

STATEMENT OF CHAIRMAN DANIEL K. AKAKA

Financial Literacy: Empowering Americans to Prevent the Next Financial Crisis

Hearing Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Senate Committee on Homeland Security and Governmental Affairs

Aloha and good afternoon. I want to welcome our witnesses to today's hearing: *Financial Literacy: Empowering Americans to Prevent the Next Financial Crisis*. Thank you for being here.

As many of you know, this is the Subcommittee's fifth, and my final, oversight hearing examining efforts to enhance the financial capability of all Americans. As Chairman, I have worked to promote and oversee financial literacy initiatives that help American families make smart choices to invest in their futures.

The recent financial crisis put to rest any illusions that we might be able to ignore our Nation's shortfalls in financial education without suffering serious economic harm. We must act decisively to make sure Americans are empowered to make sound financial decisions. The Financial Literacy and Education Commission, which I worked to create in 2003, plays an important role in improving federal coordination and collaboration on financial literacy activities. We must make sure the Commission has the funding and authorities it needs to fulfill its mission.

To fully coordinate and streamline federal financial literacy efforts, the Commission may need direct appropriations and an independent budget rather than just contributions from participating agencies. It also may need enhanced authority to coordinate member agencies' actions.

I want to close by noting that I have found it incredibly rewarding to champion financial literacy and economic education during my time in the Senate.

My passion for these issues is rooted in personal experience. Growing up in Hawai'i, I was lucky to have parents and teachers who taught me how to save, and raised me in a culture that valued saving and spending responsibly. Yet despite these strong values, my family struggled with financial insecurity, and we did not even have a bank account.

My upbringing informs my belief that financial literacy education efforts must begin at the local level with families and communities, with the Federal Government playing an important supporting role. I see my own parents in the millions of unbanked and underbanked families across the Nation. Often for reasons beyond their control, many hardworking people who do their best to provide for their families find themselves shut out of the mainstream financial system. This is where the Federal Government has a valuable role to play.

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I strongly support programs like *Bank On USA*, which have demonstrated how government can bring together local officials, non-profits, and private firms to work together to make sure all families have financial stability and security.

The sheer scale of our Nation's financial illiteracy means a significant amount of work remains to be done. However, rather than be discouraged by the challenge ahead of us, I am inspired by the dedicated witnesses here today, especially the educators who have graciously taken the time to appear before us today.

I have faith that if we work together, over the coming years, we can empower all Americans to make informed financial decisions and prevent the next financial crisis. I look forward to hearing from our witnesses today.

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