



# CFPB Financial Education Exchange (CFPB FinEx)

Texas Housing Counseling Network webinar  
For Audio, please dial 1-877-347-4079, code: 3333

August 17, 2017

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## *Today's topics:*

- CFPB Financial Education Exchange
- CFPB tools and resources
- Principles for effective financial education
- Financial coaching
- Managing spending and credit

# Consumer Financial Protection Bureau

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The CFPB helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.



## **Empower**

We create tools, answer common questions, and provide tips that help consumers navigate their financial choices and shop for the deal that works best for them.



## **Enforce**

We take action against predatory companies and practices that violate the law and have already returned billions of dollars to harmed consumers.



## **Educate**

We encourage financial education and capability from childhood through retirement, publish research, and educate financial companies about their responsibilities.

# Office of Financial Education

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## Consumer Education & Engagement

Consumer Engagement

**Financial Education**

Financial Empowerment

Older Americans

Servicemember Affairs

Students

### **Our mission:**

Educate and empower consumers to make better informed financial decisions.

# CFPB Financial Education Exchange (CFPB FinEx)

**CFPB FinEx:** an online and in-person opportunity to access CFPB tools and resources, and connect with the CFPB and your peers engaged in financial education.

Our goal is to help you improve the financial well-being of the people you serve.

## FinEx regional convenings:

- Dallas, TX
- Fort Worth, TX
- Maryland
- Neighborworks financial capability sites
- Denver, CO
- Kansas City, MO
- Atlanta, GA
- Sacramento, CA
- Madison, WI
- St. Louis, MO
- Tacoma, WA

Monthly e-newsletters

Baseline and follow-up surveys



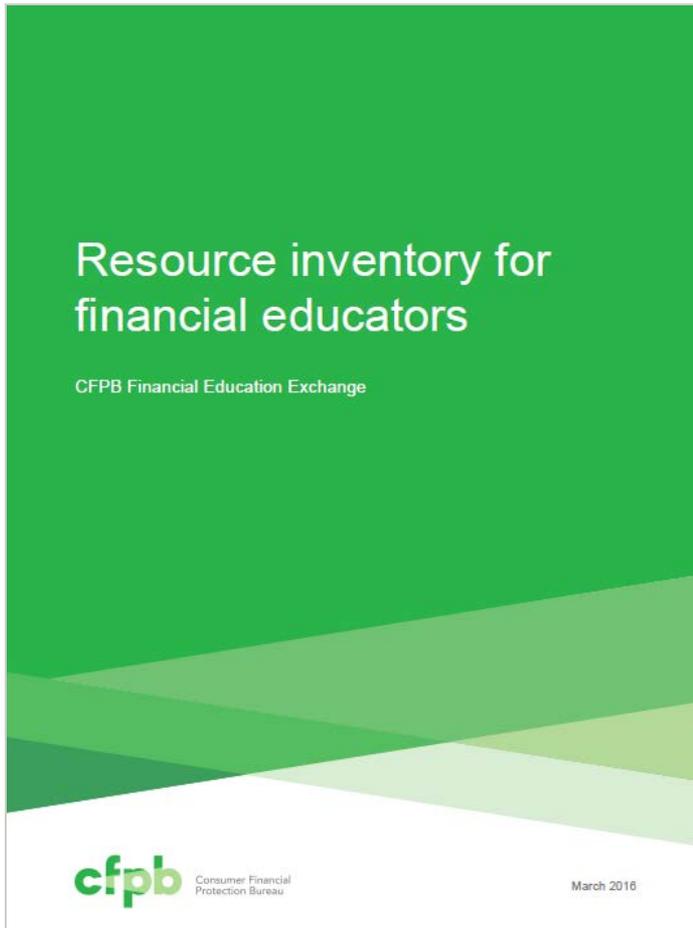
Number of financial educators signed up for CFPB FinEx: **2526**

## 26 monthly webinars to date:

- Resources for servicemembers
- Accessing credit scores
- Managing spending
- Debt collection resources
- Credit card spending
- Libraries as a Financial Education Resources
- Helping Youth Develop Financial Capability
- Financial Coaching
- Financial Education Programs Serving Immigrant Populations
- Federal Financial Education Resources
- Take Control of Your Auto Loan
- Financial Rules to Live By
- Resources for Parents
- Tips for Strengthening Financial Education Curriculum
- Financial Education Resources for Parents and Caregivers
- Resources for Financial Caregivers
- Measuring Financial Well-Being
- Planning for Retirement/myRA
- Owning a Home
- Tax Time Savings
- Your Money, Your Goals Toolkit
- CFPB Consumer Complaint System

# Resource inventory for financial educators

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Find it at [consumerfinance.gov/adult-financial-education](https://consumerfinance.gov/adult-financial-education)

- **Understanding the financial education field and practices**
  - Keep up with the financial education field and with promising and effective practices
- **Understanding consumers**
  - Gain insights into consumer behaviors, motivations, perceptions, and attitudes, including challenges consumers face in the financial marketplace
- **Tools for financial educators**
  - Investigate training materials and toolkits designed to improve your effectiveness and service to clients
- **Tools for consumers**
  - Help your clients with easy-to-digest web tools and guides tailored to their needs

# Resource for financial educators webpage

An official website of the United States Government

Español 中文 Tiếng Việt 한국어 Tagalog Русский العربية Kreyòl Ayisyen (855) 411-2372

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Adult financial education

Youth financial education

Resources for libraries

Resources for tax preparers

Resources for parents

Guides for managing someone else's money

## Resources for financial educators

We help you help the people you serve. For adult financial educators, the tools here show our latest thinking on consumer financial behavior and effective financial education practices.

### Upcoming webinar

Join us for a free webinar on Thursday, Sept. 22, from 2-3 p.m. EDT, to learn about financial education approaches targeted to immigrant populations and CFPB resources for non- and limited English-speaking consumers.

Email [CFPB\\_FinEx@consumerfinance.gov](mailto:CFPB_FinEx@consumerfinance.gov) to reserve your spot.

Missed a webinar? [View past webinars](#)

### Resources for financial educators

See the [whole inventory](#) of materials that you can access, download, and use for free. Or [order CFPB financial education materials](#).

# CFPB Financial Education Discussion Group on LinkedIn

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Join the discussion!

## FINANCIAL EDUCATION DISCUSSION GROUP ON LINKEDIN



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### Join us on LinkedIn

<http://www.linkedin.com/groups/CFPB-Financial-Education-Discussion-Group-5056623>

### It's free!

There is no cost to join our discussion group or LinkedIn.

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### The Consumer Financial Protection Bureau's

Office of Financial Education is hosting a LinkedIn group to talk about financial education. It's a forum for you - the financial educators, researchers, and thought leaders of the financial education community, to learn about the work of the CFPB, share your thoughts and best practices, keep up with the latest news and research, and learn from your peers in the field.

### How to Join

You must have a LinkedIn profile. Search for "CFPB Financial Education Discussion Group" in the "Groups" tab.

For more information, contact Irene Skricki in the CFPB Office of Financial Education ([Irene.Skricki@cfpb.gov](mailto:Irene.Skricki@cfpb.gov)).



# CFPB Tools and Resources

# CFPB online tools on homeownership, paying for college, and planning for retirement

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## Owning a Home: Tools and resources for homebuyers

Whether you're just thinking about buying a home or about to close, we help you take control of the process.

We're on your side

Choosing the right home loan is just as important as choosing the right home. Use our tools and resources to know what to expect and what questions to ask every step of the way. Get started with our [roadmap](#) or explore all our tools and resources below.

Before you make an offer on a home

- 1. Prepare to shop**  
Be sure how to get started, how much you can afford, or what to expect when buying and financing a home? Get yourself up for success with a little bit of preparation.  
[Get started](#)
- 2. Explore loan choices**  
Once you have a pretty good idea of your priorities and budget, you're ready to start home shopping in earnest. Now is also the time to start exploring loan choices and meeting with lenders.  
[Get started](#)

**KEY TOOLS**

- [Credit report checklist](#)
- [Spending tracker](#)
- [Understand loan options](#)
- [Explore interest rates](#)

**consumerfinance.gov/  
owning-a-home**

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## Paying for College

Get help to make informed financial decisions about how to pay for college. Start by [comparing financial aid offers](#) or [understanding student loan repayment options](#).

[Get started](#) | [Student financial guides](#) | [Compare financial aid offers](#) | [Repay student debt](#)

Welcome!

It's more important than ever for students and former students to make smart decisions about financing their college education. Whether you're attending college soon, are a current student, or already have student loans, we've put together some tools and resources to help you make the best decisions for you.

**STUDENT FINANCIAL GUIDES**

For many people, how to pay for a college education is one of the first major financial decisions they'll make. These guides cover some of the big decisions you'll face and will help you understand your options for financing your college education.

**Student loans**  
If you're considering student loans to help you pay for school, you're not alone - many students need loans to cover their full cost of attendance. If you have to take out student loans, comparing your options can help you find the student loan best suited for your needs. [More about student loans.](#)

**Student banking**  
Unlike that first job, you could last long after you graduate. Managing your money wisely will mean fewer surprises. [More about student banking.](#)

Still need to apply for financial aid?  
[Visit fafsa.gov](#)

**COMPARE FINANCIAL AID OFFERS**

As part of our [Know Before You Owe](#) project, we worked with the Department of Education to create a [Financial Aid Shopping Sheet](#)™. Now that thousands of colleges are adopting the clear and comparable form, we've built a tool that complements the

**consumerfinance.gov/  
paying-for-college**

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[Ver página en español](#)

## Planning for Retirement: Before you claim

The age you claim Social Security affects your lifetime income. We'll help you think through this decision.

**Step 1: Explore how your claiming age affects your Social Security retirement benefits**

Enter your information below to see your estimated benefits.

Date of birth:

Highest annual work income:

[Get your estimates](#)

We base your benefit estimate on current formulas from the Social Security Administration. Your answers are anonymous. Because we do not access or use your Social Security earnings record, these are rough estimates.

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**consumerfinance.gov/  
retirement**

# Getting an Auto Loan

**Take control of your auto loan**  
Whether you're a first-time borrower or a pro, getting an auto loan can be complicated. Learn how to prepare so you can save money, reduce stress, and get the auto loan that's right for you.

