

# U.S. Department of the Treasury



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# Meet the New CFO...

- **Choices**
  - **The market place is increasing the number of choices**
- **Knowledge**
  - **Needs to catch up**

***Our Choices Have Outpaced Our Knowledge***

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**mymoney**



# Taking Ownership of the Future



The National Strategy for Financial Literacy  
2006

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# Three-Way Light Bulb of Financial Sophistication

- I can do better than an annuity (highest level)
    - Maybe they can and they do
      - Rely on home equity
      - Work with a financial planner
      - Go it alone
  
  - I can do better than an annuity (higher level)
    - Maybe they can't or they won't
  
  - What's an annuity? (lowest level)
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# The Important Work of “Dr.” Brennan Hawkins and The Hawkins Paradox

- Child lost
- The entire community responds (friends and strangers alike)
- Did someone say *strangers*?? Quick hide!!
- Challenge: distinguishing between the rescuer & the abductor
- Paradox: those trying to *help* might be confused with those trying to *harm*

## Three Points to Consider When Educating Households How to Manage Financial Risk

- 1) Let there be light: *The necessity of financial education*
  - don't expect them to leap before they look
  
- 2) Ask not for whom the bell tolls: *There is a need for all of us to play a role*
  - government, employers, non-profits, for-profit financial service providers (caveat)
  - marketing + education = marketing
  
- 3) The virtue is in the details as well: *Teach the basics, but don't overlook the nuances*
  - facts not fear
  - goal: skeptical, not *cynical* consumers

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