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Treasury Will Consult on Baseline Survey of Adult Financial Literacy

Washington – The Treasury Department announced a new research initiative today to examine financial literacy among U.S. adults and how they fare in handling their finances. The study, conducted with the Financial Industry Regulatory Authority Investor Education Foundation, is the first of its kind to focus on adult consumers at both state and national levels.

The President's Advisory Council on Financial Literacy recommended that the Department consult on the project during the Council's February 2008 meeting. Preliminary survey data is expected to be released to researchers and the general public in early 2009.

"The field of financial education in America is in its adolescence. By learning what Americans know, think and feel about money we can better help them, while moving our nation's financial education efforts toward maturity," said Dan Iannicola, Jr., Deputy Assistant Secretary for Financial Education and executive director of the President's Advisory Council. "Equipping Americans to make good financial decisions is always important, but in challenging economic times it matters even more."

The FINRA Investor Education Foundation – the largest foundation dedicated to investor education – will design, fund and conduct the survey, with input from Treasury. Survey working group partners include Dartmouth College Professor Annamaria Lusardi and a team from Applied Research and Consulting, the Employee Benefit Research Institute and the American Institute of Certified Public Accountants.

"We look forward to consulting with Treasury on this inaugural national survey," said Mary Schapiro, a member of the President's Advisory Council on Financial Literacy who is also Chairman of the Financial Industry Regulatory Authority Foundation and CEO of FINRA. "The survey will be unique in its scale and in its focus on the combined effect of knowledge, skills and attitudes on the behavior of adult consumers in the U.S., and will be invaluable in informing a wide range of financial education efforts now and in the future."

"The Council is pleased that Treasury will be consulted on this important project," said Tahira Hira, chair of the President's Advisory Council's Research Committee and a professor at Iowa State University. "There is so much we still don't know about how Americans

handle their money, how they make decisions, how they learn, how they want to learn, what brings about changes in their financial behavior. We hope this study will help answer this and many other questions."

For additional information on Council activities, visit www.treas.gov/financialeducation. Information on the FINRA Foundation may be found at www.finrafoundation.org.