**Know Before You Owe: Auto Loans**  
Our resources will help you avoid common pitfalls and understand the total cost of an auto loan.

**Featured tool**  
**Auto loan worksheet**  
Experts know to focus on total cost, not just the monthly payment. Our shopping sheet helps you compare offers, see the total costs, and negotiate the best deal.

- Plan to shop for your auto loan**  
Before you head out shopping, you may want to make a budget, gather the information you'll need, and get pre-approved for a loan. Preparing ahead of time will get you ready to negotiate and make the process less stressful.  
[Read more about planning for your auto loan](#)
- Learn to explore loan choices**  
Banks, credit unions, dealerships, and other lenders are all common places to finance an auto loan. Finding and comparing loan choices will help you get a better deal, potentially saving you hundreds or thousands of dollars.  
[Read more about loan choices](#)
- Know what is negotiable**  
While you may know that you can negotiate over the price of the vehicle and the interest rate, it's also important to know everything else you can negotiate that may impact the amount you borrow and the cost of your auto loan. Small differences in the choices you make can add up to a significant portion of your loan's total cost. Understanding what you can negotiate will help you save money when getting an auto loan.  
[Read more about negotiable loan basics](#)
- Understand how to close the deal**  
By now you've negotiated and chosen a loan and lender. But the process isn't over yet. You need to make sure the paperwork matches the deal you think you are getting and that everyone has signed all the documents before you drive away. We're here to help it all make sense.  
[Read more about closing the deal](#)

**CFPB AUTO LOAN SHOPPING SHEET**  
Comparing auto loans

**Directions:** Bring this sheet with you to show you are serious about getting the best loan. The factors you can negotiate are indicated with an icon

Determine your upfront costs	Example	Choice 1	Choice 2
A. Price of the vehicle	\$20,000		
B. Additional features, services or add-ons These are optional and will increase the total cost of the loan.	+ \$300	+	+
C. Taxes, title and non-negotiable fees State and local taxes, and title fees.	+ \$1,400	+	+
D. Negotiable fees You can negotiate fees such as delivery charges, origination fees, document fees, and preparation fees.	+ \$100	+	+
E. Cost of the vehicle before interest (add rows A, B, C & D)	= \$21,800	=	=

Calculate how much you will need to borrow			
F. Down payment A larger down payment will lower the total cost of your loan.	- \$3,000	-	-
G. Trade-in value  (if you already have a vehicle) A higher trade-in value will lower the total cost of your loan.	- \$3,000	-	-
H. Total amount to finance (subtract rows F & G from row E)	= \$15,800	=	=

**CFPB** Consumer Financial Protection Bureau Finish finding the total cost on page 2

**Take control of your auto loan**  
A step-by-step guide

Tools and resources to help consumers to:

- Shop for an auto loan with as much care as you shop for the vehicle itself
- Look beyond the monthly payment and consider total cost to compare and negotiate for financing
- “Know before you owe” by spotting financing features that could lead to costly surprises later

# Submit a Complaint and Ask CFPB

The screenshot shows the top navigation bar with the CFPB logo, search bar, and 'Submit a Complaint' button. Below the navigation are links for Consumer Tools, Educational Resources, Data & Research, Policy & Compliance, and About Us. The main content area features the heading 'Having a problem with a financial product or service?' followed by a sub-heading 'Tell us about your issue—we'll forward it to the company and work to get you a response, generally within 15 days.' To the right is an illustration of three speech bubbles with exclamation marks. Below this is a 'Submit a complaint' section with a 'Start a new complaint' button. On the right side of the page, there is an 'About us' section with the text: 'The CFPB is an independent federal agency built to protect consumers, enforce rules that keep financial companies honest, educate and empower them to make more informed choices in their financial goals.' At the bottom right of the 'About us' section, it says 'HAVE A QUESTION? (855) 411-2372'.

**consumerfinance.gov/  
complaint**

**consumerfinance.gov/  
askcfpb**

The screenshot shows the top navigation bar with the CFPB logo, search bar, and 'Submit a Complaint' button. Below the navigation are links for Consumer Tools, Educational Resources, Data & Research, Policy & Compliance, and About Us. The main content area features the heading 'Ask CFPB' followed by the text: 'We offer clear, impartial answers to hundreds of financial questions. Find the information you need to make more informed choices about your money.' To the right is an illustration of a hand holding a yellow sticky note with the text 'What is my credit score?' and other sticky notes with questions like 'How does foreclosure work?' and 'What is an overdraft?'. Below this is a grid of three categories: 'Auto loans', 'Bank accounts and services', and 'Credit cards'. Each category has a list of questions and links to 'Read answer'.

- Auto loans**
  - What effect will shopping for an auto loan have on my credit? [Read answer](#)
  - I owe more on my current loan than my current vehicle is worth. What do I need to know if I buy a new vehicle? [Read answer](#)[See all auto loans questions](#)
- Bank accounts and services**
  - How quickly can I get money after I deposit a check into my checking account? What is a deposit hold? [Read answer](#)
  - I would like to be able to have my friend or family member help with my bill-paying and banking. What are my options? [Read answer](#)[See all bank accounts and services questions](#)
- Credit cards**
  - What is a credit card interest rate? What does APR mean? [Read answer](#)
  - How do I dispute a charge on my credit card bill? [Read answer](#)[See all credit cards questions](#)

# Money Topic Resource Portal – Debt Collection

Our new portal helps people find information and learn about debt collection while providing links to additional resources.

Information is broken down by key sections:

- **Get started**
- **Understand your situation**
- **Take action**



With a link to more debt collection questions and answers in **Ask CFPB**

**consumerfinance.gov/  
consumer-tools/debt-collection/**



[Consumer Tools](#)   [Educational Resources](#)   [Data & Research](#)   [Policy & Compliance](#)

## Debt collection

Addressing debt collection issues can be challenging. You do not have to face them alone. Our resources can help you better understand how debt collection works and what your rights are when dealing with debt collectors.

### Get started

[The basics of debt collection](#)

[Why a debt collector is contacting you](#)

A debt collector may be trying to contact you because a creditor believes you are past due on the payments you owe on a debt. [Read more](#)

[Learn what could happen if you avoid a debt collector](#)

Ignoring or avoiding a debt collector is unlikely to make the debt collector stop contacting you. If you believe you do not owe the debt, you should tell the debt collector. [Read more](#)

[Learn about some examples of "unfair" practices by a debt collector](#)

### Key terms

[Credit counselor](#)

[Debt collector](#)

[Fair Debt Collection Practices Act \(FDCPA\)](#)

[Garnishment](#)

[Harassment by a debt collector](#)

[Judgment](#)

[Original creditor](#)

[Statute of limitations](#)

[See all key terms](#)

### HOW THE CFPB IS PROTECTING YOU

[CFPB and New York Attorney General File Lawsuit Against Illegal Nationwide Debt Collection Scheme](#)

[CFPB Orders Navy Federal Credit Union to Pay \\$28.5 Million for Improper Debt Collection Actions](#)

### PRINT RESOURCES

[Servicemembers: Know your rights when a debt collector calls](#)

[Act fast if you can't pay your credit cards](#)

# Money Topic Resource Portal – Credit Reports and Scores

Launched March 2017

## Primary goals

- Provide consumers with foundation of knowledge
- Help consumers fix urgent issues
- Direct consumers to the most relevant information for their personal financial situation

[consumerfinance.gov/consumer-tools/credit-reports-and-scores/](https://consumerfinance.gov/consumer-tools/credit-reports-and-scores/)



The screenshot shows the CFPB website page for 'Credit reports and scores'. The page features a green header with the CFPB logo and navigation links. The main content area is divided into several sections: a featured article titled 'Does your credit card come with a free credit score?' with a sub-image of a smartphone displaying a credit score; a 'Get started' section with links to 'The basics of credit reports and scores' and 'Learn how to get your credit reports'; a 'Key terms' section with links to 'Credit invisible', 'Credit reporting company', 'Credit report', 'Credit score', 'Fair Credit Reporting Act', 'Fraud alert', 'Identity theft', 'Military active duty alert', 'Security freeze', 'Specialty consumer reporting company', and 'Thin credit file / No credit file'; and a 'Learn about the difference between credit scores and credit reports' section. On the right side, there is an 'About the CFPB' section, a 'STILL HAVE A QUESTION?' section with contact information, and a 'HOW THE CFPB IS PROTECTING YOU' section with a link to 'CFPB Orders TransUnion and Equifax to Pay for Deceiving Consumers in Marketing Credit Scores and Credit Products'. At the bottom, there are sections for 'PRINT RESOURCES' and 'REAL STORIES ABOUT CREDIT REPORTS AND SCORES'.

# Print resources on credit scores and reports

## CHECK YOUR CREDIT REPORT AT LEAST ONCE A YEAR

The Consumer Financial Protection Bureau advises consumers to check their credit reports at least once a year.

Consumers can receive free copies of their credit reports every 12 months from AnnualCreditReport.com. This is the only authorized source under federal law that provides free credit reports from the three major national credit reporting companies - Equifax, Experian and TransUnion. Other websites that promise free credit reports may require you to sign up for "free trials" that eventually charge you or purchase other products or services you may not need.

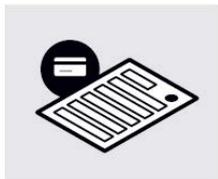
### Check your credit report to:

- Look for and fix mistakes that could hurt your ability to get credit.
- Be sure your information is correct and up-to-date.
- Guard against identity theft.

Mistakes in your credit reports, or fraud caused by identity theft, can make borrowing more expensive or prevent you from getting credit.

### Common mistakes in credit reports include:

- Loans and credit accounts you've never opened.
- Misspelled name, wrong Social Security number, wrong address, or phone number.
- Accounts wrongly listed as late, incorrect balances, incorrect credit limits, closed accounts listed as open, incorrect delinquency dates, or accounts listed more than once.



### Dispute mistakes you find

Your credit report will include information about how to dispute a mistake. If your dispute is about a credit account, you should send a dispute letter to both the credit reporting company and creditor that was the source of the information.

Your dispute should clearly explain what you think is wrong and why. State the facts, explain why you are disputing the information, and request that it be corrected.

## Understand your credit score

Banks, credit card companies and other businesses use credit scores to estimate how likely you are to pay back money you borrow.

