



April 6, 2026

Tanya McInnis
Deputy Director
Office of Consumer Policy
Department of the Treasury
1500 Pennsylvania Ave. NW
Washington, DC 20220

RE: Treas-DO-2026-001 Request for Information Related to the Financial Literacy and Education Commission - Update to the U.S. National Strategy for Financial Literacy

Submitted via regulations.gov

Dear Deputy Director McInnis:

Thank you for the opportunity to provide comments on updates to the United States' National Strategy for Financial Literacy.

The Consumer Federation of America, founded in 1968, is a national non-profit representing approximately 250 organizations from across the country. CFA advocates for the consumer interest through research, advocacy, and education. CFA's America Saves is an initiative of CFA that uses principles of behavioral economics and social marketing to motivate, encourage, and support everyday Americans to save money, reduce debt, build wealth, and create better financial habits. Through America Saves and Veteran Saves, CFA reaches tens of millions of consumers each year through a nationwide network of partners, providing ongoing financial education and engagement to help individuals take practical steps to build savings and long-term financial stability.

In this comment, CFA will address:

- Priorities for delivering financial literacy programming to servicemembers.
- Prevention of fraud and scams.
- Priorities to address the changing financial services marketplace, including the proliferation of fintech products for making payments and loans.

- Best practices for maximizing the impact of programming with timely, respectful, and actionable instruction.
- Steps the federal government can take to support other organizations.
- Needs for research and evaluation.

Financial literacy training must move beyond merely providing information and instead present savers with steps they can take to save, invest, and maintain financial stability. The FLEC should ensure that programming can pair access with actionable opportunities. In CFA’s experience, financial success is the product of habits, and not a single one-time redirection.

Financial Literacy Priorities for Servicemembers

Financial health is a critical component of force preparedness. To fulfill the Department of Defense Instruction 1322.34, “Financial Readiness of Servicemembers,” the Department of Defense provides financial literacy training and counseling.¹

a. To best meet the needs of servicemembers, materials designed to enhance financial literacy should cover the specific situations faced by servicemembers and their households.

The military-to-civilian transition can be difficult. As a result, CFA’s Military Saves work considers this stage one of the critical components of our outreach. The transition to civilian life causes financial stress. Servicemembers must navigate fundamental changes in their financial lives. Some must endure a period between leaving service and receiving their first civilian paycheck. They lose their housing allowances and may experience delays in receiving benefits.

Additionally, civilian life inevitably involves new categories of costs. Servicemembers who were able to achieve financial stability while serving will likely encounter new types of expenses when they enter civilian life. Additionally, some expenses may be greater. Servicemembers may have made financial commitments, such as making payments for a car loan that had been affordable while serving, but that may not be within their means in their new situations.

Given these circumstances, financial education must address their lived experiences. It cannot be general or designed for the circumstances facing the broader public. The challenges faced by service members are entirely different from those who have never served.

Important content should be delivered to servicemembers before they leave their military roles. Financial training must clearly break down how military pay compares to civilian pay. It should reveal what the financial changes look like once someone separates and what those challenges look like in real life. Things like relocation costs, delays in benefits, and changes in housing expenses are common, but they’re not always clearly explained upfront. For these reasons, direct training needs to include actual planning by individuals.

¹ Results from the 2022 Status of Forces Survey. (2023). [Annual Report on the Financial Literacy and Preparedness of Members of the Armed Forces]. <https://finred.usalearning.gov/assets/downloads/FINRED-2023-FinancialLiteracy-R.pdf>

b. The Financial Literacy Education Commission (FLEC) should work with the CFPB's Office of Older Americans and Office of Servicemember Affairs.

Approximately 56 percent of veterans were over 60 by the end of 2024.² When designing curricula for veterans, the FLEC should prioritize developing content that aligns with the needs of older households. The offices housed in the CFPB's Office of Consumer Populations have invested in resources to understand their needs. To leverage existing work in this area, FLEC should work with the CFPB's OCP offices.

Recently, Acting CFPB Director Russell Vought submitted a plan to drastically reduce the OCP. This division includes the Office of Service Member Affairs, the Office for the Protection of Older Americans, and the Office of the Private Education Loan Ombudsman. In 2024, the OCP had a staff of 47. The proposed plan would cut its staff to just nine individuals. These groups work with the Office of Financial Education; the new staffing plan proposes cuts to it, as well. These organizations are directly responsible for developing and implementing the national financial literacy plan.³ To ensure it can meet the needs in our country for financial literacy programming, the CFPB should reverse its proposal to reduce staffing in the OCP and OCE.

c. Address conflicts of interest in financial literacy programming targeted to servicemembers and their families.

Treasury should review materials to ensure servicemembers get unbiased information that will help them save money and avoid risk.

FLEC should review its training materials to ensure that information presented to servicemembers does not present conflicts of interest. For example, some financial institutions create financial education programs that promote their financial products.

