

HACBED

Hawai`i Alliance for Community-Based Economic Development
677 Ala Moana Blvd., Suite 702 Honolulu, HI 96813
Ph. 808.550.2661 Fax 808.534.1199
Email info@hacbed.org www.hacbed.org

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HACBED Staff

Robert Agres, Jr
Executive Director

Justin Fanslau
Associate Director

Larissa Meinecke
Public Policy Associate

Tony Hall
Administrative Manager

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Senate Committee on Human Services and Public Housing
Tuesday, February 5, 2008 at 1:15PM
Conference Room 016
SB 2839 - Financial Education - SUPPORT

Dear Chair Chun Oakland and Committee Members:

The Hawai`i Alliance for Community Based Economic Development (HACBED) is submitting testimony in support of **SB 2839**. This bill establishes a task force on public financial education and asset building.

Hawai`i needs comprehensive public policy to help people build assets. This should include a combination of programs, tax incentives, regulatory changes, and other mechanisms to help people earn more, save more, protect hard earned assets, start businesses and become homeowners. We support **SB 2839** in that it is part of a package that we believe does just that. The Ho`owaiwai Asset Policy agenda includes several measures that help to reach this goal. Financial education is a crucial component of this package.

Assets are essential for three reasons:

1. To have **financial security** against difficult times
2. To create **economic opportunities** for oneself
3. To **leave a legacy** for future generations to have a better life

Financial education is crucial for families building and sustaining assets. The information gathered can provide the skills necessary for families to plan for their future and protect the assets they build. The purpose of **SB 2839** is to establish a comprehensive approach in the development and implementation of this education. Coordination at all levels of government, the private sector and formal education institutions ensures maximum participation of all those involved and encourages public-private partnerships to carry out the goals established in the Task Force.

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There are three major components necessary for delivering financial education. They are; **1) K-12 Education, 2) Public Outreach, 3) Employer participation.** By establishing this task force, the State is leading the country and can be first to ensure that families understand the importance of building and sustaining assets.

In addition to bringing all the stakeholders to the table to find ways to deliver financial education, the State should also invest in a Financial Education Coordinator. This coordinator is vital to uncovering the best ways for government departments to work together to ensure that those on public assistance have the greatest access and opportunity to build assets, eliminate barriers to accessing assistance and streamline government coordination with private sector. As you know, many of our public assistance programs include asset limit barriers that make it impossible for families that are trying to save to qualify for programs that can help them. This coordinator would be in a position to better understand these obstacles and provide solutions for eliminating these asset limit barriers.

Finally, **SB 2839** requires this task force to make recommendations on the creation of universal matched savings accounts. These accounts provide Hawai'i's keiki with a chance to acquire assets and build their future. While we can all agree that providing our keiki an opportunity to start saving young is important, this task force will be in the best position to ensure that such a program is designed to benefit these keiki.

Thank you for the opportunity to provide testimony on **SB 2839**.

Sincerely,

Justin Fanslau