A higher score makes it easier to qualify for a loan or lower interest rates. Many scores range from 300-850, but different companies use different ranges.

### You have many credit scores

You can have more than one score, because:

- Lenders use different scores for different products.
- There are many different credit scoring formulas.
- Information can come from different credit reporting sources.

For example, your credit card score could be different from your home loan score, and the scores you purchase online could be different from both of those.

For some people, these differences aren't that big. But because lenders use different scores, you might qualify for lower rates with one lender and not another. It can pay to shop around.



Several variables affect your credit score:

- How many credit accounts you have
- How long you've had those accounts
- How close you are to your credit limit
- How much credit you have left
- How often your payments have been late
- Other factors

### How to raise your credit score

- Pay your bills on time, every time. Make sure your payments are set up as automatic payments, or set reminders. If you have missed payments, current and stay current.
- Don't get close to your credit limit. Credit scoring models look at how close you are to being "maxed out," so try to keep your credit utilization low.

Learn more at [consumerfinance.gov](http://consumerfinance.gov)

## How to rebuild your credit

When you experience a financial challenge, your credit record could suffer. Rebuilding it takes time. There are no shortcuts or secrets.

### The steps below can help

#### 1. Pay your bills on time, every time

"On time" means the payment got to the company by the day the bill is due. Mail your bills a few days before they're due.

Automatic payments from your bank can be a good way to make sure your bills get paid on time. Keep track of automatic payments so you know you have enough money in your account to cover them.

#### 2. Don't get too close to your credit limit

Credit scores consider how close you are to being "maxed out" on credit cards. If you use too much of your total credit lines, you can hurt your credit score. Experts advise using no more than 30 percent of your total credit limit - some even say you should use less than 10 percent.

#### 3. Don't apply for too much credit in a short time

Your credit score may go down if you apply for or open a lot of new accounts in a short time. This includes getting a new card so you can transfer balances, or opening a new store card account so you can get a discount.



#### 4. If you can't qualify for a regular credit card, try a secured card

Many banks and credit unions offer secured credit cards. With most of these cards, your credit line starts out small. You put an amount equal to your credit limit in an account as a deposit.

As you show you can pay on time, your credit limit may grow and you may have your deposit refunded. Fees and interest rates can be high for secured cards, but using one can help you to establish a credit record.

#### 5. If you pay with a credit card, pay your balance off every month

You'll build credit by using your credit card and paying on time, every time. Pay off your balances in full each month to avoid paying finance charges. Paying off your balance each month can also build better credit than carrying a balance. Think about signing up for text alerts and automatic payments to make sure you don't pay late or miss a payment.

Learn more at [consumerfinance.gov](http://consumerfinance.gov)



## Building credit from scratch

Starting out in the financial world can be confusing. And building good credit takes time. Below are some types of helpful products, as well as actions you can take to help reach your financial goals.



### Finding the right products

#### Secured credit cards

Apply for this card as you would a traditional credit card. Once approved you deposit an amount of money - which can range from \$50 to \$300 - into a separate account. The bank holds onto this deposit and extends a credit line matching the deposit amount. Generally, you can build credit with a secured card, but be sure to ask your card issuer about reporting to the credit reporting companies. Many of these cards include a "graduation" component, so you are able to move from a secured card to a traditional credit card seamlessly after establishing a pattern of consistent payments.

#### Credit builder loans

Financial institutions, typically credit unions, deposit a small "loan" (often \$300-\$1000) into a locked savings account and then you pay the institution back with small-dollar payments over 6 to 24 months. These payments are reported to the credit reporting companies. Once you come to the end of the loan term, you receive the accumulated money back in total.

#### Retail store cards

Many gas stations, department stores or retail chains offer credit cards. These cards tend to be easier to obtain and typically offer lower credit lines. This combination makes them an option when you are looking to build up a thin or nonexistent credit record.

#### Actions you can take & things to know about your credit report and score

##### Get and read your credit report

The first and most important step in building and maintaining good credit is to know and understand what is in your credit report. You are entitled to and can request your credit report from each of the three nationwide credit reporting companies once every 12 months free of charge at [annualcreditreport.com](http://annualcreditreport.com).



Learn more at [consumerfinance.gov](http://consumerfinance.gov)



# Open Score Company List

## Where to find free access to a credit score

Credit scores play a crucial role in the financial lives of consumers in the United States. A credit score is a three-digit number that predicts how likely you are to pay back a loan on time, based on information from your credit reports.

You can take a first step toward learning more about your credit history by checking your credit scores and credit reports. The good news is you are increasingly able to see your credit scores for free.

To raise awareness of how you can access and use your scores, the CFPB is releasing a list of companies that offer their credit card customers free access to one of their credit scores.

We reached out to companies that offer at least some of their customers free access to a credit score by publishing a notice for comments on the Federal Register's public website.<sup>1</sup> This list is based on voluntary responses to that notice. Only credit card issuers that responded to this notice in the Federal Register are included in the list, but other issuers also may offer this service.<sup>2</sup>

We have provided links to the comments submitted by each company in the table included in this document. We encourage you to check this information, or to contact each company, to find out which specific credit card products are eligible for the service, and on what conditions, if any.



Name of company	Comments submitted to the Federal Register Notice <sup>1</sup>
1st United Credit Union	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0010">regulations.gov/document?D=CFPB-2016-0043-0010</a>
American Express Travel Related Services Company, Inc.	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0024">regulations.gov/document?D=CFPB-2016-0043-0024</a>
Bank of America	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0019">regulations.gov/document?D=CFPB-2016-0043-0019</a>
Barclaycard	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0029">regulations.gov/document?D=CFPB-2016-0043-0029</a>
Capital One	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0023">regulations.gov/document?D=CFPB-2016-0043-0023</a>
Chase Bank USA, N.A.	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0026">regulations.gov/document?D=CFPB-2016-0043-0026</a>
Citibank, N.A.	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0003">regulations.gov/document?D=CFPB-2016-0043-0003</a>

Many companies listed here also provide educational content along with the credit score. Education content could include a visual credit score display meter, explanations of factors affecting the score, and frequently asked questions. In addition, some companies also show the historical trend of your credit score.

## You don't have to have a credit card to access credit scores free of charge

Some companies, including some on this list, offer the service as a benefit to customers who use other financial products. Companies, including some on this list, may also provide free credit scores to the general public, including non-customers. Remember, though there may be no cost, they may require you to register and enter personal information. Afterward, they may also market products to you.

Companies such as FICO, VantageScore, and others maintain and publish lists of companies that offer consumers free access to credit scores.

<sup>1</sup> This list is current as of February 2017. If your company fits the criteria stated in the Federal Register Notice, and would like to be included in this list, you may contact the Bureau at [FinancialEducation@cfpb.gov](mailto:FinancialEducation@cfpb.gov) and include "Attn: Open Credit Score List" in the subject line. Depending on the feedback received, the Bureau may update this list.

<sup>2</sup> "Credit card issuer" refers to any entity to which a consumer is legally obligated, or would be legally obligated, under the terms of a credit card agreement. Alternatively, companies can also be included in this list if they are a bank or a credit union that contracts with a third party to issue credit cards on their behalf and under their brand name.

<sup>3</sup> Information provided by these companies has not been independently verified by the Bureau. The inclusion of the companies on this list does not reflect an endorsement of them by the Bureau.

<sup>4</sup> [federalregister.gov/documents/2016/10/05/2016-24014/notice-of-a-public-list-of-companies-offering-existing-customers-free-access-to-a-credit-score](https://www.federalregister.gov/documents/2016/10/05/2016-24014/notice-of-a-public-list-of-companies-offering-existing-customers-free-access-to-a-credit-score)

Commerce Bancshares, Inc.	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0014">regulations.gov/document?D=CFPB-2016-0043-0014</a>
Discover Financial Services	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0032">regulations.gov/document?D=CFPB-2016-0043-0032</a>
First Commonwealth Bank	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0002">regulations.gov/document?D=CFPB-2016-0043-0002</a>
First National Bank of Omaha	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0011">regulations.gov/document?D=CFPB-2016-0043-0011</a>
First PREMIER Bank	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0013">regulations.gov/document?D=CFPB-2016-0043-0013</a>
Harvard University Employees Credit Union	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0007">regulations.gov/document?D=CFPB-2016-0043-0007</a>
Polish & Slavic Federal Credit Union	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0012">regulations.gov/document?D=CFPB-2016-0043-0012</a>
Premier America Credit Union	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0004">regulations.gov/document?D=CFPB-2016-0043-0004</a>
Star One Credit Union	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0028">regulations.gov/document?D=CFPB-2016-0043-0028</a>
Synchrony Bank	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0016">regulations.gov/document?D=CFPB-2016-0043-0016</a>
US Bank	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0017">regulations.gov/document?D=CFPB-2016-0043-0017</a>
Wells Fargo	<a href="https://www.regulations.gov/document?D=CFPB-2016-0043-0031">regulations.gov/document?D=CFPB-2016-0043-0031</a>

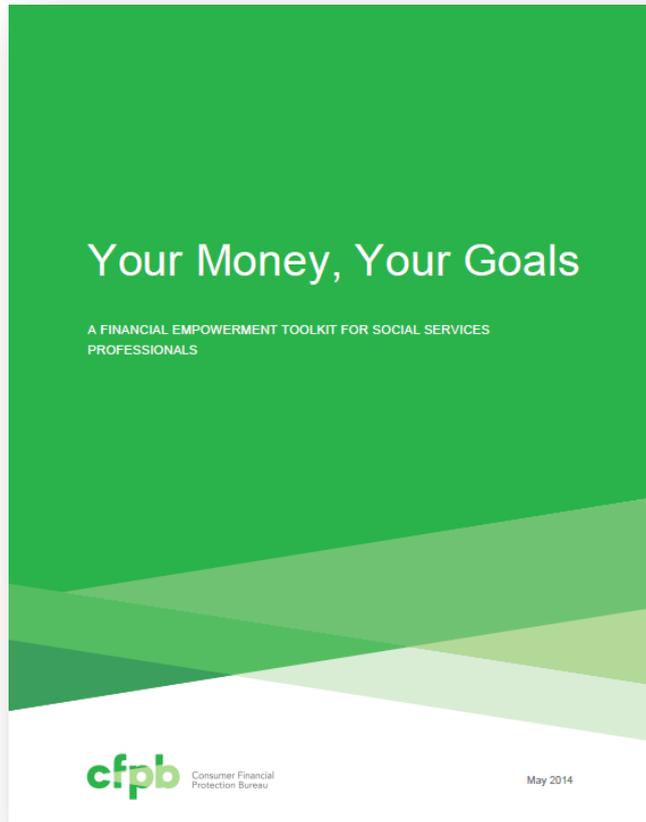
The credit card issuers included in this list responded to a notice on the public website of the Federal Register<sup>4</sup> stating that they:

- Offer existing customers (at least some, but not necessarily all) the ability to obtain free of charge a credit score which either the company or other lenders use for account origination, portfolio management, or for other business purposes; and
- Offer this access to a credit score on a continuous basis, as opposed to on a time-limited or promotional basis, and periodically update the score.