Important questions to consider include:

- When financial institutions offer financial education, do they market their products and services to servicemembers? Offering financial education should not devolve into a marketing opportunity.
- Some financial institutions serving servicemembers earn the majority of their profits from overdraft fees.⁴ Do curricula contain content that alerts servicemembers of their rights not to use overdraft services? Does the content include advice on methods to avoid overdraft and NSF fees, such as other forms of credit that are less costly?
- Do curricula make servicemembers aware of alternative forms of credit to high-cost loans? The Army Emergency Relief (AER), Navy-Marine Corps Relief Society, Air Force Aid Society, and

² National Center for Veterans Analysis and Statistics. (2025, March 26). VA.gov | Veterans Affairs [Veteran Population]. https://www.va.gov/vetdata/veteran_population.asp

³ 12 U.S.C. §5493(d)(2)

⁴ Klein, A. (2022). Getting Over Overdraft. Milken Institute Review. <https://www.milkenreview.org/articles/getting-over-overdraft>

Coast Guard Mutual Assistance offer zero-interest loans and grants to service members facing financial hardship.⁵ The FLEC should verify that all materials are clear and transparent about the availability of these low or no-cost small-dollar loan products.

Priority Areas for the National Strategy

Question: Given the rise in scam and fraud incidents in the past five years, how do you think that the FLEC should approach this topic area?

We are concerned that financial education will not be enough to prevent people from falling victim to scams. For some time now, education has provided clear warnings to consumers about the urgency to avoid scams. Nonetheless, total funds lost to scams continue to rise. Most recently, the FBI and FTC published a report showing that funds reported lost grew from \$12.5 billion in 2024 to \$16.6 billion in 2025. Moreover, these numbers certainly reflect significant underreporting. In a recently published report, CFA estimated that actual losses exceed \$119 billion per year.⁶ Victimization is growing rapidly, even though extensive efforts are already underway to raise awareness of the problem.

The real drivers behind the rise in scams are structural. Artificial intelligence has transformed the sophistication of scam operations. Social media has normalized impersonation and created vast troves of personal data ripe for exploitation. Information sharing across platforms gives fraudsters the intelligence they need to craft convincing pretexts. Smartphones add risk. Most people carry devices capable of initiating funds transfers; these devices are also how scammers contact potential victims directly via text or phone calls. In financial services, people are likely to use multiple financial institutions and transact with both banks and non-banks. Simultaneously, our population is aging. This makes it inevitable that a growing share of consumers will be more vulnerable to deception.

a. Educate consumers on best practices.

Scam threats have surged in the last several years. The attack surface continues to grow. Most adults carry a smartphone, making them available to scammers by text or phone call, and capable of ordering a funds transfer with an app at any time. Social media companies rely on advertising revenue from scammers.⁷ Due to steady breaches of personal financial information, criminal organizations hold and trade critical data on consumers to support identity theft and synthetic bank account opening. With the increasing sophistication of artificial intelligence, scammers can create deepfakes to enhance their scam narratives. Only making it worse, our population is aging, leading to the likelihood that scammers will take advantage of people with declining cognitive skills.

In those contexts, it is urgent that the FLEC convey how consumers can make themselves more difficult to target. It should highlight the importance of using multi-factor authentication, creating complicated passwords, and viewing phone calls and texts from unfamiliar contacts with skepticism. They should

⁵ FINRED-2023-FinancialLiteracy-R.pdf.pdf. (n.d.). Retrieved November 7, 2025, from <https://finred.usalearning.gov/assets/downloads/FINRED-2023-FinancialLiteracy-R.pdf.pdf>

⁶ Ben Winters. (2026). The Scam Economy: The True Cost of Online Scams and Crimes in America. Consumer Federation of America. https://consumerfed.org/wp-content/uploads/2026/03/The-Scam-Economy_The-True-Cost-of-Online-Scams.pdf

⁷ Vanian, J. (2025, November 6). Meta reportedly projected 10% of 2024 sales came from scam, fraud ads. CNBC. <https://www.cnbc.com/2025/11/06/meta-reportedly-projected-10percent-of-2024-sales-came-from-scam-fraud-ads.html>

encourage consumers to check their banking statements regularly, place fraud alerts and credit freezes if they believe their accounts have been compromised, and be vigilant about phishing emails.

b. Curricula should instruct people on how to report a financial loss. To facilitate these efforts, programming should be delivered to local law enforcement agencies.

Data suggests that only about 5 to 15 percent of scams are ever reported to authorities. Because of shame, many people are reluctant to say anything. Others may not know where to file a report. In some cases, local law enforcement is unprepared to respond and may not direct victims to report. These findings point to a strong need to provide financial training to the “first responders” to scams - local law enforcement.

Question: Are there other developments in the past five years that the strategy should incorporate or address, and how?

a. The FLEC should include emerging fintech products in its educational curricula.

Compared to even five years ago, people are much more likely to use a financial technology (“fintech”) product.⁸ Coming out of the pandemic, fintech companies' revenues are increasing at three times the rate of those in the traditional banking sector.⁹ By design, these services work almost exclusively through digital channels. These differences create several challenges for reaching consumers.

Whereas traditional banking consists of “making loans, taking deposits, and paying checks,” fintech services are narrow, often offering only one of the three legs of traditional banking. Fundamentally, fintech dispenses with relationship banking. Non-banks do not have community reinvestment obligations, so one of the key drivers to compel action from banks is absent here. Moreover, fintech is about reducing friction, and any additional layer that detracts from that goal will face skepticism from providers.

As a result, opportunities to present any form of financial education in apps are very limited and would depend on a provider's willingness to give FLEC space on their platform. It is hard to imagine that a fintech app could engender the level of trust and the breadth of relationship, often evident in banking, to facilitate meaningful financial education curricula.

