

The Commonwealth of Massachusetts

OFFICE OF THE STATE TREASURER

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December 22, 2015

Mr. William F. Welch
Senate Clerk
State House, Room 335
Boston, MA 02133

Dear Mr. Clerk:

In my capacity as Chairwoman of the Economic Empowerment Trust Fund (Trust Fund), and pursuant to M.G.L. Chapter 10 Section 35QQ, I am pleased to file the attached annual report. As required, all programmatic and financial activities of the Trust Fund are included as part of this report.

Should you need any additional materials, or have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Deborah B. Goldberg".

Deborah B. Goldberg
Treasurer and Receiver General

Enclosures

Cc: Leanne Martin Fay, Executive Director
Economic Empowerment Trust Fund

Massachusetts Financial Literacy Trust Fund: FY15 Report to the General Court

Effective April 27, 2011, the Commonwealth of Massachusetts Legislature passed An Act establishing the Financial Literacy Trust Fund (FLTF), amending Massachusetts General Law (M.G.L.) Chapter 10 by creating Section 35QQ – *Financial Literacy Trust Fund*. The Financial Literacy Trust Fund (“FLTF”) is administered by the State Treasurer and Receiver General, who serves as Chair, in consultation with a 20-member Board of Trustees (“Board”) See M.G.L. c.10, §35QQ(a)-(b). The purpose and mission of the FLTF is to “encourage financial literacy and education for residents, institutions, community organizations and entities that will promote financial literacy.” M.G.L. c.10, §35QQ(a). The Board convened three meetings during FY15 on November 18, 2014, March 30, 2015, and May 20, 2015. In accordance with M.G.L. c.10, §35QQ(b), the State Treasurer, as Chair of the FLTF Board is directed to “annually report to the General Court all programmatic and financial activities and balances” of the FLTF. The mission of the Board is to encourage financial literacy and education for residents, institutions, community organizations and entities that will promote financial literacy. As such, below please find an accounting of the Board’s fundraising goals and logistical priorities over the last fiscal year as well as an overview of a transition of the Trust Fund to an expanded agenda.

Financial Activities

Since its inception, and as of December 1, 2014, a total of \$93,500 has been received by the FLTF, through donations and grants in support of the FLTF’s mission. Specifically, the FLTF was awarded a \$20,000 grant by the Massachusetts Attorney General’s Office to serve the low-to-moderate income population. Additionally, \$73,500 in personal donations have been contributed. As of June 30, 2015, the net income of the fund was approximately \$38,000, of which \$1,000 is targeted for Senior Citizens and \$3,000 for Veterans. The remaining \$34,000 in untargeted funds may be used to further advance the initiatives approved by the Board.

Programmatic

In FY15, the Board continued to target low to moderate income individuals and families, veterans, seniors, and K-12 students. The FLTF has supported a number of money management education conferences over the past several months. Each conference has been organized to target specific populations with the goal that attendees will acquire the knowledge and skills in order to strengthen their economic stability. One series of conferences specifically targeted gateway communities in Massachusetts and non-profit organizations who provide services to low-to-moderate income (L.M.I.) families. The second style of conference was designed to provide knowledge of fiscal matters to Massachusetts veterans, servicemembers, and their families.

Additionally, the FLTF Board and staff have engaged with the Massachusetts Department of Elementary and Secondary Education (DESE) and its pilot program for high schools in

gateway municipalities. The FLTF Board anticipates this three year pilot program will reveal how the FLTF can best serve K-12 students and in particular, gain a better understanding on how to carry-out interactive youth money management opportunities.

Targeted Populations

Low to Moderate Income –The Money Conferences

The Money Conference is a one-day event open to residents of the Commonwealth, which focuses on money management, saving, investing strategies, and credit education. The audience for this conference includes all ages, racial, ethnic and economic backgrounds, with varying levels of personal finance knowledge. The program is specifically designed to address the unique economic issues that L.M.I. individuals and families face in their work and personal lives, which impact their ability to retire and put them at higher risk for poverty later in life.

