



THE MASSACHUSETTS ECONOMIC EMPOWERMENT TRUST FUND

One Ashburton Place 12th Floor Boston, MA 02108 | (617) 367-3900

Economic Empowerment Trust Fund Meeting

Date: Monday, February 22, 2021

Time: 1:03 PM

Location: Attendees participated remotely via Zoom platform

I. Meeting Call to Order and Roll Call

The meeting of the Economic Empowerment Trust Fund ("EETF") was called to order by Treasurer Goldberg at 1:03 PM with the following members present for all or part of the meeting:

Treasurer Deborah B. Goldberg, Chair
Marcony Almeida-Barros, Director of Community Engagement Division Designee
Barbara Anthony, Treasury Appointee
Elizabeth Barajas-Roman, Treasury Appointee
Roy Belson, Treasury Appointee
Jacqueline Furtado, Secretary of Housing and Economic Development Designee
Hamel Husbands, Treasury Appointee
Raichelle L. Kallery, Senate Minority Leader Appointee
Tom Moreau, Assistant Secretary for Policy and Planning
Former Lieutenant Governor Evelyn Murphy, Treasury Appointee
Edward Palleschi, Undersecretary of Consumer Affairs and Business Regulation
Jerry Rubin, Treasury Appointee
Representative Daniel Ryan
Mayor Yvonne Spicer, Treasury Appointee

Members present via phone:

Representative Steven Ultrino, Speaker of the House Appointee

Absent from the meeting:

Ellen Kennedy, Treasury Appointee

Todd Ostrowski, Commissioner of Elementary and Secondary Education Designee

II. Meeting Minutes

(Vote Motion)

1:07 PM

Treasurer Goldberg sought a motion to approve the December 7, 2020 EETF Board Meeting Minutes to which Mr. Jerry Rubin abstained from voting due to his absence at the December meeting. Mr. Rubin was instructed by Treasurer Goldberg that he could cast his vote and voted to approve.

On a Motion by Ms. Evelyn Murphy, seconded by Mr. Marcony Almeida-Barros, the Board unanimously approved, by roll call vote, the meeting minutes from the meeting held on December 7, 2020.

III. Executive Director Report

1:09 PM

Ms. Alayna Van Tassel began her report with some reflections on the pandemic, her role as Chair on the Financial Education Director's Caucus for the National Association of State Treasurers ("NAST") and what has happened with her fellow NAST colleagues across the country in the past year. She reminded members that almost 1 year had passed since the Board last met in person and summarized the Office of Economic Empowerment's ("OEE") pre-pandemic outreach plans for the BabySteps Program which included visits by Treasurer Goldberg to birthing hospitals from Boston to the Berkshires. Ms. Van Tassel also took this time to commend the entire OEE Team for their dedication, commitment, and ability to come together and make a flawless transition to remote work. She stated that the team's quick response, hard work, and priority changes to accommodate the new office needs was essential in getting the job done.

Ms. Van Tassel briefly discussed BabySteps projections and OEE's hope that in its first year, at least 10% of new families would have opened a 529 U.Fund Account, and that based on current report numbers the 10% projection for babies born in 2020 will be exceeded and that more than likely the projection (10%) for 2021 will surpass 2020 numbers. She informed the Board that based off conversations with other programs across country, particularly in Connecticut, meeting the 10% projection in the first year is a tremendous success. While checking the box is significant, families still must open the accounts and to have this level of success during a pandemic is incredible.

Ms. Van Tassel further discussed how due to the pandemic, OEE shifted its BabySteps outreach from in-person events to social media and credited various paid campaigns, particularly Facebook, for the increase in emails the office received with inquiries about BabySteps, such as eligibility and how to open an account. She stated that promoting digital events to meet the needs of the Commonwealth's residents, was something OEE had already planned, and the

pandemic positioned the office well to accomplish it. She went on to say that due to its success, OEE will continue to use these outreach avenues post pandemic as well.

Ms. Van Tassel also thanked Ms. Samantha Washburn for recognizing how cost-effective digital events were and for the foresight to shift unused funds for in-person programs to help Massachusetts small businesses affected by COVID-19, which had overwhelming response, and again thanked OEE staff for the incredible work over the course of the last 12 months.