For those reasons, the FLEC should devote resources to advancing consumer understanding of these services. The fintechs themselves are unlikely and unable to provide valuable education. Some product areas that deserve inclusion in future curricula include:

- Earned wage access (EWA): The earned wage access market has expanded rapidly in recent years, driven by a growing number of providers and accelerating adoption among by businesses and workers. Transaction values nearly tripled from \$3.2 billion in 2018 to \$9.5 billion in 2020, while transaction volume grew at a similar pace — from 18.6 million to 55.8 million over the

⁸ Fortune Business Insights. (2026). FinTech Market Overview with Size, Share, Value. <https://www.fortunebusinessinsights.com/fintech-market-108641>

⁹ *The future of fintech growth*. (2023, October 24). <https://www.mckinsey.com/industries/financial-services/our-insights/fintechs-a-new-paradigm-of-growth>

same period.¹⁰ By 2023, DailyPay alone illustrated the market's scale, reporting over 900 business clients, 4 million employees with platform access, and \$6 billion in transfers processed.¹¹

Research shows that many people use EWA services repeatedly - often more than once per pay period - creating the risk that they will fall into a debt trap.¹² While some apps offer free options, they still encourage users to pay a “tip” and inevitably profit by charging fees for real-time or near-real-time fund transfers. Some charge subscription fees - again creating a high-cost form of small-dollar credit.¹³ Even a tip of several dollars, when paid for a small advance and repaid only a few days later, can result in credit costing more than 100 percent APR.

- Merchant cash advance (MCAs): small business owners, particularly new firms, often use MCAs. In most states, the cost of MCA credit is not expressed clearly; most use a “factor rate” rather than an interest rate or an APR.¹⁴ Unfortunately, MCA credit can be very expensive, and well above the cost of using credit cards or other bank-issued financing. As a condition of extending credits, lenders take repayment by automatically debiting card swipes. For example, a small business owner might agree to assign 10% of their next \$11,500 in card-based cash flows (a factor rate of 1.15) to secure a \$1,000 advance. If the business owner received that revenue in three months, then the cost of credit would be 70 percent.¹⁵ As this example demonstrates, the absence of a known loan term results in an opaque credit structure. It is also the case that some borrowers will “stack” MCA loans.
- Rent now pay later (RNPL) loans: A new form of buy now pay later (BNPL) provides short-term credit to tenants to pay rent over the course of the month. These firms charge subscription fees and payment fees. Tenants may see these services as a way to avoid late fees when they are short of funds. However, the true cost of credit is often greater than 50 percent, or even 100 percent.¹⁶ The FLEC should convey to clients the true cost of using these services.
- Online and traditional payday loans: Payday lending is still legal in almost twenty states. Despite their cost, many people think they can use them without falling into a debt trap. While some do, many others end up reborrowing. Online payday loans are generally even more expensive than those originated through storefronts. The FLEC should explain the risks of using payday loans and the threats of reborrowing.

¹⁰ PYMNTS. (2024, January 29). Study: Earned Wage Access Overuse Can Hurt Consumers. PYMNTS.Com.

<https://www.pymnts.com/payroll/2024/study-earned-wage-access-overuse-can-hurt-consumers/>

¹¹ Daily Pay. 2023 DailyPay Rewind. (2024). <https://www.dailypay.com/resource-center/blog/2023-dailypay-rewind/>

¹² California Department of Financial Protection and Innovation. (2023). 2021 Earned Wage Access Data Findings. <https://dfpi.ca.gov/wp-content/uploads/sites/337/2023/03/2021-Earned-Wage-Access-Data-Findings-Cited-in-ISOR.pdf>

¹³ Constantine, L. (2023). Earned Wage and Digital Cash Advance Users Pay Fees and Tips and Take Multiple Advances to Cover Basic Living Expenses | Center for Responsible Lending [CRL Survey]. Center for Responsible Lending.

<https://www.responsiblelending.org/media/crl-survey-earned-wage-and-digital-cash-advance-users-pay-fees-and-tips-and-take-multiple>

¹⁴ *Consumer & Community Context—March 2025*. (2025). [Consumer & Community Context]. Board of Governors of the Federal Reserve System. <https://www.federalreserve.gov/publications/2025-march-consumer-community-context.htm>

¹⁵ Lipman, B. J., & Wiersch, A. M. (2019). Uncertain Terms: What Small Business Borrowers Find When Browsing Online Lender Websites. Community Development Reports. <https://www.clevelandfed.org/publications/cd-reports/2019/sr-20191219-uncertain-terms>

¹⁶ Protect Borrowers. (2026). Rent Now, Pain Later Report. <https://protectborrowers.org/resource/rent-now-pain-later-report/>

- Buy Now Pay Later (BNPL) services. CFPB research found that consumers with incomes between \$20,000 and \$50,000 were the most common income group using BNPL services, and that approximately 22 percent of respondents under age 35 had used BNPL at least once.¹⁷ While one provider has entered into a partnership with a national credit bureau, most lenders still do not report positive repayment on BNPL loans.¹⁸ Some fintech companies are reporting positive repayment for a service bundled into programs with monthly subscription fees above \$30.¹⁹ With fragmented BNPL reporting across the marketplace, borrowers may have the false expectation that their BNPL repayments will be reported. Additionally, because most BNPL users have long histories of using other forms of credit, they may hold false expectations about BNPL's ability to reshape their credit scores. For these reasons, the FLEC should provide content to clarify potential misunderstandings about the use of BNPL.
- The FLEC should discourage consumers from purchasing cryptocurrency and stablecoins. It should make clear how stablecoins have frequently fallen below par. It should convey how many tokens have become worthless. Explanations of the value of cryptocurrency are, at best, explained by the Greater Fool Theory: its value is solely based on the chance that a holder can find a person who will pay a greater price. Not surprisingly, when crypto markets fall, they do so dramatically. In just one month during the 2021 crypto winter, crypto assets fell by more than \$1 trillion.²⁰ Rather than adopt the sensible “get rich slowly” strategies that involve making steady contributions to retirement plans, building an emergency savings account, and pursuing homeownership, too many people choose “get rich fast” schemes that carry high risk. The FLEC should insist that education materials make clear that cryptocurrency is not a reliable way to build wealth.