<https://www.consumerfinance.gov/about-us/blog/check-our-new-list-see-if-your-credit-card-offers-you-free-access-one-your-credit-scores/>

# Your Money, Your Goals

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- Training enhances confidence about discussing finances with clients
- Training provides clear examples of effective communication techniques
- Modular toolkit is user-friendly with plain language text
- Available for download in English and Spanish
- Customized versions for social service providers, legal aid organizations, community volunteers, and worker organizations

# Principles for effective financial education

# Goals of the Principles

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- Provide tools to help implement the key insights gathered through CFPB's financial well-being research and other best practices.
- Promote effective financial education by proposing the key knowledge, skills, and personal attitudes that help one take action to achieve greater financial well-being.
- Highlight strategies that help adult consumers build financial capability and make progress on their financial goals.

# Financial well-being and how to measure it

## Definition of financial well-being:

- ✓ Having control over day-to-day, month-to-month finances
- ✓ Having the capability to absorb a financial shock
- ✓ Being on track to meet financial goals, and
- ✓ Having the financial freedom to make choices that allow one to enjoy life

Find them at

<https://www.consumerfinance.gov/data-research/research-reports/financial-well-being-scale/>

## Financial well-being scale:

 **CFPB FINANCIAL WELL-BEING SCALE**  
**Questionnaire** NAME OR NUMBER

**Part 1: How well does this statement describe you or your situation?**

This statement describes me	Completely	Very well	Somewhat	Very little	Not at all
1. I could handle a major unexpected expense	<input type="checkbox"/>				
2. I am securing my financial future	<input type="checkbox"/>				
3. Because of my money situation, I feel like I will never have the things I want in life	<input type="checkbox"/>				
4. I can enjoy life because of the way I'm managing my money	<input type="checkbox"/>				
5. I am just getting by financially	<input type="checkbox"/>				
6. I am concerned that the money I have or will save won't last	<input type="checkbox"/>				

**Part 2: How often does this statement apply to you?**

This statement applies to me	Always	Often	Sometimes	Rarely	Never
7. Giving a gift for a wedding, birthday or other occasion would put a strain on my finances for the month	<input type="checkbox"/>				
8. I have money left over at the end of the month	<input type="checkbox"/>				
9. I am behind with my finances	<input type="checkbox"/>				
10. My finances control my life	<input type="checkbox"/>				

**Part 3: Tell us about yourself.**

11. How old are you?  18-61  62+

12. How did you take the questionnaire?  I read the questions  Someone read the questions to me

# How to use the Principles

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## **Practitioners can use the Principles to:**

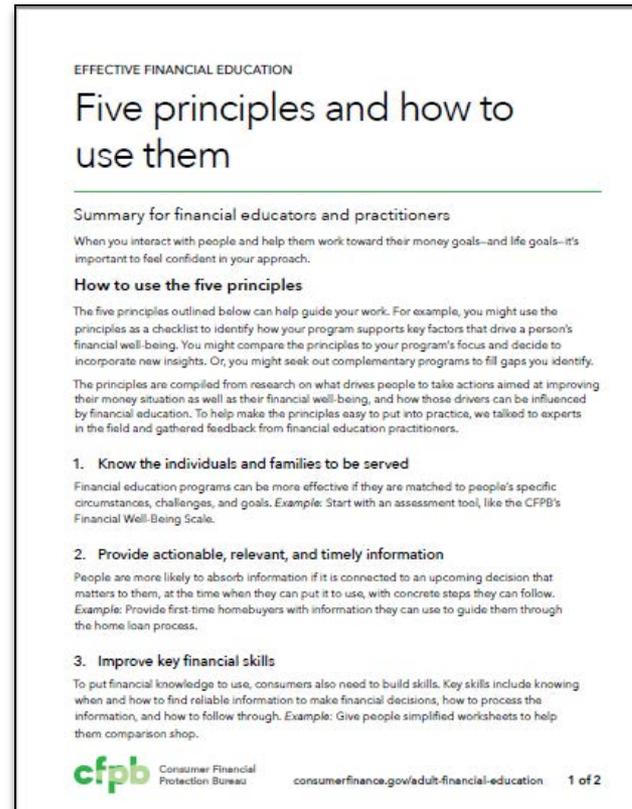
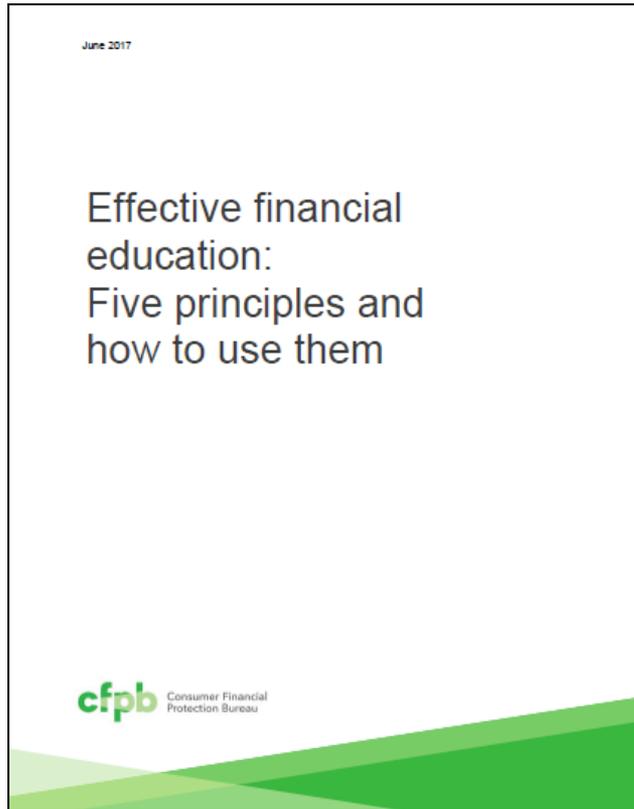
- ✓ Identify promising strategies that can help consumers improve their financial well-being.
- ✓ Evaluate which principles are already present in their programs and how they support financial well-being.
- ✓ Refine existing programs by incorporating new insights gathered through CFPB's financial well-being research.

# Principles for effective financial education

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-  **1. Know the individuals and families to be served**
  - Start with learning their challenges, goals, and situation and tailor support accordingly
-  **2. Provide actionable, relevant and timely information**
-  **3. Improve key financial skills**
  - By supporting individuals in learning the “how to” of effective personal financial management applied to their own situation
-  **4. Build on motivation**
  - Help people clarify motivations and connect action steps to desired outcomes
  - Support development of financial self-efficacy
-  **5. Make it easy to make good decisions and follow through**
  - Help create a context that makes it easier for people to achieve their goals.

# Principles for effective financial education

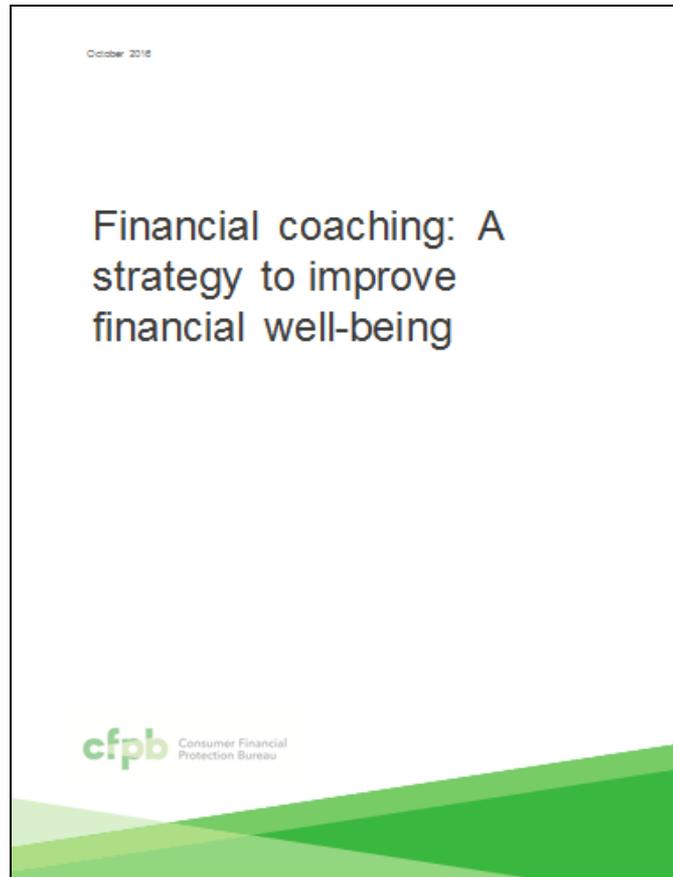


Find them at [consumerfinance.gov/data-research/research-reports/effective-financial-education-five-principles-and-how-use-them/](http://consumerfinance.gov/data-research/research-reports/effective-financial-education-five-principles-and-how-use-them/)

# Financial coaching

# Financial coaching study

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Urban Institute\* randomized control trial of two financial coaching programs:

- **Branches**
  - faith-based nonprofit organization that provides financial services, child care, and other services in Miami, Florida
  - recruited coaching clients who were municipal government agency employees
  
- **The Financial Clinic**
  - nonprofit organization in New York City offering financial coaching, income tax preparation and legal support for working poor families
  - recruited coaching clients from income tax filing assistance programs and from credit, debt, and budgeting workshops offered in the community

# Impact on money management

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Generally, people offered access to coaching:\*

- Were more likely to pay bills on time
- Had an increased frequency of savings deposits

The Financial Clinic coaching clients:

- 32% more deposits into savings
- 36 % more likely to use a financial spending plan or budget
- 16% more likely to pay bills on time

Branches coaching clients :

- 19% more deposits into savings
- 60% more likely to have set aside emergency funds
- 20% less likely to borrow from family and friends

\*All results reported are the impact on participants offered coaching compared to members of the control group.