The Board elected to support these Money Conferences in conjunction with the Office of the State Treasurer, which has historically committed to coordinating and hosting these events for residents of the Commonwealth. However, to-date, the costs for these conferences have been borne by the Treasury and not the FLTF. The events typically include a comprehensive keynote speaker, over twenty community-based and statewide exhibitors, and 8-10 break-out sessions covering saving, credit, debt, planning for college, and more.

In recent history, the Money Conference included a regional tour targeting gateway communities and L.M.I. populations of the Commonwealth. Nearly 1,600 residents have been served through these conferences since the FLTF was established in 2011.¹ While the Money Conferences are held in economically and culturally diverse communities, with an emphasis on reaching low-income families, there are no restrictions on who may attend or participate in these conferences. One centrally located conference was hosted at the University of Massachusetts Boston campus on October 5, 2014 and engaged 700 pre-registered households, which is approximately 1,600 people.

All Money Conference attendees are asked to complete a full conference evaluation form at the conclusion of the day and after each individual break-out session. In Everett, approximately 80 full conference evaluation forms were returned and revealed positive qualitative data about the event. 81% of conference respondents rated their overall conference experience as “Excellent” (50%) or “Great” (31%). Another 9% said the conference was “Very Good.” Additionally, 84% of Conference attendees rated the content of the keynote presentation of as “Excellent” (68%) or “Great” (16%) and 82% found the presentation style to be “Excellent” (63%) or Great (19%).” From the data available, it appears that the keynote was more frequently rated as “Excellent” among the older respondents, when compared to the younger respondents.

¹ *Approximately 100 attendees participated in FY15 fall conference via live-streaming.*

In Boston, approximately 110 full conference evaluation forms were returned and revealed positive qualitative data about the event. 75% of conference respondents rated their overall conference experience as “Excellent” (53%) or “Great” (22%). Another 14% said the conference was “Very Good.” (*Figure 1*)

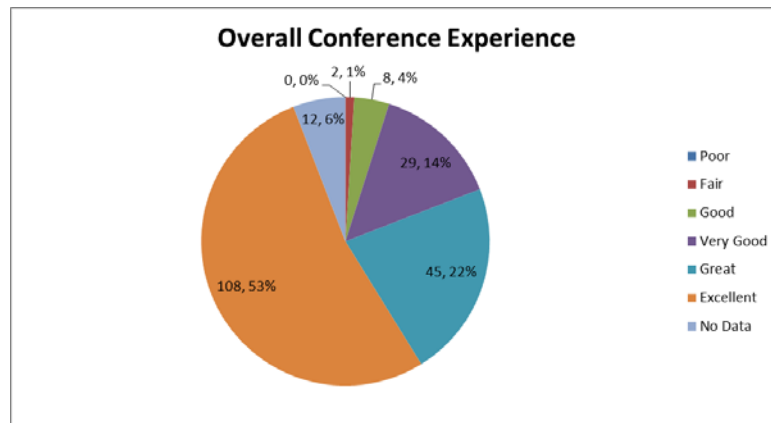


Figure 1

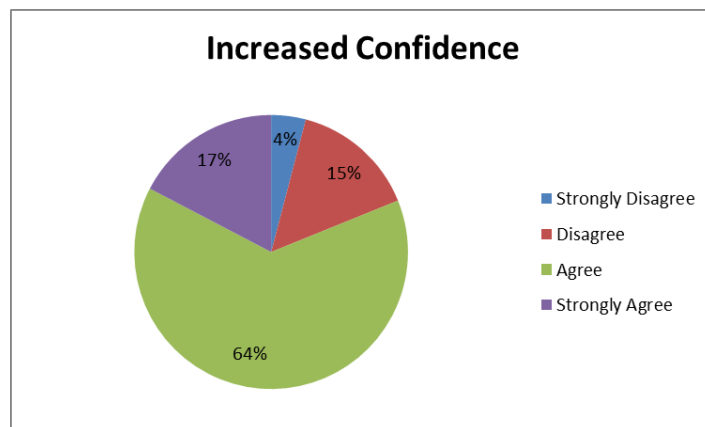


Figure 2

The Boston data confirmed that 81% of attendees either “Strongly Agreed” or “Agreed” with the following statement: “as a result of attending the conference, I feel confident managing my money.” (*Figure 2*)

Additionally, in reaction to attendee requests, future conferences will expand the break-out offerings available to participants. Attendees indicated that they are looking for additional guidance on retirement planning and other money milestones in life.