Fintechs and their trade association representatives continue to press for lighter regulation, exemptions from regulations that apply to traditional financial institutions, and loopholes to avoid standard disclosures about pricing. Because some fintechs have demonstrated they will not police themselves, and given the growing use of these services, the FLEC must prioritize public education on how to use fintech products.

- b. The FLEC should provide product-specific training. Millions of people pay expensive overdraft fees every year. Debt settlement firms tout products that rarely bring promised benefits. The FLEC should develop materials for these concerns.*

After declining for several years, overdraft fees have begun to increase. FLEC should respond to this development. It should ensure consumers understand the terms and conditions for overdraft policies.

¹⁷ Shupe, C., Li, G., & Fulford, S. (2023). *Consumer Use of Buy Now, Pay Later Insights from the CFPB Making Ends Meet Survey* (No. 2023-1). Consumer Financial Protection Bureau. https://files.consumerfinance.gov/f/documents/cfpb_consumer-use-of-buy-now-pay-later_2023-03.pdf

¹⁸ Mullen, C. (2023, March 27). BNPL remains mainly absent from consumer credit histories. *Payments Dive*. <https://www.paymentsdive.com/news/bnpl-credit-reports-payments-affirm-klarna-experian-equifax-transunion-cfpb/646002/>

¹⁹ Patrick Cooley. (2026, January 15). Affirm to offer BNPL for rent [PaymentsDive]. Dive Brief. <https://www.paymentsdive.com/news/affirm-to-offer-bnpl-for-rent/809672/>

²⁰ Eswar Prasad. (2021, July 20). Bitcoin: The Brutal Truths Revealed. Brookings. <https://www.brookings.edu/articles/the-brutal-truth-about-bitcoin/>

In 2019, consumers paid more than \$12 billion in overdraft fees.²¹ But progress was being made. During the prior administration, the total sum paid for overdrafts fell by approximately 50 percent compared to pre-pandemic levels.²² The vast majority of NSF fees were eliminated.²³ However, the sums are now growing again; fourteen of the largest retail banks reported increases in their overdraft and NSF fee income in the first three quarters of 2025.²⁴

The frequency of consumer overdraft events varies significantly across different financial institutions.²⁵ Given the complexity of rules for debiting and crediting accounts, the differing policies for when fees are charged, and the applicability of opt-in rules, it is understandable that many people could be confused by their accounts' rules. FLEC must prioritize explaining how overdraft policies work.

The differences support the idea that some financial institutions omit or downplay consumers' right not to use overdraft when opening new accounts or fail to explain that certain transactions can result in overdrafts even if a person has opted out of the service.

For these reasons, the FLEC should ensure that financial literacy materials emphasize not only that consumers do not have to use overdraft, but also that they may incur overdraft fees even if they did not opt in to the service, because certain transaction types are not subject to opt-out rules.

Debt settlement companies prey on people who are attempting to improve their financial situation. These companies claim they can help people reduce their outstanding debt and resurrect their credit scores. In the years leading up to the pandemic, the use of debt settlement firms doubled, even though bankruptcy filings and other measures of distress were relatively unchanged.²⁶ The majority of consumers who contract with a private debt settlement company still have unresolved accounts when they finish the process, and 26 percent fail to settle any accounts.²⁷ These results may reflect how roughly half of all creditors refuse to work with debt settlement companies.²⁸

²¹ Offices of Markets and Consumer Populations. (2024). *Overdraft/NSF Revenue in 2023 down more than 50% versus pre-pandemic levels, saving consumers over \$6 billion annually* [Data Spotlight:]. Consumer Financial Protection Bureau. <https://www.consumerfinance.gov/data-research/research-reports/data-spotlight-overdraft-nsf-revenue-in-2023-down-more-than-50-versus-pre-pandemic-levels-saving-consumers-over-6-billion-annually/>

²² Ibid

²³ Offices of Consumer Populations and Markets. (2023). *Vast majority of NSF fees have been eliminated, saving consumers nearly \$2 billion annually* [Data Spotlight]. Consumer Financial Protection Bureau. <https://www.consumerfinance.gov/data-research/research-reports/vast-majority-of-nsf-fees-have-been-eliminated-saving-consumers-nearly-2-billion-annually/>

²⁴ Gillison, D. (2025, December 16). US overdraft fees jump at big banks amid regulatory, economic shifts. *Reuters*. <https://www.reuters.com/sustainability/boards-policy-regulation/us-overdraft-fees-jump-big-banks-amid-regulatory-economic-shifts-2025-12-16/>

²⁵ Office of the Comptroller of the Currency. (2023). OCC Issues Guidance on Overdraft Protection Programs (Guidance News Release 2023-41). <https://www.occ.gov/news-issuances/news-releases/2023/nr-occ-2023-41.html>

