nursing-home-debts/>.

⁵² Consumer Fin. Prot. Bureau, *Reporting elder financial abuse: Help for family and friends of people living in nursing homes and assisted living communities*, https://files.consumerfinance.gov/f/documents/cfpb_preventing-elder-financial-abuse_friends-family-bifold.pdf (last visited Mar. 3, 2023).

3. Conclusion

Congress tasked the CFPB with substantial responsibility for protecting consumers and improving the financial literacy of Americans. The CFPB provides information and guidance regarding consumer financial products or services available to all Americans, including traditionally underserved consumers and communities.⁵³

In FY22, CFPB resources were accessed by 21.3 million consumers. This audience encompasses consumers in the general population and specified populations, including servicemembers and veterans, older consumers, traditionally underserved consumers and communities, and students.

The CFPB also strengthened the delivery of financial education in the United States by providing thousands of professionals with evidence-based frameworks, training, tools, approaches, and materials and research to use as they provide financial capability training to the people they serve in their communities. These professionals include financial educators for adults, military leaders, K-12 educators, librarians, tax preparation professionals and volunteers, local leaders, social service providers, persons serving seniors, and persons addressing the prevention of elder abuse.

Through the work described in this report, the CFPB seeks to enhance the financial capability of all Americans to make decisions about money that support their own life goals and help them achieve higher levels of financial well-being.

⁵³ 12 U.S.C. § 5493.