Veterans, Servicemembers & their Families

The Board committed approximately \$7,000 to underwrite a second year of programmatic investment to host *Operation Money Wise*. These events are targeted to serve veterans, servicemembers, and their families. Following a 2014 pilot program, this event was held on March 22, 2015 at Massachusetts Bay Community College. In learning from the pilot experience, this educational forum continued its successful partnership with the Massachusetts Office of Veterans Services' and Massachusetts National Guard. Both agencies provide valuable feedback, outreach, and credibility to the event. *Operation Money Wise* offered a comprehensive keynote speaker, over twenty veteran specific community-based and statewide exhibitors, and ten break-out sessions about saving, credit, debt, and planning for college. Each of these sessions were tailored to servicemembers and veterans and addressed how their military benefits can uniquely assist them with reaching personal finance goals.

At *Operation Money Wise*, all attendees were asked to complete a full conference evaluation form at the conclusion of the conference and after each individual break-out session. Nearly fifty-five percent of the evaluation forms were returned and revealed positive qualitative data about the event. 79% of conference attendees rated their overall conference experience as “Excellent” (50%) or “Great” (29%). Another 15% said the conference was “Very Good.” (Figure 3) Additionally, 76% of Conference attendees rated the content of the keynote presentation of as “Excellent” (51%) or “Great” (25%). (Figure 4)

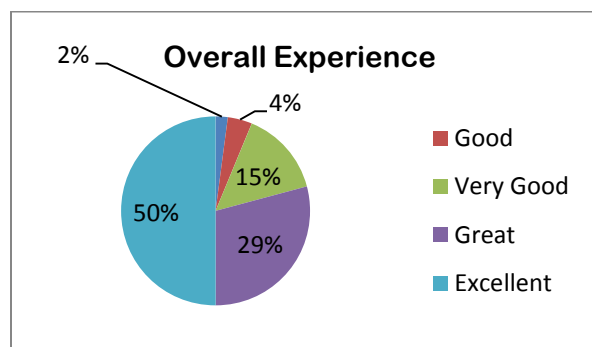


Figure 3

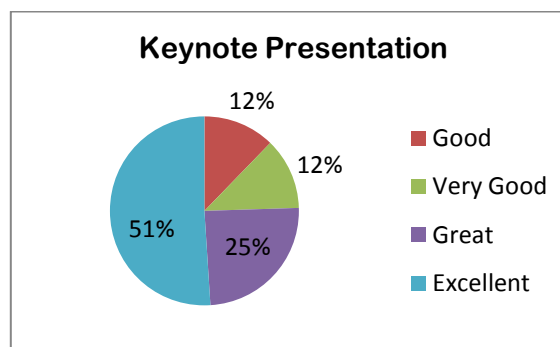


Figure 4

One of the Board's core values is taking a data driven approach when determining the continuation of a project. Accordingly, this event collected attendee feedback at three different points of contact. The effectiveness of the education at the conference was measured by pre, immediately post, and delayed post surveys. The data collected reflected the audience's quantitative rating of the overall conference and individual breakout sessions. The surveys also gathered qualitative data relative to what they learned at the event, as well as how the event can be improved. The delayed post surveys revealed what lessons learned at the conference have transpired into an action or practice. This data driven strategy has guided the Board in determining whether or not to make this conference an annual part of its programmatic plan.

The FLTF is slated to continue working in conjunction with Massachusetts National Guard and Reserve, Massachusetts Department of Veteran Services, and Inter-service Family Assistance Committee (ISFAC) by creating a regional grant opportunity to bring the *Operation Money Wise* conference to scale across the Commonwealth in 2016.