# Impact on savings, debt, and credit scores

---

Generally, people offered access to coaching:

- Had improvements in savings levels, credit scores, and/or reduced debt.

The Financial Clinic coaching clients:

- Increased savings by \$1,187 (per person)
- Increased credit scores by 21 points (per person)
- Amount of past-due debt in collections decreased by \$633 (per person)

Branches coaching clients:

- Reduced debt by \$10,644 (per person)

# Impact on attitudes

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Generally, people offered access to coaching:

- Reported an increased sense of confidence in their finances and reduced feelings of financial stress

Branches coaching clients:

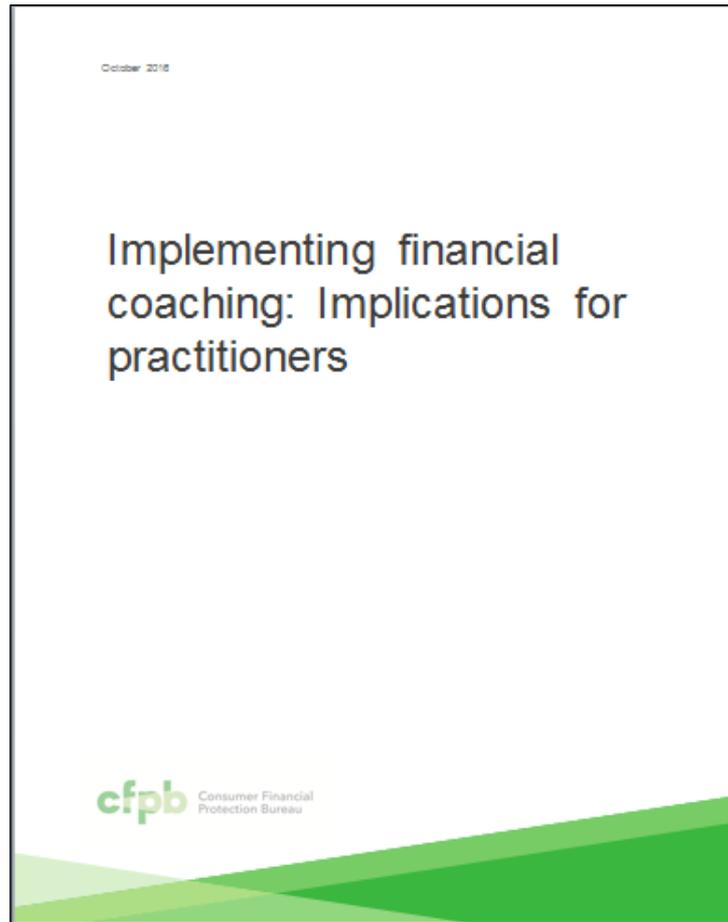
- 15% more satisfied with financial situation
- experienced 12% less financial stress
- 36% more likely to report making progress towards non-retirement savings goals

The Financial Clinic coaching clients:

- 82% more likely to report making progress towards non-retirement savings goals
- 59% increase in perception of progress toward improving budgeting skills

# Financial coaching practitioners brief

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# Financial coaching program design

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***Key learning: Coaching is a flexible approach that can work for many types of clients.***

- Each coaching program focused its coaching activities on issues and goals targeted to the individuals and communities they served.

***Implications for practice:***

- By design, coaching is very flexible. Adapt the coaching program design to meet the needs of the individuals and communities you serve.

# Client interest in financial coaching

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***Key Learning: Take-up of coaching by clients is often lower than expected.***

- Not everyone is able or interested in meeting with a financial coach, and even some who have signed up for coaching do not actually show up for services. Some degree of drop-off of clients who had expressed interest in coaching can be expected.

***Implications for practice:***

- To the extent possible, target coaching services to clients who are likely to engage in and stick with coaching, such as clients who are not in crisis and who have defined financial goals.

# Engaging coaching clients

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***Key Learning: Coaching clients have varying levels of engagement in coaching services.***

- Some clients may attend only one or two sessions, while others seek more sessions over a longer time. Coaching programs have to maintain flexibility to address both shorter- and longer-term client needs.

***Implications for practice:***

- Make it easy and convenient for clients to participate in coaching.
- Pay attention to initial impressions and encourage financial coaches to engage clients quickly and effectively.
- Make the first session valuable and actionable in case clients do not return for additional sessions.

# Financial coaching topics

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***Key Learning: Issues with credit and debt are often the key interests and motivation of coaching clients.***

- The specific needs and goals of each client were different, but credit and debt were common themes.

***Implications for practice:***

- Have activities, tools, and referrals related to credit and debt issues in place as resources to coaching clients.
- Emphasizing credit improvement and debt repayment in outreach and marketing may be a good way to get clients in the door.

# Client success

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***Key Learning: Clients bring a wide array of motivations and challenges to the table.***

- Coaches have to balance supporting clients with putting the bulk of the work on the client to do.

***Implications for practice***

- Begin by exploring and understanding the motivations and challenges of coaching clients.

# Background of coaches

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***Key Learning: Multiple approaches to training and staffing of financial coaching programs can be successful.***

- There are a variety of approaches to financial coaching, training and staffing. Some successful financial coaches in this study came to the position without previous coaching experience, and were provided with staff training on the job.

***Implications for practice:***

- Explore options for recruiting, deploying, and training coaches that fit best with your organization's needs and capacity.

# Managing Spending and Credit

# Study #1: Financial guidelines study

# Financial Guidelines Study

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- Can simple messages change financial behavior?
- Randomized controlled trial design
- Project conducted by:
  - Urban Institute
  - Doorways to Dreams Fund
  - Arizona Federal Credit Union

*The study was conducted by The Urban Institute, and their subcontractor the Doorways to Dreams Fund (also known as Commonwealth), under contract with the CFPB, after selection through a competitive solicitation (contract number CFP-12-Z-00006, Task Order 0002).*

# The Financial Guidelines We Tested

**DON'T SWIPE** the SMALL STUFF.

**CREDIT** keeps **CHARGING.**

Arizona Federal

**DON'T SWIPE**  
the SMALL STUFF.

Use cash when it's **UNDER \$20.**

[Find out why >](#)

Arizona Federal

**DON'T SWIPE** the SMALL STUFF

Use cash when it's **UNDER \$20**

2015		
JANUARY	FEBRUARY	MARCH
S M T W T F S	S M T W T F S	S M T W T F S
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Arizona Federal

**CREDIT**  
keeps **CHARGING.**

It adds about **20%**  
to the TOTAL.

[Find out why >](#)

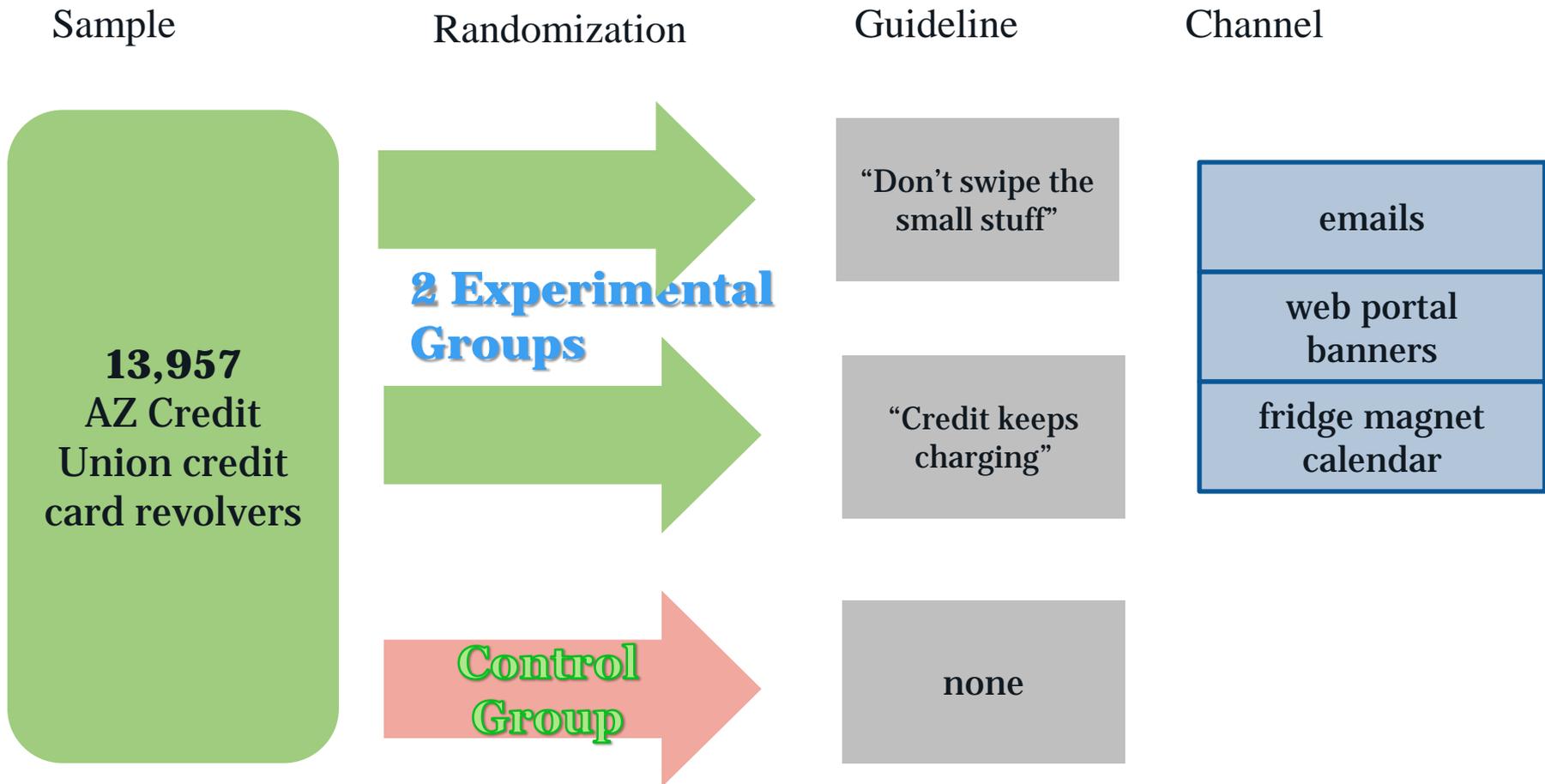
Arizona Federal

**CREDIT KEEPS CHARGING.**

It adds approximately **20% to the total.**

2015		
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# Methodology



# Results: Credit Card Balances

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- **Rule statement exposure reduced credit card balance**
  - Average 2% lower card balance on AZFCU credit card for revolvers who saw “cash under \$20” rule, vs. controls
  - Average \$104 lower card balance
- Mechanism unclear
  - Did not detect decrease in credit card purchases
  - Did not detect increase in card payments
  - Unlikely substituted cash or debit for credit card purchases
  - Unlikely substituted one credit card for another

# How can you help?

## Helpful shortcuts for credit card use: Ideas for financial educators

Consumers can simplify financial choices by using shortcuts or “rules of thumb.” These are guidelines a person can use to make complicated day-to-day financial decisions easier. Rules of thumb are a promising strategy that financial educators can use to help consumers make financial decisions.