²⁶ FinRegLab & National Foundation for Credit Counseling. (2023). *Debt Resolution Options: Market & Policy Context*. https://finreglab.org/wp-content/uploads/2023/12/FinRegLab_2022-10-20_Research-Report_Debt-Resolution-Options-for-Distressed-Borrowers_Market-and-Policy-Context.pdf

²⁷ Will S. Dobbie. (2021). *Financial Outcomes for Debt Settlement Programs: Estimates for 2011–2020* [A report commissioned by the American Fair Credit Council]. Harvard Kennedy School. https://static1.squarespace.com/static/67c80bb145c6ed5737d59c7b/t/67fd2aaa0e170605b78e7d49/1744644779460/Dobbie_Report-1.26.2021-1.pdf

²⁸ Dickey, J. (2013, April 29). Top Reasons Some ARM Companies Don't Work with Debt Settlement Providers. *insideARM*. <https://www.insidearm.com/news/00026852-top-reasons-some-arm-companies-dont-work/>

The FLEC should convey to consumers that working with a debt settlement company involves significant risks. After all, the strategy utilized by debt settlement firms is a gamble. These companies advise consumers to intentionally default on debt as a pretext to negotiate down their outstanding balances. Unfortunately, this ploy automatically destroys consumers' credit ratings, even if they never successfully reduce their indebtedness. Indeed, some creditors refuse to negotiate with debt settlement companies and initiate collection activity, with the result that approximately one in four are still sued by at least one creditor.²⁹

Question: Which best practices for financial education programs would you keep, change, add, or remove, and why?

- a. *We recommend maintaining a strong foundation of existing best practices, while shifting more intentionally toward approaches that drive action and sustained behavior change.*

Clear, actionable information and ongoing support should remain core elements of financial education programs, as they provide essential guidance and reinforcement over time.

However, the strategy should move beyond knowledge-based approaches and place greater emphasis on behavior-focused strategies. In CFA's experience, improving financial outcomes depends less on what individuals know and more on what they consistently do, reinforcing the need for programs that prioritize action. As a result, programming should seek to change behavior - and not just awareness.

- b. *We also recommend adding a stronger focus on timely, relevant financial education delivered at key decision-making moments, such as tax time, benefit enrollment periods, and major life milestones.*

Delivering guidance when individuals are actively making financial decisions increases the likelihood that information will be applied and retained. Financial education programs are most effective when they help individuals take immediate, practical steps and build habits over time, rather than focusing solely on increasing knowledge.

To that end, engagement must leverage the opportunity presented when target audiences face critical financial decisions. For example, Voluntary Income Tax Assistance (VITA) programs meet face-to-face with lower-income households. When preparing returns, they have an opportunity to convey sensible financial habits to tax filers. For example, if a filer asks to receive a refund by paper check, a VITA worker can take a moment to ask if the person has a bank account. Transitioning individuals into the banking system and away from non-bank alternative financial services is likely to save them money.

Question: What best practices would you recommend for youth financial education programs?

- a) *We recommend that youth financial education programs prioritize real-world experience and early habit formation, rather than relying solely on classroom-based instruction.*

²⁹ Leslie Parrish. (2016). A Roll of the Dice: Debt Settlement Still a Risky Strategy for Debt-Burdened Households. Cityscape, 18(2). <https://www.huduser.gov/portal/periodicals/cityscpe/vol18num2/ch3.pdf>

Providing young people opportunities to actively manage money, such as through savings or investment accounts, helps translate knowledge into lasting financial behaviors.

Programs should emphasize consistent habit-building, including saving regularly regardless of amount and setting clear, meaningful goals. Research from the CFPB shows that financial well-being is closely tied to everyday financial behaviors, underscoring the importance of establishing habits early in life.

We also recommend delivering timely, relevant education at key moments, such as when opening a first account, starting a job, or transitioning through education milestones. These moments present critical opportunities to reinforce learning and encourage action.

Engaging parents and caregivers is essential because financial behaviors and attitudes are often shaped at home. In addition, programs should incorporate education on financial technology (fintech) tools, reflecting how young people increasingly interact with money through digital platforms.

Overall, youth financial education is most effective when it combines access, timing, and practice, helping young people build the skills and habits needed for long-term financial security.

Question: What best practices would you recommend to increase consumer awareness and consumers' ability to protect themselves against fraud and scams?

We recommend that efforts to increase consumer awareness and protection against fraud and scams focus on building recognition and response skills, not just general awareness. Consumers are more likely to avoid harm when they can identify common scam patterns - such as urgency, impersonation, and payment requests and know how to respond in the moment.

Findings from the FINRA Investor Education Foundation National Financial Capability Study show that individuals with higher financial literacy are more likely to recognize scam attempts and less likely to become victims, underscoring the importance of targeted education paired with practical applications.³⁰

a) Use real-world examples of scam techniques to help consumers identify scams.

To strengthen these efforts, the national strategy should emphasize scenario-based learning and real-world examples, helping consumers practice identifying and responding to fraud attempts. In addition, expanding access to clear reporting pathways and recovery resources can improve outcomes for those who experience fraud.

By focusing on recognition, response, and recovery, the FLEC can better equip consumers to navigate an increasingly complex and evolving fraud landscape.

³⁰ Judy T. Lin, Christopher Bumcrot, Olivia Valdes, Gary Mottola, Susan Sarver, Robert Ganem, Christine Kieffer, & Gerri Walsh. (2025). The National Financial Capability Study. FINRA Foundation. <https://finrafoundation.org/national-financial-capability-study>

b. Educate consumers about risks of check fraud.

