

THOMAS P. DiNAPOLI  
STATE COMPTROLLER



110 STATE STREET  
ALBANY, NEW YORK 12236

STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

October 23, 2024

Adrienne A. Harris  
Superintendent  
Department of Financial Services  
1 State Street  
New York, NY 10004-1511

Walter T. Mosley  
Secretary of State  
Department of State  
90 Washington Avenue, 11th Floor  
Albany, NY 12231

Greg Olsen  
Acting Director  
New York State Office for the Aging  
2 Empire State Plaza, 5th Floor  
Albany, NY 12223

Barbara C. Guinn  
Commissioner  
Office of Temporary and Disability Assistance  
40 North Pearl Street  
Albany, NY 12243

John B. King, Jr.  
Chancellor  
State University of New York  
SUNY System Administration  
State University Plaza  
353 State Street  
Albany, NY 12246

Re: Selected State Agencies'  
Roles in Financial Literacy  
Report 2024-F-7

Dear Superintendent Harris, Secretary Mosley, Acting Director Olsen, Commissioner Guinn, and Chancellor King:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Department of Financial Services (DFS), Department of State (DOS), New York State Office for the Aging (NYSOFA), Office of Temporary and Disability Assistance (OTDA), and the State University of New York (SUNY) to implement the recommendations contained in our initial audit report, *Selected State Agencies' Roles in Financial Literacy* (Report [2020-S-53](#)).

**Background, Scope, and Objective**

In recent decades, financial literacy has emerged as a key education initiative at both the federal and state levels. As defined by the U.S. Department of the Treasury, financial literacy describes the skills, knowledge, and tools that equip people to make individual financial decisions and actions to attain their goals; this may also be known as financial capability, especially when paired with access to financial products and services.

New York State requires a one-half credit economics course for high school graduation that includes some personal finance content. Several other states (e.g., North Carolina, Ohio) require a stand-alone course in personal finance. In New York, efforts continue to advance legislation that would require school districts (at the middle and/or high school level, but also at the elementary school level) to offer—and in some cases require—courses in consumer education and awareness and/or financial literacy.

Despite the importance of being equipped to make financial decisions that support their well-being, many Americans remain unprepared for financial emergencies—a point that the COVID-19 pandemic, which adversely affected millions of people, brought greater attention to. Studies have shown that Americans across all generations, but particularly younger adults, demonstrate relatively low levels of financial literacy and have difficulty applying basic sound decision-making principles to real-life situations.

For example, the Financial Industry Regulatory Authority (FINRA) Foundation, which conducts a National Financial Capability Study (Study) every 3 years, reported in 2022 that 47% of survey respondents reported not having emergency funds to cover 3 months of expenses. The results varied depending on respondents' degree of financial literacy, with 35% of those with higher financial literacy reportedly not having 3 months of emergency funds vs. 58% for those with lower financial literacy. Similarly, the Study found that about 25% of credit card-holding respondents with higher financial literacy had paid only the minimum balance within the previous 12 months vs. 46% for those with lower financial literacy.

In 2021, New York State enacted legislation that essentially creates a single repository of links to all State agency and authority financial literacy information and programs. The law required all agencies and authorities to initially provide relevant financial literacy-related education information to DFS in electronic format by November 1, 2021; DFS was required to post the information on its website by January 1, 2022. Those subject to the law are also required to send any updates, revisions, and new information to DFS annually by November 1 for posting. Numerous State agencies have roles in New York's financial literacy efforts, whether these roles are statutorily defined or not.

The objective of our initial audit, issued on September 14, 2022, was to determine selected State agencies' roles in financial literacy offerings, including how they identify and reach out to the most critical and vulnerable consumer groups and how they measure gains in individuals' knowledge after participating in financial literacy offering. We also sought to determine what data these agencies use to evaluate and improve financial literacy offerings. The audit covered the period January 2018 through March 2022. For purposes of our initial audit, we selected five agencies: DFS, DOS, NYSOFA, OTDA, and SUNY. Our audit found that, although each of the five agencies were involved, to some degree, in financial literacy efforts and some collaboration existed, there didn't appear to be a coherent strategy or plan to coordinate these efforts statewide, nor was there a shared understanding or definition of "financial literacy." Such a plan, if well-implemented, would likely provide a stronger level of service to New Yorkers. Agency-specific observations were as follows:

- DFS posted links on its website of financial literacy information provided by agencies and authorities, as required, but as of February 2022 had taken no action to help ensure that it had received relevant information and/or links from all those subject to the new law.
- As of June 2022, fewer than 15 of the State's 100-plus entities were represented on DFS' Financial Help for New Yorkers webpage. Further, just three of the four agencies

we audited that were required to submit relevant information to DFS—NYSOFA, OTDA, and SUNY—were represented with a link on DFS’ webpage; DOS was not represented.

