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Department of the Treasury
Office of Financial Education
1500 Pennsylvania Ave., NW
Washington, DC 20220

Re: AARP Response to Request for Comment on FLEC Draft National Strategy Update

AARP is pleased to respond to the comment request for the Financial Literacy and Education Commission’s draft National Strategy Update, Promoting Financial Success; National Strategy for Financial Literacy Update.

AARP is a nonprofit, nonpartisan organization, with a membership of nearly 38 million that helps people turn their goals and dreams into 'Real Possibilities' by changing the way America defines aging. With staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and promote the issues that matter most to families such as healthcare security, financial security and personal fulfillment.

AARP’s comments relate to the focus of the National Strategy and the evolving nature of financial education in the workplace.

Financial Education Life Cycle

AARP supports the focus of the National Strategy on “Starting Early for Financial Success.” However, the focus on “early” should be sufficiently broad to include workers starting out in their careers. In addition, the strategy should also incorporate a focus on Americans age 50+.

AARP agrees that, by starting young, children can learn the difference between wants and needs, the importance and power of saving, responsible management of credit and debt, and the positive and productive role that carefully managing money can play in
their lives. If a child decides to pursue higher education, financial education plays a critical role in addressing the host of financial implications that come with that decision. Financial capability is also important for young people as they enter the workforce. A first job is a critical opportunity for young people to understand their income and benefits, to gain experience in managing their money, and begin to plan, save and invest for retirement.

While all of these life cycle touchpoints are important, others are left out of the equation. As workers near retirement, they face a host of decisions that many are ill equipped to make. For example, the decision of when to begin to collect Social Security benefits is critically important, yet too few workers understand the implication of their decision. In addition, older workers are in need of education and actionable information on how to spend down the retirement assets they have accumulated. They need to understand what options they have for making their money last throughout retirement. AARP encourages the FLEC to incorporate an emphasis on financial education around these decisions for older Americans as the National Strategy evolves.

**Fraud**

Of growing concern is the incidence of fraud perpetrated on older Americans. Fraud is now a multi-billion dollar “industry,” and older Americans with retirement assets are priority targets for scam artists. AARP seeks to raise awareness of fraud and ways to protect against it through our Fraud Watch Network. We encourage the FLEC to add fraud education to its National Strategy. Identity theft is an especially virulent trend, with someone becoming a victim every two seconds. AARP welcomes the opportunity to work with the FLEC to bring fraud awareness into national financial education efforts.

**Employer Financial Education**

AARP remains strong in its belief that employers are a critical conduit to the financial well-being of American workers. The workplace provides a readily accessible channel for workers to access financial education and resources from a trusted source.

In the workplace, employers have historically focused on retirement education as a connection point to benefits offered. Over the last several years, the discussion of financial education in the workplace has moved to a focus on “financial wellness.” Indeed, 40% of companies report that they have a financial wellness strategy in place or have plans to introduce one.¹ Financial wellness goes beyond education about benefits and seeks to reduce employee stress over financial matters. Since the workplace is such an important channel for financial education efforts, the FLEC should further explore this more recent focus on financial wellness and encourage delivery of unbiased and understandable financial information by employers and financial service firms. What impact, if any, are financial wellness programs having on employees? What are best

practices in designing materials and engaging employees to take advantage of these programs? Do financial wellness programs promote behavior (e.g., setting up an emergency fund) that protects or enhances retirement savings (e.g., by reducing hardship withdrawals and loans)?

As a non-profit, non-partisan membership organization representing people age 50+, AARP has a wide range of assets that may be used to assist in moving forward the National Strategy. AARP affects change and delivers value to consumers through information, advocacy and service. Given AARP's unique ability to influence change, we are well positioned to:

- Promote dialogue
- Convene stakeholders
- Provide objective resources and information, and
- Communicate key messages to nearly 38 million members and all older Americans.

AARP looks forward to continuing to work with the FLEC to ensure that all Americans have an adequate level of financial competency to achieve their expected standard of living. Should you have any questions, please feel free to contact Michele Varnhagen at (202) 434-3829.

Sincerely,

David Certner
Legislative Counsel and Legislative Policy Director