Moving on, Ms. Van Tassel briefed the Board on the Legislation that Treasurer Goldberg filed for the 2021/2022 Legislative Session that requires schools to offer (not mandate) financial education in public schools. She informed the Board that later in the year, OEE will be releasing a financial education study report by Ms. Daphna Gluck which will offer an insight of what financial education currently looks like in Massachusetts' public schools. The study, she stated, the first of its kind in the Commonwealth, was completed pre-pandemic and before the financial education standards were passed in 2019. She went on to say that it is her intention to conduct a similar study in three to five years to learn how the pandemic and the standards may have affected financial education in Massachusetts. These studies, she mentioned, are helpful in moving along legislation to ensure all Massachusetts students have access to financial education classes.

Continuing with the financial literacy topic and acknowledging that April is National Financial Literacy Month, Ms. Van Tassel updated the Board on OEE's planned weekly webinars for the new Financial Wellness Program for State Employees and Retirees. The webinars, she said, will be offered throughout the month of April to give state employees and retirees an in-depth look at the Enrich Platform portal and the different tools and resources available to assist them in making informed financial decisions. The webinars will also offer information on the state's SMART Plan retirement savings program. At this time, Ms. Van Tassel thanked many of the Board members who have connected OEE with their agency's Human Resources departments to help promote the Financial Wellness Program to their employees.

IV. Trust Fund Financial Report 1:20 PM

a. Balance Sheet

Bringing the Board's attention to the Balance Sheet by Class report, Ms. Van Tassel pointed out that the EETF had not received any new income since the last board meeting, but that a new grant, for which details could not yet be disclosed, had been awarded and that she would notify the members via email when the public announcement was made. She did, however, inform the Board the grant was for a new OEE program.

Continuing with the balance sheet, Ms. Van Tassel pointed out that most of the funding spent since the December meeting had been for funding of BabySteps accounts and the implementation of the new Financial Wellness Program for State Employees and Retirees, with most of the grant received from the National Association of State Treasurers ("NAST") having been spent on the Enrich Portal. She also noted the Non-Targeted expenses which cover administrative expenses; the funds expended in December for the Small Business Grant awards;

as well as the account balance for the Citizens Bank funding of the Women's Financial Summits ("WFS") Program.

b. Profit & Loss

Moving on to the Profit & Loss by Class report, Ms. Van Tassel advised the Board that the Hildreth Stewart Charitable Foundation ("HSCF") had made the last \$100,000.00 installment payment of their \$300,000.00 donation commitment to the EETF. She also mentioned a \$250.03 payment received from HSCF for three SoarMA match accounts that MEFA had identified as not having been reported to HSCF for payment. Ms. Van Tassel stated the accounts had since been funded by the EETF and reimbursed by the HSCF.

Continuing to the BabySteps Funded Accounts, Ms. Van Tassel explained to the Board that the numbers before them represented accounts funded in calendar year 2021 for accounts opened for babies born in calendar year 2020. She also reminded the Board that accounts for babies born in 2021 will be funded by the Massachusetts Educational Financing Authority ("MEFA").

Following up on the December board meeting discussion regarding a possible discrepancy on the 2020 EETF Annual Report, Ms. Van Tassel reiterated to the Board that through a very thorough analysis of QuickBooks, the accounting system used by the EETF, Ms. Rose Costa, OEE's Executive Assistant/Bookkeeper, identified a discrepancy of \$1,291.22 and worked with Ms. Karen Guida, Treasury's Internal Auditor, and discovered the discrepancy was not with the EETF records, but with the Massachusetts Management Accounting and Reporting System ("MMARS"), and that MS. Karen Guida was available to answer questions.

At this time, Treasurer Goldberg reminded the Board that families have one year from a child's birth or adoption date to enroll in the BabySteps Savings Plan and receive the \$50 seed deposit.

Ms. Evelyn Murphy commented this would be a great time to capture some of the babies who will or have received the \$50 seed deposit to aid with the visual aspect of the program.

Ms. Van Tassel explained that the visual aspect of the program is indeed something OEE had considered and worked on pre-pandemic.

