PUBLIC HEARING ON

THE FINANCIAL LITERACY COUNCIL ESTABLISHMENT ACT OF 2007

Before the
Committee on Public Services and Consumer Affairs

The Honorable Mary Cheh, Chairperson

January 23, 2008, 2:00p.m.
Room 412, John A. Wilson Building

Testimony of
Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia

Good morning, Councilmember Cheh and members of the committee. My name is Natwar Gandhi, and I am the Chief Financial Officer of the District of Columbia. Thank you for the opportunity to present testimony regarding the Financial Literacy Council Establishment Act of 2007.

As you are probably aware, Financial Literacy is a relatively new initiative that is being promoted by the U.S. Department of Treasury. The Financial Literacy and Education Commission (the Commission) was established under Title V, the Financial Literacy and Education Improvement Act, which was part of the Fair and Accurate Credit Transactions (FACT) Act of 2003, to improve financial literacy and education of persons in the United States. The FACT Act named the Secretary of the Treasury as head of the Commission and mandated the Commission to include 19 other federal agencies and bureaus. The Commission coordinates the financial education efforts throughout the federal government, supports the promotion of financial literacy by the private sector, and encourages the synchronization of efforts between the public and private sectors.

On the local level, the Greater Washington Jump$tart Coalition, an affiliate of the national Jump$tart Coalition for Personal Financial Literacy, has been engaging in efforts to promote Financial Literacy in the DC Metropolitan area for several years.

This organization reached out the Office of the Chief Financial Officer (OCFO) some time ago to inquire about our interest in working with financial literacy efforts in the District, and we indicated that we were interested in having a role in this effort, and possibly partnering with them in this regard. Jump$tart is a coalition of businesses (including financial institutions), not-for-profits, governments and educational entities dedicated to this cause. They offer resources from the private sector to coordinate and implement financial literacy programs for schoolchildren and young adults in the DC Metropolitan area, and one of their main goals in the District is to have financial literacy incorporated into the curriculum of the DC Public Schools. In addition, the OCFO is aware that the National Association of State Treasurers is supportive of financial literacy efforts nationally, and the District's Treasurer and Deputy Chief Financial Officer, who is a member of that organization, has had some exposure to the efforts of other states in this arena, which has also helped to spark our desire to engage in such activities in the District.

As evidenced by this proposed legislation, it is apparent that you, Councilmember Cheh, are a strong proponent of financial literacy efforts. The OCFO views the proposed legislation as a very positive step towards promoting financial literacy in the District. The establishment of the Financial Literacy Council, an essential

component of the legislation, provides the framework for the critical task of devising a plan to incorporate financial literacy into the DC Public Schools curriculum.

As the OCFO is fully supportive of this cause and has substantial expertise in the financial arena, we would like to have a formal role in this effort. Therefore, we would like to propose an increase in the number of seats on the Financial Literacy Council to include an appointment by the Chief Financial Officer. Additionally, in light of the efforts and resources of the Greater Washington Jump$tart Coalition in promoting financial literacy in this area, we suggest that the Council strongly consider a formal role for a representative of this Coalition on the Financial Literacy Council.

Madame Chair, this concludes my testimony. Thank you for leading this important endeavor for the District of Columbia, and the OCFO looks forward to working with you in this regard.