



Executive Summary:

The CFPB's Coordination for Targeted Consumer Financial Education Aligns With Best Practices and Can Benefit From Federal Partner Insights

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Purpose

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) mandated that the Consumer Financial Protection Bureau (CFPB) develop and implement a strategy to improve the financial literacy of consumers and initiatives to educate and empower consumers to make better-informed financial decisions. The CFPB's Division of Consumer Education and Engagement (CEE) is implementing the mandate through various initiatives that may be coordinated with other organizations, including federal agencies. The Office of Inspector General conducted an evaluation to assess the CEE's coordination with federal agency partners regarding targeted consumer financial education.

Background

The Dodd-Frank Act mandated the creation of offices or functions in the CFPB that address the consumer financial protection needs and concerns of specific populations, namely, students, older Americans, servicemembers, and traditionally underserved individuals. The Dodd-Frank Act directs the CFPB to coordinate these offices' consumer protection efforts with federal and state agencies as the offices deem appropriate.

Results of Evaluation

Overall, we found that the interagency coordination process steps followed by the CEE offices that target students, older Americans, servicemembers, and traditionally underserved individuals align with interagency coordination best practices. Further, the targeted offices have processes in place to help mitigate risks related to interagency coordination that were identified by other federal agencies that provide consumer financial education.

To identify the most relevant best practices, we asked 27 financial education practitioners to rate the best practices for effective interagency coordination identified by the U.S. Government Accountability Office (GAO) based on the practitioners' experiences coordinating with other agencies on consumer financial education efforts. After the practitioners identified the most relevant best practices, we mapped and compared the coordination process steps for each of the targeted offices to these best practices through a series of interviews with the targeted offices' employees. Additionally, the 27 practitioners described agency practices, lessons learned, and associated risks from their own interagency coordination experiences that were not previously identified by GAO.

We found that the targeted offices' coordination process steps aligned with GAO and federal agency practices; accordingly, we have no formal recommendations. However, we identified some tools that may improve the targeted offices' coordination efforts. Specifically, we noted that the targeted offices could benefit from developing a tracking tool to manage interagency coordination, implementing a standard approach to minimize unwanted duplication of efforts, and expanding their draft policy on memorandums of understanding for interagency coordination to cover both formal and informal coordination.

In response to our draft report, the Associate Director for Consumer Education and Engagement noted her appreciation for our benchmarking efforts and welcomed our identification of tools and approaches that may further enhance the targeted offices' coordination efforts.