In recent years, theft of paper checks has surged.³¹ Envelopes from the IRS, particularly at tax time, are attractive targets that are frequently stolen from mailboxes. Similarly, criminals now fish for IRS check payments in public mailboxes.³² Encouraging the use of direct deposit is important to help people avoid scams.

Treasury should include targeted efforts to educate consumers about the growing risk of check fraud, particularly as incidents involving stolen and altered paper checks have increased in recent years. Consumers may not be aware that mailed checks, especially those associated with tax refunds or government payments, can be vulnerable to theft and fraud.

Education should focus on practical risk-reduction strategies, including encouraging the use of secure payment methods such as direct deposit, which can significantly reduce exposure to interception and manipulation. Consumers should also be informed about safer ways to send payments, such as avoiding unsecured mail drop locations and monitoring accounts closely for unauthorized activity.

In addition, raising awareness during high-risk periods, such as tax season, can help consumers take preventive steps when they are most likely to send or receive payments by check. By emphasizing prevention and safer alternatives, the Treasury can help reduce consumer exposure to this evolving form of fraud.

Federal Government Role in Financial Literacy and Education

Question: How can the federal government support consumers and financial education practitioners?

a. Restore funding for the CFPB's financial literacy programming.

Financial counselors have conveyed to our organization that they derive great value from the Consumer Financial Protection Bureau's (CFPB) financial education content.³³ The CFPB makes financial literacy literature available free of charge upon request. When the Trump Administration took steps to undermine the agency, it stopped publishing new copies of the literature.

Community organizations want to have access to the CFPB's financial curricula. Compared to other sources of content, the CFPB's information is free from conflicts of interest. They told us they could access financial literacy programming from local financial institutions, but it would inevitably include calls to action to use their products and services.

³¹ Sweet, K. (2023, June 12). Cases of check fraud escalate dramatically, with Americans warned not to mail checks if possible. AP News. <https://apnews.com/article/check-fraud-banks-organized-crime-5f033b93bd87e2cbeb82b4ab4865a916>

³² Internal Revenue Service. (2025). Four individuals charged in \$63 million mail theft conspiracy, including two postal employees. <https://www.irs.gov/compliance/criminal-investigation/four-individuals-charged-in-63-million-mail-theft-conspiracy-including-two-postal-employees>

³³ Interview with the Catholic Charities of Kansas (Spring 2025)

We have heard from local agencies that they proactively ordered new copies in bulk to ensure they would still have resources to make available to their clients. The CFPB should once again print this content and make it available, for free, to anyone who asks for it.

b. Ensure that materials are available in multiple languages.

More than 12 million adults in the United States report difficulties in speaking and writing English.³⁴ For the FLEC to reach these populations, it must offer financial literacy materials in languages other than English.

The Consumer Financial Protection Bureau makes its content available in Spanish, Arabic, Chinese, Haitian Creole, Korean, Russian, Tagalog, and Vietnamese. Our country is multilingual, and given this fact, federal financial literacy resources must be available in languages other than English. In furtherance of this commitment, the CFPB routinely conducted outcome-based tests to ensure that its materials are written consistently with cultural expectations.³⁵ Recently, the CFPB has withdrawn materials from its website that are not in English. The CFPB should reverse these decisions. They are detrimental to financial literacy efforts.

c. Tailor messages to the audiences receiving them. When possible, make content timely.

Consumers benefit when clear guidance is conveyed through “real-world” events. As a result, materials should be designed to answer the specific needs of individuals. As always, efforts to reach vulnerable populations, including older adults, military families, and low- and moderate-income households, will be more effective when messaging and resources are tailored to their specific financial needs.

Research shows that behavior-based/action-oriented financial education is more effective than knowledge-only approaches at improving financial outcomes.³⁶ The FLEC should, for example, highlight how automatic enrollment increases participation as compared with education alone, and that timely information (when decisions are being made) can better support financial decision-making than classroom approaches.

Additional data from the Federal Reserve’s Survey of Household Economics and Decision-Making highlights that many households lack emergency savings, reinforcing the need for systems that make saving easier and more consistent over time.³⁷

³⁴ Consumer Finance: Factors Affecting the Financial Literacy of Individuals with Limited English Proficiency | Adult Education and Literacy | U.S. Department of Education (GAO-10-518). (2010). Government Accountability Office. <https://lincs.ed.gov/professional-development/resource-collections/profile-713>

³⁵ The CFPB Language Access Plan for consumers with limited English proficiency. (2023). Consumer Financial Protection Bureau. <https://www.consumerfinance.gov/data-research/research-reports/the-cfpb-language-access-plan-for-consumers-with-limited-english-proficiency/>

³⁶ John Beshears, James J. Choi, David Laibson, & Brigitte Madrian. (2024). Influencing Retirement Savings Decisions with Automatic Enrollment and Related Tools. National Bureau of Economic Research. <https://www.nber.org/reporter/2024number3/influencing-retirement-savings-decisions-automatic-enrollment-and-related-tools>

³⁷ Report on the Economic Well-Being of U.S. Households in 2024 and May 2025. (2026). [Economic Well Being of Households]. Board of Governors of the Federal Reserve System. <https://www.federalreserve.gov/publications/2025-economic-well-being-of-us-households-in-2024-savings-and-investments.htm>

Question: How should the FLEC best engage with financial education providers outside of the federal government to promote financial literacy and education? (For example, state and local government, schools and universities, and the private and nonprofit sectors.)