Transition

Upon taking office in January 2015, Treasurer Deborah Goldberg announced a new and robust agenda for the FLTF, with the goal of funding and expanding the overall fund by leveraging private sector and philanthropic funds. Treasurer Goldberg also established the Office of Economic Empowerment (“OEE”), a new department led by a deputy treasurer in the Office of the State Treasurer and Receiver General, which is tasked with supporting, advocating, and facilitating policies that empower all Massachusetts residents by closing the wage gap, increasing access to financial education, improving college affordability, and investing in science, technology, engineering, and math (STEM) careers and education.

On March 30, 2015, Treasurer Goldberg named the following eight people to the FLTF Board, underlining her efforts to enhance the Board’s impact throughout the Commonwealth; Barbara Anthony, Elizabeth Barajas-Román, Roy Belson, Ellen Kennedy, Evelyn Murphy (former Massachusetts Lieutenant Governor), Jerry Rubin, Hamel Husbands, and Alayna Van Tassel. In addition to the Treasurer’s appointees, the Board is comprised of six designees named on behalf of other state officials; Mary T. Sullivan (Attorney General’s Office), Undersecretary John Chapman (Office of Consumer Affairs and Business Regulation), Jacob Foster (Department of Elementary and Secondary Education), Tom Moreau (Executive Office of Education), and Tim Wilkerson (Executive Office of Housing and Economic Development). Lastly, six non-voting board members have been appointed to the Board; Professor Ben Branch and Senator Jamie Eldridge (two appointees on behalf of the Senate President), Representatives Steven Ultrino and Daniel Ryan (two appointees on behalf of Speaker of the House), Brian McCoubrey (on behalf of Senate Minority Leader), and Michael Prisco (on behalf of House Minority Leader). These twenty board members will help ensure that personal finance education is reaching citizens in every corner of the Commonwealth.

On April 16, 2015, Treasurer Goldberg announced the creation of a new Task Force on Financial Literacy. This group convened policymakers, educators, banks, and advocates together to examine the state of personal finance education in Massachusetts. Specifically, these members were asked to complete a comprehensive study of access to financial education, and release a detailed set of actionable recommendations to enhance financial literacy throughout the state.

The Task Force members committed to meet for six months and filed a final report with the Treasurer in November 2015 entitled “Report on Financial Literacy in Massachusetts: A Roadmap to Economic Empowerment.” This report will inform future programming through OEE, and will also serve as a guide for the Board in its efforts to improve the financial literacy and capability of Massachusetts residents.

On July 17, 2015, the Financial Literacy Trust Fund became the Economic Empowerment Trust Fund (“EETF”), pursuant to Section 31 of Chapter 46 of the Acts of 2015. In addition to this change, the legislation combined the FLTF with the Commonwealth Covenant Fund, and expanded the mission of the EETF to support economic empowerment programming under OEE.

Under the revised language, the EETF may expend funds to “encourage and facilitate economic empowerment programs” including but not limited to “(i) establishing financial literacy programs; (ii) creating college savings accounts, in cooperation with the Massachusetts Educational Financing Authority; (iii) establishing college and career readiness programs, particularly in the areas of science, technology, engineering and math; and (iv) supporting and promoting wage equality.” The State Treasurer shall continue to administer the fund in consultation with a 20-member board of trustees, and may create a 501(c)(3) corporation to fulfill its purpose. The legislation also grants the EETF Board the authority to “support and facilitate the establishment of college savings accounts” in cooperation with the Massachusetts Educational Financing Authority, and develop guidelines.

Strategic planning will ensure that the EETF continues to meet the original goals and mission of the FLTF, and allow for improved collaboration between the myriad of programs that fall within the broader theme of economic empowerment by consolidating the resources available for each. The 2016 fundraising goals established by the EETF Board will reflect this new strategic mission.

Conclusion

Since its creation in April 2011, the FLTF has established its position as a leader in advancing financial literacy throughout the Commonwealth. Since obtaining 501(c)(3) non-profit status, it has met its fundraising goals. The EETF Board looks forward to expanding upon past programmatic initiatives and broadening its impact in 2016, given the fund’s new name, scope, and mission.