Treasurer Goldberg also commented that pre-pandemic she had met with families and their newborns during hospital visits to capture the moment and essence of the program, but that at this time, funding of the program was the office's priority.

Ms. Van Tassel also informed the Board that, according to a report received from MEFA earlier in the day, the number of 529 accounts opened in 2020 were up 17% from 2019 for beneficiaries under the age of one. She went on to say that the percentage of accounts opened in 2019 for beneficiaries under the age of one, represented 53% of all new 529 opened accounts, a number that increased to 56% in 2020.

V. Program Updates

1:34 PM

a. BabySteps

Ms. Daphna Gluck briefed the Board on the BabySteps hospital checked box data. She stated that number of checked boxes on the parent birth form have remained consistent from month to month during the pandemic with an average of 47% of boxes being checked by parents who showed interest in the program. Ms. Gluck discussed the checked box demographic data for 64,499 births, as well as the percentage of checked boxes by birthing hospital. The data presented showed Massachusetts General Hospital having the highest number of checked boxes per birth rate: 3,528 births in 2020, with 3,243 parents having checked the BabySteps box, a number that represents 91.9% of all births at the hospital. Dissimilarly, data showed South Shore Hospital having the lowest number of checked boxes per birth rate: 2,927 births in 2020, with only 381 parents having checked the box, a number that represents 13% of all births at the hospital. She pointed out that overall, when compared to the distribution of births, the distribution of checked boxes by geographical region is well balanced. Ms. Gluck informed the Board that OEE was in the process of approaching hospitals to gain an understanding of why some hospitals achieve very high rates of checked boxes and others fall below the average.

Moving on to funded accounts, Ms. Gluck reminded the Board of the 30-day gap between December and January accounts which typically represent a spike in January funding. She discussed a new metric used to track the rate of accounts opened vs. the rate of monthly births which revealed that the second month after a child's birth is the strongest month for account opening. She mentioned that she has some ideas to better identify accounts by opening timeline and that she hopes to share that information with the Board at the June 2021 meeting.

Next, Ms. Gluck discussed account contributions and account balances. Data showed that contribution trends had remained the same for accounts opened through December 31, 2020, with over 91% of accounts receiving contributions. She pointed out that the February report covered contributions made up to February 12, 2021 for accounts opened through December 30, 2020.

Mr. Jerry Rubin questioned the regional imbalance and how OEE planned on addressing it going forward.

Ms. Gluck responded that undoubtedly the pandemic's effect on outreach to the lower income communities has contributed to the regional imbalance in account funding, particularly when medium and high earners continue to open and fund accounts. She noted that lower income communities tend to have reservations and need an extra push to open and contribute to 529 accounts, and that OEE has plans to find creative ways to promote BabySteps and create partnerships, on the ground, with organizations to integrate the program into the services they already offer their communities.

At this time, Ms. Samantha Washburn-Baronie thanked Mr. Marcony Almeida-Barros for connecting with OEE to share his insight on how the Attorney General's office conducts its outreach and for sharing some of his contacts in other parts of the Commonwealth to continue building new partnerships for the program. She also informed the Board that OEE has been working with MEFA to learn about parents' experiences with the program, which would then be shared with the public in the upcoming months.

Ms. Gluck added that the information received from MEFA is being used in the social media campaigns to reach areas with low engagement and enrollment.

Mr. Moreau congratulated OEE and Ms. Gluck on the excellent job and presentation and asked if this sort of research had been done by MEFA or the Hildreth Stewart Charitable Foundation (“HSCF”), one of BabySteps biggest donation contributors.

Ms. Gluck responded by saying that MEFA was working with Fidelity Investments to compare trends and timing of when accounts are opened to determine if there is something to identify. She also informed the Board that a meeting with MEFA was being scheduled to compare data sets and cohorts.

Undersecretary Palleschi also congratulated Ms. Gluck on the thorough presentation and inquired about the components of the social media campaigns, as he will be tuning in and encouraging others to do the same.