- DOS, OTDA, and SUNY generally sought to identify and reach critical and vulnerable consumer groups through their financial literacy efforts. However, SUNY was the only agency that attempted to measure gains in individuals’ knowledge after participating in financial literacy offerings.
- NYSOFA, as the State’s primary aging services agency, serving one of the most critical and vulnerable consumer groups, disclaimed having any role in administering or overseeing any financial literacy programs. Nonetheless, the DFS webpage included a link to NYSOFA’s website.
- DOS, OTDA, and SUNY had access to information and data that may have helped them evaluate and improve their financial literacy offerings but generally didn’t use this information—or communicate it to partners where applicable—to identify potential strengths, weaknesses, and topic areas that warrant greater focus.

The objective of our follow-up was to assess the extent of implementation, as of August 2024, of the five recommendations—one to each of the five agencies—included in our initial audit report.

### **Summary Conclusions and Status of Audit Recommendations**

The agencies have made progress in addressing the problems we identified in the initial audit report. Of the initial report’s five audit recommendations, four have been implemented and one has not been implemented.

### **Follow-up Observations**

#### **Recommendation 1**

##### **To DFS:**

*Work with agencies and authorities to help ensure that those that are subject to the law are providing the required information to enhance consumer financial literacy and education and that it’s accessible on DFS’ website. Such actions could include, for example, establishing and communicating a definition of “financial literacy” to guide agencies’ determination of relevant content.*

Status – Implemented

Agency Action – In May 2024, DFS issued an email request to the Public Information Officers or Communications Directors at State agencies and authorities, such as NYSOFA, the Department of Environmental Conservation, and the Thruway Authority, citing the requirement that the agencies and authorities provide appropriate financial literacy-related content in electronic format to DFS annually by November 1. The email also asked that these entities provide any financial literacy content, tools, and applications that are not already linked from the DFS website for DFS’ review and, if appropriate, addition to its website.

## **Recommendation 2**

### **To DOS:**

*Work with DFS to ensure that access to information about DOS's financial literacy-related content and efforts is available on DFS' website.*

Status – Implemented

Agency Action – As a result of DOS's coordination with DFS, a link to DOS's financial literacy-related content on its Division of Consumer Protection page is now available on DFS' Consumer Information webpage.

## **Recommendation 3**

### **To NYSOFA:**

*Identify and pursue ways to enhance financial education and literacy among older New Yorkers.*

Status – Implemented

Agency Action – NY Connects is a resource that NYSOFA and other State and local entities use to connect people of all ages or with any type of disability with long-term services and supports. In April 2024, NYSOFA sent an email to NY Connects Coordinators and other aging services entities emphasizing its efforts to make the NY Connects Resource Directory as up to date and helpful as possible and notifying recipients of the next focus area—financial literacy. In the email, NYSOFA acknowledged the importance of financial literacy to users of NY Connects and asked that providers do a specific review of their listings related to seven financial literacy topics (e.g., tax preparation assistance, pooled/special needs trusts) to identify any necessary updates within their respective jurisdictions.

NYSOFA's website also now includes a link to DFS' Consumer Information webpage. We note that the DFS webpage continues to provide a link to NY Connects, as it did at the time our initial audit report was issued.

In addition, NYSOFA has drafted, though not yet issued, a memorandum designed to provide information and raise awareness related to financial literacy resources and education available to the aging network. The memorandum cites New York's status as being an "Age-Friendly" state, as designated by the American Association of Retired Persons, and states that identifying and pursuing ways to enhance financial literacy and education among older New Yorkers is a focus in its becoming Age-Friendly. It also identifies three resources as potentially helpful to the aging population: GetSetUp, which links from NYSOFA's website to both live and on-demand virtual courses on a wide range of topics relevant to older New Yorkers, including financial wellness and managing savings; DFS' Consumer Information webpage, which includes guidance on topics such as reverse mortgages, safe banking, and financial planning; and the NY Connects Resource Directory, which includes resources related to financial literacy and education.