We encourage the FLEC to establish and support partnerships with state and local governments, schools, universities, employers, nonprofits, and financial institutions to align messaging and share resources.

To facilitate these partnerships, FLEC should develop and promote tools and best practices that practitioners can reference/use. FLEC should provide funding to support partners' work.

- a. *The FLEC should educate local law enforcement agencies (LEAs) on how to respond to victims of scams.*

The FLEC should develop curricula for local LEAs. Local LEAs are the first responders to consumers who have been victimized by a scam. They are also trusted figures in their communities. Local LEAs can capitalize on their standing to teach people how to identify and avoid scams.

The FLEC should instruct LEAs to receive complaints. Importantly, because improving defenses against scams relies on information sharing, local LE should report cases to state Attorneys General, the Federal Bureau of Investigation, the Federal Trade Commission, the CFPB, and the financial institutions involved in the transactions.

- b. *Work with employers and trade associations serving human resource and payroll service firms to encourage workers to send a portion of their pay to a savings account by automatic direct deposit.*

Cash is a critical component of financial security. In its analysis of the liquidity of its account holders, JPMorgan Chase's research division found that cash savings were far more important to stability than income. In fact, households with little room for discretionary spending but with cash savings missed fewer payments on average than households with discretionary income but no cash savings.³⁸

Only four of every ten workers enrolled in a retirement plan also have a liquid source of emergency savings.³⁹ Research from the National Bureau of Economic Research further shows that automatic enrollment and similar default-based tools significantly increase participation in savings programs.⁴⁰

We encourage savers to make cash savings automatic. The FLEC should encourage workers to establish a second direct deposit of wages into a savings account and emphasize the need to enroll in and contribute

³⁸ JPMorgan Chase Research. (2025, September 22). Building financial security and resilience to unexpected expenses: The importance of cash savings. JPMorgan Chase Institute Research Topics Financial Health & Wealth Creation.

<https://www.jpmorganchase.com/institute/all-topics/financial-health-wealth-creation/building-financial-security-and-resilience>

³⁹ Jake Spiegel, Craig Copeland, & Bridget Bearden. (2024). 2024 EBRI Financial Wellbeing Employer Survey: Employers See Financial Wellness Benefits as a Tool to Improve Worker Satisfaction and Productivity. Employee Benefits Research Institute. <https://www.ebri.org/financial-wellbeing/publications/issue-briefs/content/2024-ebri-financial-wellbeing-employer-survey--employers-see-financial-wellness-benefits-as-a-tool-to-improve-worker-satisfaction-and-productivity>

⁴⁰ John Beshears, James J. Choi, David Laibson, & Brigitte Madrian. (2024). Influencing Retirement Savings Decisions with Automatic Enrollment and Related Tools. National Bureau of Economic Research. <https://www.nber.org/reporter/2024number3/influencing-retirement-savings-decisions-automatic-enrollment-and-related-tools>

to workforce retirement plans. To expand the reach of these materials, Treasury should seek partnerships with employer associations.

- c. The FLEC should leverage the social capital held by community organizations to disseminate curricula about scam threats. As critical partners, HUD housing counseling agencies must receive financial support to do their work.*

While these agencies are not first responders after victims have been scammed, they can thwart future scams.

Historically, the Department of Housing and Urban Development (HUD) has trained and certified workers in community organizations. To become HUD-certified housing counselors, individuals receive extensive training and complete continuing professional education to maintain their certifications. Typically, housing counselors coach people to save money, build or restore credit, and achieve financial stability. Some programs provide resources to people after they suffer a foreclosure. The skills and experience of HUD-certified housing counselors are, for the most part, unparalleled elsewhere.

In the last year, funding for many HUD-certified housing counselors and the programs employing them has been cut. Treasury must restore funding to these programs. They are frontline workers in the battle to improve households' financial stability.

Research and Evaluation

Question: What outcome measures should be used to evaluate financial literacy?

Program evaluation should emphasize what actually changes financial behavior and improves financial well-being, ensuring resources are directed toward strategies that deliver measurable, lasting results.

We often see a gap between knowledge and behavior. This is a consistent occurrence. All too often, individuals are overconfident in their expertise. While education can improve knowledge, outcomes are primarily driven by behavior.

- a. Evaluators should not seek to identify how programs change consumer awareness of healthy financial habits.*

Evaluations should focus on demonstrated outcomes, with a few to see how financial education leads to consistent financial behavioral change.

As a result, evaluations should score outcomes for critical financial decisions. To understand effectiveness, evaluators should measure efforts by their quantitative impacts on savings rates, use of auto transfers, debt reduction, development of “emergency savings,” and changes to credit scores.

This approach is supported by research from the Consumer Financial Protection Bureau, which defines financial well-being as the ability to meet ongoing obligations, absorb shocks, and make choices that support quality of life.⁴¹

b. Evaluations should seek to show connections between the use of fintech products and changes to financial stability.

Many financial providers claim that their products will improve their users' financial stability. However, these claims often blur access and “financial inclusion” with financial stability. Consumers may receive these messages and accept their claims when they should instead exercise skepticism. Evaluations should draw connections between the products consumers use and their financial outcomes. Drawing the throughline to make that assessment should consider examples that show instability. Overdraft incidents, repeated use of loans, changes in creditworthiness, and loss of emergency savings reflect financial instability.