To test out the impact of rules of thumb in helping consumers decrease their credit card debt, we commissioned a rigorous study of two financial rules of thumb on consumers with revolving credit card debt. We created two new guidelines aimed at aiding consumers to decrease their revolving credit card debt:

- Don't swipe the small stuff: Use cash when it's under \$20
- Credit keeps charging: It adds approximately 20% to the total

We found that, on average, consumers who were exposed to one of the financial guidelines showed lower credit card balances. Consumers who received the “under \$20” guideline (through emails, web banners, and physical objects such as refrigerator magnets) showed, on average, a lower balance than those who did not receive the guideline.

Though the average reduction in credit card balances resulting from exposure to the rule(s) was

modest, the findings suggest that rules of thumb are quite promising as a low-cost, scalable method of financial education. These low-touch messages were provided for relatively little cost—well under \$1 per recipient.

Such a rule may work by calling attention to one's credit card usage generally. While consumers did not actually reduce their use of credit cards for purchases under \$20, for example, the regular communication may have served as a reminder about the cost of credit. This may have encouraged consumers to take actions related to reducing credit card use and revolving balances.

Specific rules of thumb, or other ways to remind consumers about important financial topics, could be promising strategies to help consumers manage their credit card use.

### Inspired to help?

The findings from the study suggest some implications for financial educators and others working with consumers on financial decisions. These ideas can be combined with your other financial education offerings to help the learnings stick and lead to lasting change.

### Using the two credit card rules of thumb

Reducing credit card debt can be an important part of a consumer's goal to achieve financial well-being. Rules of thumb can be one approach to helping

# How can you help?

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- Share our **credit card rules to live by** with consumers
  - Don't swipe the small stuff: Use cash when it's under \$20
  - Credit keeps charging: It adds approximately 20% to the total
- Clarify that these rules are just starting points for their personal rule
- Help consumers customize these rules of thumb to fit their personal circumstances, resources, and goals
- Explore ways to help consumers keep their attention focused on their rule
  - Reminders: calendars, apps, notes, alerts
  - Make it visible and convenient
- Think about ways to focus consumer attention on the cost of credit cards
  - Small purchases add up
  - Cost of carrying a balance

# My Credit Spending Rule to Live By Worksheet

## My credit spending rule to live by

### Money tips you might hear

#### "Use cash when it's under \$20."

Sometimes it's hard to apply advice you hear in articles or books—or even from friends and family—to your own circumstances. Don't feel discouraged. You can decide on your own personal rule to live by that works for your financial situation. Small changes to the way you use your credit card could help you take more control of your credit card debt.

*Instructions: Use this worksheet to create your own personal rule to live by that will help you meet your goals for controlling credit card spending. Breaking your goals into small actionable steps may keep you from feeling overwhelmed. Writing down your goal can make you much more likely to stick to it.*

[Continue to the next page to get started >](#)

### About money rules to live by

Just like lane markers on a highway, your money rules to live by are guidelines that keep you moving in the right direction. You might have to speed some things up, slow down others, or change lanes from time to time, but your money rules can help you reach your financial destination.

This worksheet is part of a series that focuses on common rules to live by that may help you make good financial decisions in your life. To read the research that helped inform this worksheet, and find out how other consumers think and feel about common advice they hear, visit [consumerfinance.gov/adult-financial-education](https://consumerfinance.gov/adult-financial-education).

### About the CFPB

The Consumer Financial Protection Bureau (CFPB) is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

For more tools and resources on making financial decisions, visit [consumerfinance.gov](https://consumerfinance.gov).



Learn more at [consumerfinance.gov](https://consumerfinance.gov)

1 of 2

### My credit spending rule to live by

#### Step 1: Look at last month's credit card bill

Circle on your bill all the times you swiped your credit card for less than \$20. Small costs can add up over time, so consider paying cash instead. And, unless you pay your full balance off every month, interest and fees can add about 20% more to the cost of an item for average credit card customers.

Count up the number of times you used your credit card for a purchase under \$20:

\_\_\_\_\_ times

Add up the total you spent on these small purchases:

\$ \_\_\_\_\_

List the times and places you used your credit card for small purchases:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

On the list above, circle the times when you could have paid cash instead.

#### Step 2: Create a rule to live by to help you control your credit card debt

Decide when and where to pay cash more often.

*Examples: "I will pay cash for morning coffee" or "I will pay cash once a month for taxis, transit, parking, or gas" or "I will pay cash after 8 p.m. on weekends."*

Write down your rule below, sign this worksheet, and keep it where you can see it.

I will pay cash instead of swiping my credit card: \_\_\_\_\_

\_\_\_\_\_

#### Step 3: Make a promise to yourself—and take action on your rule

I will use my unique rule to live by to help me take control of my credit card debt.

\_\_\_\_\_

(sign here)



Learn more at [consumerfinance.gov](https://consumerfinance.gov)

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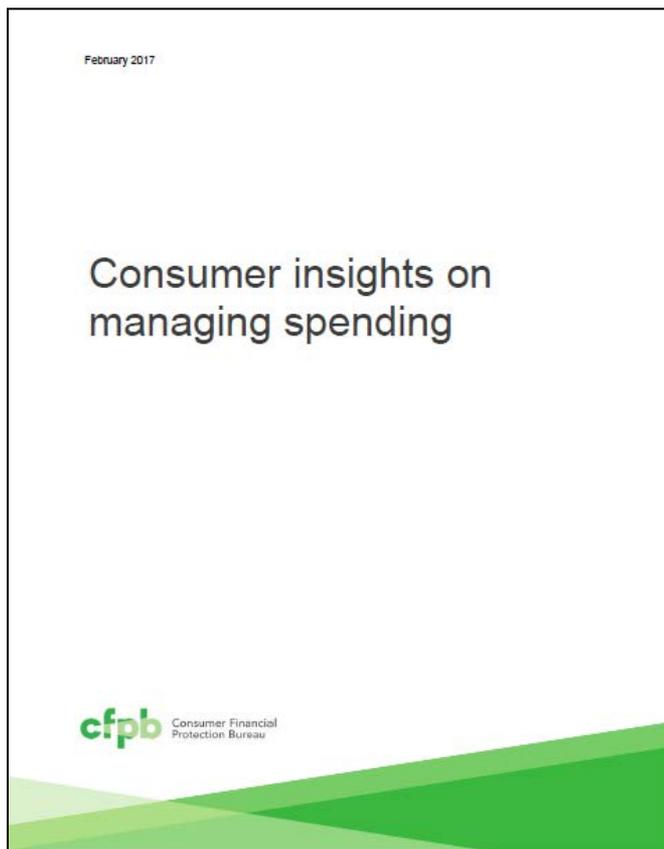


Find it at [consumerfinance.gov/adult-financial-education](https://consumerfinance.gov/adult-financial-education)

# Study #2: Consumer insights on managing spending

# About the study

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- **Goal:** identify financial decision-making challenges faced by consumers, and design and test strategies to help people address those challenges.
- A contractor\* and private-sector firm\*\* worked with the CFPB to develop and test prototypes on managing spending

\*The study was conducted by Behavioral Labs, Inc. (also known as ideas42) under contract with the CFPB after selection through a competitive solicitation (contract number TPD-CFP-12-C-0020).

\*\*NID Security is a hardware company that manufactures display cards. NID Security had a Memorandum of Understanding (MOU) with the contractor to share their findings from the prototype research. Working with this company does not constitute an endorsement of this company or its products on the part of the CFPB.

# Consumer challenges in managing spending

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- **Organizing finances can be complex and intimidating**
  - Involves paperwork, math, trade-offs, and constraints
  - It's a hassle!
  