#### **Recommendation 4**

##### **To OTDA:**

*Implement a method to obtain SYEP [Summer Youth Employment Program] participant input to identify potential strengths and weaknesses in financial literacy offerings and share this information with partners as considered appropriate.*

Status – Implemented

Agency Action – In May 2023, OTDA issued a Local Commissioners Memorandum (LCM) to Social Services District Commissioners that reiterated the requirement to include a financial literacy education program for teenagers and young adults for the 2023 SYEP, in accordance with the State Financial Services Law. The LCM also instructed districts and program providers to gather SYEP participant input to identify potential strengths and weaknesses of their financial literacy offerings, and to share this feedback with financial literacy training partners, as appropriate, to improve future offerings. In addition, the LCM required districts to provide a synopsis of participant feedback as part of the SYEP final reporting package for the 2023 program.

A May 2024 LCM reiterated the above financial literacy-related provisions and asked that districts inform OTDA of any adjustments made to their 2024 financial literacy curriculums as part of their 2024 SYEP Performance Goals and Planned Program Details package.

We reviewed OTDA's 2023 and 2024 SYEP Performance Goals and Planned Program Details packages for five districts: Erie, Monroe, Onondaga, Broome, and New York City. All five packages contained descriptions of the financial literacy training programs and their plans to gather participant feedback. In addition, we reviewed the 2023 SYEP District Program Summaries for the same five districts and found that all of them described the financial literacy component provided, the method being used to evaluate the curriculum, a synopsis of the feedback received, and anticipated changes to the curriculum, such as adding information about taxes and investing.

#### **Recommendation 5**

##### **To SUNY:**

*In coordination with the Smart Track vendor, where appropriate, use available Smart Track information and user metrics to identify potential areas of focus and improvement.*

Status – Not Implemented

Agency Action – SUNY's Smart Track is an online financial educational program for students and families, which includes information about tuition and fees, applying for financial aid, and financial literacy tools. At the time of our initial audit, SUNY had a contract with a vendor to provide the financial literacy/wellness information—including courses and modules—on SUNY's Smart Track webpage; that contract has since expired. SUNY obtained user metrics information from the previous vendor about modules that were most popular among users, such as Foundations of Money, as well as information about knowledge gain for both Spanish-translated and non-Spanish courses. However, SUNY is now linking to a free service—Cash Course, hosted by the Higher Education Financial

Wellness Alliance—from its Smart Track webpage. We reviewed Cash Course offerings, which include self-quizzes and cover six core topics, such as “Save & Invest” and “Protect,” with sub-topics such as “Investment Basics” and “Insurance,” respectively, and found them to be comprehensive and easy to use.

In describing this change, SUNY officials stated that changes to the Free Application for Federal Student Aid (FAFSA) process have resulted in them prioritizing assisting students and families with the FAFSA application process. They also emphasized the efforts they’ve undertaken to assist students and families with FAFSA completion. Additionally, they said that they’re evaluating options related to providing an online self-directed financial educational tool for students and will offer Cash Course in the interim.

SUNY officials stated that the campuses can access workshop kits that include ready-made PowerPoint presentations, as well as marketing materials and other resources from Cash Course, but they’re not able to direct the available content or obtain any student metrics to identify potential areas of focus and improvement. As such, we consider this recommendation to be not implemented.

Major contributors to this report were Raymond Barnes, Adriane Inman, Ryan Chauvin, and Dustin Moore.

Agency officials are requested, but not required, to provide information about any actions planned to address any unresolved issues discussed in this follow-up within 30 days of the report’s issuance. We thank the management and staff of each agency for the courtesies and cooperation extended to our auditors during this follow-up.

Very truly yours,

Sharon L. Salembier, CPA, CFE  
Audit Manager

cc: Bruce Rollins, Department of Financial Services  
Linda Herald, Department of State  
John Binseel, New York State Office for the Aging  
Rajni Chawla, Office of Temporary and Disability Assistance  
Thomas Cooper, Office of Temporary and Disability Assistance  
Amy Montalbano, State University of New York  
Nancy Quay, State University of New York