Thus, evaluations should ask about the use of particular products that can lead to improvements or harms. Examples could include earned wage access, payday, buy now pay later, tax refund, non-bank high-cost installment, and other non-bank lending products. Similarly, they could seek to connect revolving credit card debt to measures of financial stability. For instance, research could ask whether the use of earned wage access loans leads to increased overdrafts, more days in the month with a low checking account balance, and a loss of emergency savings. These findings could provide a valuable source of independent, unbiased information for at-risk consumers.

d. Test policy designed to aid savings.

Under the SECURE Act, workers can withdraw up to \$1,000 in retirement savings without a penalty, and a second component can enroll workers in “pension-linked emergency savings accounts.”⁴² The FLEC should test these services to assess their impact on ongoing financial stability.

The FLEC should conduct longitudinal studies to monitor the results of Trump Accounts. Over time, these accounts should yield valuable insights into how savings can affect financial and non-financial socioeconomic outcomes for young people.

e. Conduct research to determine how emerging media channels convey financial information.

Increasingly, young people receive information outside of traditional media channels. They may place trust in online experts. Many people have lost trust in traditional financial institutions and products and may be prone to placing too much faith in non-traditional channels such as social media, forums, chat rooms, and financial personalities.

⁴¹ Consumer Financial Protection Bureau. (2015). Financial well-being: The goal of financial education. https://files.consumerfinance.gov/f/201501_cfpb_report_financial-well-being.pdf

⁴² Lucy Peterson. (2024, October 10). Secure 2.0 Act provisions would offer workers easier access to emergency savings. <https://www.benefitspro.com/2024/04/24/secure-2-0-act-provisions-would-offer-workers-easier-access-to-emergency-savings/?slreturn=2024042590605>

Financial influencers (“finfluencers”) will change how younger generations consume financial information. These changes will heighten the chances that people receive incorrect and potentially risky information about financial services.

Finfluencers may vary in how they capture audiences, but the problems they pose present two common concerns. First, finfluencers may not provide accurate information. Secondly, they may promote certain financial products based on their financial interests, to the detriment of their followers.

Compared with legacy forms of financial media, finfluencers are more likely to convey financial information through a unique “voice.” This preference can prevent financial firms from controlling the wording of important financial disclosure information. While some may choose benign identities, others may lean into risk. The top “finfluencers” have distinct brands: savings and tax tips, financial feminism, digital asset investing, extreme savings, investment tips, and other areas of focus that underlie their appeal to people.

The FLEC should conduct research to see how new media are altering financial decision-making and the conveyance of information that contributes to financial literacy. It should develop a plan to meet these audiences through the channels where they are receiving financial advice.

Conclusion

Financial literacy levels have remained largely unchanged over time - indicating a need for new approaches beyond traditional education.

Unfortunately, individuals face significant threats to their financial stability today. Only about 35 percent of Americans believe they are “on track” to have adequate retirement savings, millions more will have less than \$25,000 per person per year, and more than 78 percent of low-wage workers lack access to a 401(k) plan at work.⁴³ Tens of millions of households are not building the savings they will need to retire. Last year, individual victims filed reports with the Federal Trade Commission, totaling \$15.9 billion in scam losses.⁴⁴ Surveys using the P-Fin Index, a 28-question instrument for assessing financial knowledge, show that only about half of Americans can answer more than half of the questions correctly. For the last decade, performance has fallen slightly.⁴⁵ Only 30 percent could correctly calculate an interest rate for three simple questions.⁴⁶ In short, the United States has designed a retirement system that places a heavy onus on individuals, even though evidence suggests far too many lack essential financial acumen. They deserve a strong financial literacy regime that will empower them – and not ones that cast blame or fall short of being effective.

⁴³ Teresa Ghilarducci. (2025). Most Americans Do Not Have Enough to Retire.

<https://www.economicpolicyresearch.org/research/most-americans-do-not-have-enough-to-retire>

⁴⁴ Susan Tompor. (2026, March 28). FTC reveals a record \$15.9 billion in consumer fraud losses in 2025. Detroit Free Press.

<https://www.freep.com/story/money/personal-finance/susan-tompor/2026/03/28/ftc-record-15-9-billion-consumer-fraud-losses-2025/>

⁴⁵ Michelle Meineke. (2024, April 24). Can you answer these 3 questions about your finances? The majority of US adults cannot. World Economic Forum. <https://www.weforum.org/stories/2024/04/financial-literacy-money-education/>

⁴⁶ Lusardi, A., & Streeter, J. L. (2023). Financial literacy and financial well-being: Evidence from the US. *Journal of Financial Literacy and Wellbeing*, 1(2), 169–198. <https://doi.org/10.1017/flw.2023.13>

Success will require programming that delivers relevant financial training at critical life moments, with messaging tailored to specific populations, an emphasis on behavioral change rather than just awareness, and supportive environments that encourage their initiatives. In turn, research should assess programs for their outcomes.

Unfortunately, the federal government is currently taking steps that may undermine efforts to achieve these goals. It is a mistake to reduce staff and limit programming. These actions will reduce capacity and drain vital subject matter expertise from agencies. Indirectly, cuts to funding for state and municipal governments and non-profit partners will also thwart capacity.

We call on the FLEC to design its national strategy around the principles we have learned through our savings programs and to prioritize actionable, behavior-based approaches that meet consumers/individuals where they are and support consistent engagement that helps individuals build lasting financial habits over time.

Thank you for the opportunity to comment on this important plan. Please contact Adam Rust (arust@consumerfed.org) or Amy Miller (amiller@consumerfed.org) with any questions or needed clarifications.

Sincerely,

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Consumer Federation of America