- **Circumstances affect consumers' spending habits**
  - Small frequent purchases
  - Uncommon purchases
  - Special occasions
  - Sales and discounts

# Consumer challenges in managing spending (cont.)

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- **Consumers find it hard to know how much money is left**
  - Many consumers spend more with a credit card than they would with cash
  - Consumers usually don't see the results of a card purchase until the end of the month
- **Consumers don't always implement their financial intentions**
- **"Traps of scarcity" cause consumers to struggle even more**
  - Consumers with limited financial reserves may primarily focus on their immediate spending decisions and challenges

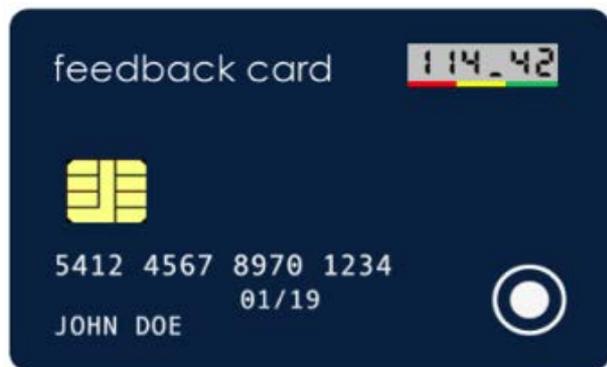
# Potential solution tested in the study

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## **One potential solution:**

- Give consumers information about how much they have “left to spend” in their budget, so that they can make more informed choices about potential purchases

# Prototypes tested in the study

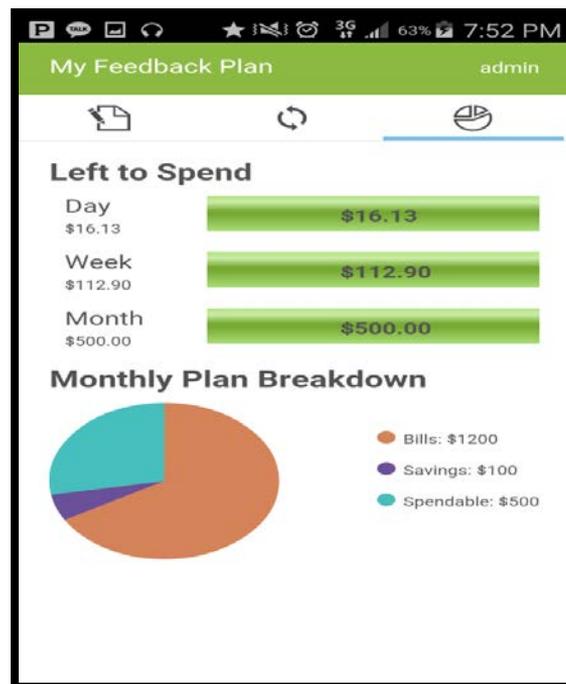


## A payment card with built-in feedback

A card that shows how much is “left to spend” in a given time period, based on budget set by the consumer.

## A flexible budgeting app

A phone/computer app that allows consumers to create a budget and keep track of how much they have left to spend, drawing on data from their accounts.



# Findings: Insights on consumer behavior

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- **Budgeting can be overwhelming or too much of a hassle**
  - 40% said that the primary reason they did not have budgets was due to the uncertainty of their income or expenses.
  - 23% of respondents never got around to making a budget despite the intention to do so.
- **Lack of meaningful, timely feedback is a challenge to managing finances**
  - Only about 2% said they had a tool that could instantly communicate how much money they had left to use based on actual transactions.
- **People generally do not benchmark their spending to their budget regularly**

# Findings: Insights on the prototypes

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- **The card/app provided meaningful feedback**

“The monthly figure lets you know how carefully you need to limit your spending for the month so you don't go over your limit before the end of the month.”

“The [the card and app] made me aware of it actually being MONEY that I'm spending, where a regular card sometimes feels like it is free”

- **The card/app could help curb impulse spending**

“I think [the card and app] would be most useful to control impulse purchases, stuff that you might buy day to day, like coffee or things at the drugstore or whatever that you don't account for in a budget or don't realize how fast they add up.”

# Findings: Insights on the prototype (cont.)

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## Consumers said the card/app would help them:

- **Stay within budget**
  - Consumers who tested the prototype made significantly different choices in the testing situation than those who did not use the prototype.
- **Reduce uncertainties**
  - 74% who tested the prototype agreed/strongly agreed that the “safe to spend” figure gave them peace of mind.
- **Increase frequency of budget tracking**
  - 50% said they would use the card and app at least daily to keep up to date on their spending status.
- **Make routine updates and benchmarking easier**
  - Consumers said the card and app would be particularly useful for people who wouldn't OR don't have the time to track their expenses.

# Findings: Insights on the prototype (cont.)

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## **The card/app could be helpful to younger and older consumers.**

- A mother of five thought the card/app would be useful to give her children their allowance and then allow her to monitor their expenditures.
- Others said this could be a valuable tool for older consumers who may face difficulties in accessing their accounts through other means.

“Most people need to learn how to spend money wisely. [The card and app] could help the younger people learn to budget.”

## **Overall, consumer interest was very high**

- Almost 90% said were interested in using spending feedback tools.

# Implications

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- **Consumers:**

- can find ways to get information on their spending and account balances in as close to real time as possible
  - balance-alert text-messaging services, calling their bank, visiting an ATM, viewing their accounts online, or using apps

- **Financial education professionals:**

- can help consumers create budgets, manage bills, and find ways to get regular feedback on spending, by encouraging consumers to access account balance information before spending

- **Financial services providers:**

- can adopt these approaches in their products and services

# How can you help?

## Managing spending: Ideas for financial educators

### The challenge of managing spending

Having control over day-to-day, month-to-month finances is one of the four elements of financial well-being. Many financial education programs teach consumers to create and follow budgets, and getting spending under control can be the first step on a path to accomplishing longer-term financial goals.

However, as financial educators know, making day-to-day decisions on spending money is one of the biggest challenges consumers face in keeping their financial lives in order. Many people find it difficult to manage their household finances on a daily basis, let alone over the long term.

Nine out of ten shoppers report that they buy items not on their shopping lists. People consistently underestimate the amount they spend on unbudgeted items. Thus, consumers may find themselves spending more than intended. Adding to this challenge is the fact that about one-third of all consumers live paycheck-to-paycheck. In some cases, they may find themselves short on cash and resort to dipping into savings; taking short-term, high-interest loans; or using credit cards.

### Exploring the causes

Research shows that there are many reasons why some consumers struggle to manage their spending. To gain insight into why it's so hard for consumers to do this, consider these issues:

#### 1. The hassle of organizing finances

Making and adhering to a budget involves paperwork, math, trade-offs, and understanding constraints. In short, it is a hassle. Avoiding the pain of budgeting can lead to inaction or less optimal choices in the absence of meaningful, timely feedback.

#### 2. Difficulty keeping track of spending

With little to no meaningful, current, and easily accessible information about their cash balances when making small discretionary purchases, consumers may lose track of how much they have spent over time. This may lead to unintended spending.

#### 3. Exceptions and special occasions

Consumers may see a special occasion or have achieved some milestone or goal as a reason to spend "off-budget." Without a good understanding of where they stand financially, consumers may find that such discretionary spending can negate efforts to stay within a budget.

#### 4. Putting out fires

Scarcity of money can lead to financial decisions that don't help consumers reach their own financial goals. This is especially true with consumers in financial distress, who may focus on solving immediate financial challenges while not recognizing the impact on their long-term goals and aspirations.



Learn more at [consumerfinance.gov](https://consumerfinance.gov)

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### Inspired to help?

Think about ways you can make it easier for consumers to carry out their best intentions around spending—or make it harder to slip up. The ideas below can help guide your work with consumers.

#### Make budgeting easier

- Consumers may have difficulty organizing and managing their finances, including developing and using a budget. Helping people break large budgeting tasks into smaller ones can make it easier for them to control their financial lives.

#### Get feedback on spending

- People spend in different ways at different times. This is one reason why many financial management tools begin with tracking consumption. In order to increase awareness of spending, encourage people to track spending over the course of a month, or other period of time.
- Once consumers understand how much discretionary funds they have available, you can brainstorm ways of developing financial goals, creating a budget, and tracking progress against the budget.
- Encourage consumers to check account balances periodically by doing things such as calling their bank, visiting an ATM, signing up for text alerts, viewing accounts online, or using mobile applications before making discretionary purchases. (Note that some of these services may incur fees).

#### Plan for special occasions

- Help consumers budget for special occasions. Suggest that consumers pick an amount to spend for special occasions every month and write it on an envelope. Encourage them to place all their special occasion receipts in the envelope and, at the end of the month, total up how much has been spent. If they are over budget, encourage them to deduct the difference from their next month's special occasion budget.

### Prevent fires

- Consumers under financial strain may struggle to pay their bills in a way that avoids snowballing into larger future consequences (e.g. taking out an expensive loan). Educate consumers on alternative ways to tackle paying bills or build an emergency fund to avoid larger economic consequences later.
- Help consumers see how small, daily decisions can help in achieving larger financial goals.

The CFPB has developed resources to help financial educators and consumers with issues of managing spending. See, for example, the Consumer Tips on Managing Spending ([files.consumerfinance.gov/documents/201702\\_cfpb\\_Consumer-Tips-on-Managing-Spending.pdf](https://files.consumerfinance.gov/documents/201702_cfpb_Consumer-Tips-on-Managing-Spending.pdf)) worksheet, My New Money Goal budgeting worksheet ([pueblo.gpo.gov/CFPBpubs/CFPBpubs.php?PubID=13057](https://pueblo.gpo.gov/CFPBpubs/CFPBpubs.php?PubID=13057)), My Money Rules to Live By worksheets on savings, spending, use of credit cards, and checking credit reports ([consumerfinance.gov/data-research/research-reports/consumer-voices-financial-rules-live/](https://consumerfinance.gov/data-research/research-reports/consumer-voices-financial-rules-live/)), and the Behind on Bills? Start with one step toolkit ([pueblo.gpo.gov/CFPBpubs/CFPBpubs.php?PubID=13263](https://pueblo.gpo.gov/CFPBpubs/CFPBpubs.php?PubID=13263)). To read more about the research findings about managing spending, go to Consumer Insights on Managing Spending ([files.consumerfinance.gov/documents/201702\\_cfpb\\_Consumer-Insights-on-Managing-Spending.pdf](https://files.consumerfinance.gov/documents/201702_cfpb_Consumer-Insights-on-Managing-Spending.pdf)). To see all of the CFPB's resources for consumers and financial educators, go to [consumerfinance.gov](https://consumerfinance.gov).

### About these ideas

The Consumer Financial Protection Bureau worked with a contractor to conduct research on consumer decision-making challenges and potential solutions to those challenges. The information we have gathered through this research is intended to inform the work of the CFPB and others in the financial education field.



Learn more at [consumerfinance.gov](https://consumerfinance.gov)

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# How can you help?

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- **Make budgeting easier**

- Help people break large budgeting tasks into smaller ones.
- Help consumers see how small, daily decisions can help in achieving larger financial goals.

- **Plan for special occasions**

- Help consumers budget for special occasions.
- One idea: the monthly “envelope method” for special occasions

- **Plan for emergencies**

- Educate consumers on alternative ways to tackle paying bills or build an emergency fund

# How can you help? (cont.)

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- **Help people get feedback on spending**
  - Encourage people to track spending over the course of a month, or other period of time.
  - Brainstorm ways of developing financial goals, creating a budget, and tracking progress against the budget.
  - Encourage consumers to check account balances periodically by:
    - calling their bank, visiting an ATM, signing up for text alerts, viewing accounts online, or using mobile applications before making purchases.

# Consumer worksheet on managing spending

## Consumer tips for managing spending

Managing spending and keeping up with your budget can be difficult tasks, but there are ways to make it easier to manage your spending and reach your financial goals—and improve your financial well-being.

This worksheet helps you recognize common spending challenges and come up with ways you can take action to manage your spending.

### Improving your financial well-being means you:

- Have more control over day-to-day, month-to-month finances
- Have a greater cushion to absorb a financial shock
- Are getting on track to meet your financial goals
- Have more financial freedom to make the choices that allow you to enjoy life

### Step 1: Identify spending challenges

Which of these common spending challenges apply to you?

Check those that apply to you.

- I don't track or budget my income and spending because it's a hassle.
- I have tried to use a budget, but tracking my income and spending is too complicated and/or takes too much time.
- I struggle to pay my bills and expenses because I have inadequate or irregular income.
- When I overspend I often think I can spend less later to make up for it, but I find it's hard to do.
- I don't think about the money I spend when using my debit or credit card to make purchases.
- I like to treat myself and others occasionally even if I can't afford it.
- My financial situation is discouraging, so I avoid thinking about it.

If you've checked one or more of these boxes, try out some of the tips on the next page to better manage your spending.

### Step 2: Address spending challenges

#### 1. Start by getting a handle on where all your money goes

- Track your spending for a week or a month to see how much you're spending in different categories.

#### 2. Create a budget

- Create a household budget. (For an easy-to-use budget worksheet, go to My New Money Goal at [consumerfinance.gov/MyNewMoneyGoal](https://consumerfinance.gov/MyNewMoneyGoal).)
- Decide how much money you can set aside or save for special occasions so that you can enjoy life without overspending.

#### 3. Decide how much to spend

- Set a weekly spending limit based on your budget for small purchases that can add up and keep you from achieving your aspirations. Consider setting aside cash for these purchases at the beginning of the week and not spending more than you set aside.
- Check your balances before going shopping, and set a spending limit based on your budget.

#### 4. Keep track of where you are

- Compare your actual spending to your budget, monthly or more frequently. Make adjustments to your budget if it is regularly out of line.
- Check your balances regularly on accounts, credit cards, and prepaid cards. You can check your balances online, at an ATM, on your smartphone, or by calling your bank or credit union. Be aware that these services may incur fees—check with your financial service provider.
- Sign up for balance alert text message services from your financial institution.

### Step 3: Create a personal plan for managing spending

Steps I will take to manage my spending:

Pick one or more of the solutions above or come up with your own ideas

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

# My New Money Goal worksheet

FINANCIAL PLANNING WORKSHEET

## MY NEW MONEY GOAL



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Sometimes we set new goals, have changes in income, or switch priorities in our lives. Making a plan is the easiest way to navigate these changes.

You wouldn't start a road trip without mapping it out first, and the same is true with your finances. This guide will help you gain a clear view of where your money goes now so you can more easily decide where you want it to go in the future.

These are  's goals as of  /  /

YOUR NAME MM / DD / YYYY

**1 What is my new money goal?**

I want \$  by  /  /

GOAL AMOUNT MM / DD / YYYY

because I want to save for

WHAT ARE YOU SAVING FOR?

*Keep this in a visible place, like on your refrigerator or near your desk to remind you of your new money goal!*

**2 What am I saving now?**

List your savings goals in the spaces below. Include some money for retirement and rainy days. Try to give each goal a dollar amount and set a target for when you'd like to reach each goal. Then write down the monthly amount you'll need to reach your goals. After completing the income, savings, and expenses sections on the pages that follow, write down how much you plan to commit this month.

Priority	Goal	Total needed	Months to goal	Monthly amount	This month's commitment
	Emergency savings				
	Retirement				
	My new goal				
	Other:				
	Other:				
	Other:				

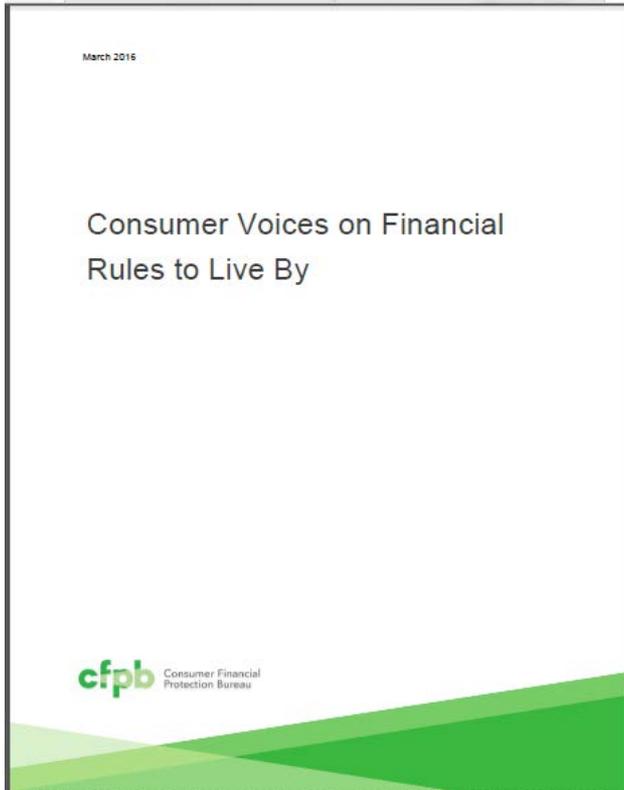
# Behind on Bills toolkit

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# Financial Rules to Live By

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- Many consumers know about common financial rules of thumb.
- Many are frustrated by what they see as unrealistic goals stated in common rules, as they struggle with competing priorities across their financial lives.
- There is a sense that financial rules cannot be applied equally to all people in all circumstances.
- Many commonly held rules are too broad or ill-defined to offer clear guidance to everyone.
- A promising strategy is to help consumers develop their own financial rules of thumb customized to their personal situation -- “**financial rules to live by.**”

# Rules to Live By Consumer Worksheets

## My credit spending rule to live by

**Money tips you might hear** "Use cash when it's u

Sometimes it's hard to apply ad friends and family—to your own can decide on your own person situation. Small changes to the more control of your credit car

**Instructions:** Use this worksheet help you meet your goals for co into small actionable steps may down your goal can make you r

### About money rules to live by

Just like lane markers on a highway, your money rules to live by are guidelines that keep you moving in the right direction. You might have to speed some things up, slow down others, or change lanes from time to time, but your money rules can help you reach your financial destination.

This worksheet is part of a series that focuses on common rules to live by that may help you make good financial decisions in your life. To read the research that helped inform this worksheet, and find out how other consumers think and feel about common advice they hear, visit [consumerfinance.gov/adult-financial-education](https://consumerfinance.gov/adult-financial-education).



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## My spending rule to live by

**A common rule of thumb**

"Use the 50/20/30 rule to manage spending: 50 percent of your take-home pay to need 20 percent to savings and debt payments, more than 30 percent to your wants."

Consumers have told us that they sometimes find common fin of thumb-like "spend no more than 30% of your take-home p wants"—hard to apply to their own circumstances. Don't feel d can decide on your own personal rule to live by that works fo situation. Give yourself simple guidelines for managing your's today's wants.

**Instructions:** Use this worksheet to create your own personal rule help you meet your savings goals. Breaking your goals into sm will keep you from feeling overwhelmed. Writing down your go much more likely to stick to it.

[Continue to the next page](#)

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feel about rules of thumb, read "Consumer Voices about Financial Rules to Live By" at [consumerfinance.gov/adult-financial-education](https://consumerfinance.gov/adult-financial-education) for these resources.

### About the CFPB

The Consumer Financial Protection Bureau (CFPB) is a 21st century agency that helps consumer finance markets work better. We make rules more effective, by consistently enforcing those rules, and by empowering consumers to take more control of their economic lives.

For more tools and resources on making financial decisions, visit [consumerfinance.gov](https://consumerfinance.gov).

[Learn more at consumerfinance.gov](#)

## My savings rule to live by

**A common rule of thumb**

"Save 10 percent of your income."

Consumers have told us that they sometimes find common fin of thumb-like "save 10% of your income"—hard to apply circumstances. Don't feel discouraged, you can decide o rule to live by that works for your financial situation. Putt money on a regular basis—even if it's a small amount—ca unexpected expenses and emergencies and reach your

**Instructions:** Use this worksheet to create your own personal rule help you meet your savings goals. Breaking your goals into sm will keep you from feeling overwhelmed. Writing down yo much more likely to stick to it.

[Continue to the next page](#)

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## My credit rule to live by

**A common rule of thumb**

"Check your credit report once a year."

Consumers have told us that they sometimes find common financial rules of thumb-like "check your credit report once a year"—hard to apply to their own circumstances. Don't feel discouraged, you can decide on your own personal rule to live by that works for your financial situation. You may know that you can get a free credit report from each of the three nationwide credit reporting companies once every 12 months—but did you know that you can request the reports at different times to monitor your credit files throughout the year?

**Instructions:** Use this worksheet to create your own personal rule to live by that will help you meet your savings goals. Breaking your goals into small actionable steps will keep you from feeling overwhelmed. Writing down your goal will make you much more likely to stick to it.

[Continue to the next page to get started](#)

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feel about rules of thumb, read "Consumer Voices about Financial Rules to Live By" at [consumerfinance.gov/adult-financial-education](https://consumerfinance.gov/adult-financial-education) for these resources.

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Learn more at [consumerfinance.gov](https://consumerfinance.gov) 1 of 2

# Resources

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CFPB's Resources for Financial Educators webpage:  
[www.consumerfinance.gov/adult-financial-education](http://www.consumerfinance.gov/adult-financial-education)

To sign up for the CFPB Financial Education Exchange, email:  
[CFPB\\_FinEx@cfpb.gov](mailto:CFPB_FinEx@cfpb.gov)

To sign up for the CFPB Financial Education Discussion Group:  
[www.linkedin.com/groups/CFPB-Financial-Education-Discussion-Group-5056623](http://www.linkedin.com/groups/CFPB-Financial-Education-Discussion-Group-5056623)