Ms. Washburn-Baronie began her response to Undersecretary Palleschi by thanking OEE’s Marketing Coordinator, Mr. Eli Fenichel, for his great work identifying trends as well as the changes and restrictions of social media in the past year, in particularly with paid advertising and what government agencies can do to promote it. She went on to say that OEE has focused advertising on the regions of the Commonwealth that have been recognized as high birth areas, with Facebook and Instagram as the primary modes of outreach. She also informed the Board that Mr. Fenichel had compiled a report that highlights the efforts and that she would be happy to share the information.

b. K-12 Financial Education Study

Moving on, Ms. Gluck briefed the Board on the K-12 Financial Education Study she conducted. The study, she stated, which focused on what Personal Financial Literacy (“PFL”) content is taught in Massachusetts public schools, the conditions that shape PFL in public schools in Massachusetts, and the insights of district and school staff/teachers of PFL in Massachusetts public schools, was conducted using three different sources of data: surveys distributed to 120 school districts and the schools that operate within them; 16 interviews with middle and elementary school principals, high school principals and teachers, and one superintendent; and secondary sources such as high school programs of study. She noted that there was non-response bias in the study, and that the programs of study are not representative, in that charter schools and specialty schools are under-represented in the study. She also pointed out that all data was collected prior to COVID.

The data, Ms. Gluck explained, revealed that while requirements are rare, PFL education in high schools is common, and that most high schools (60% of respondents) offer more than one PFL course with integrated content rather than standalone. She also explained that data showed only a minority of middle/elementary schools have PFL education (35% of responding schools or 27% of responding districts) with the majority being elementary schools, which she said was not surprising since math instruction in early grades is presented as part of the Mathematics &

History and Social Science Curriculum Frameworks (K-2) through very basic topics such as money, earning an income, and budgeting, as well as needs and wants.

2:03PM

Mr. Hamel Husbands joined the meeting.

Moving on to the individual interviews, Ms. Gluck discussed the past year's increased discussion on racial equity and the need to achieve equity. She shared with the Board information, including personal quotes, from respondents that revealed a strong consensus among educators regarding the need to address diversity in PFL education to ensure they can create content that is relevant to their diverse student body.

Regarding the initial data observation about racial bias that may be built into some high schools, Ms. Evelyn Murphy asked Ms. Gluck if the ratios of white to non-white students in those high schools had already been analyzed to see if there was already a bias built into the number of students of color who receive financial literacy education, and if any data is available that further explains to what extent the schools providing financial literacy are in fact well representative of all the racial diversity in the Commonwealth.

Ms. Gluck stated that while she did not have good accurate data for the schools, she might have enough data to do some analysis of the high schools, but with the minimal data she had available on the lower grades, an analyst would not be possible. Ms. Gluck noted that a study released in 2020 by Professor Carly Urban did not identify anything remarkable about the racial breakdown in schools that offer financial literacy, but did, however, find things related to resources that might have some relevance.

Finally, Ms. Gluck gave an extensive overview of respondents' answers regarding the barriers to financial literacy, such as conditions that shape PFL in public schools, some of which included competing demands, limited resources, lack of requirement or guidance, and lack of intentionality, as well as the levers to personal financial education which included community partners, teacher training and Professional Development Point ("PDP"), student interest and engagement, local initiatives, and resiliency. She also gave a summary of the insights of district and school staff and teachers regarding the importance of PFL education in Massachusetts, which revealed that as a subject, PFL education can be useful in project-based learning and as a tool to increase engagement and understanding of other subjects and standard; that through PFL education high school students gain practical knowledge as they prepare for adulthood; that PFL is a tool to increase social mobility for low-income or immigrant students; that learning practical real-life skills is important for young kids; that there is concern in lower grades that kids are not learning the principals of PFL at home and therefore schools have a crucial role in teaching PFL; that PFL education is a way to protect students from the dangers of the world; and that and that PFL education is seen as an issue of social justice.

c. Equal Pay Roundtable Series
2:27PM

Ms. Shaitia Spruell informed the Board about the February 24th launch of OEE's new 2021 Equal Pay Roundtable Series, a yearlong series to highlight Equal Pay Day affiliated with different demographic groups. The program, she stated, is in partnership with Massachusetts Commission on the Status of Women and the Massachusetts Women of Color Coalition. Topics throughout the year, Ms. Spruell said, will cover the pay gap, the impact of COVID-19 in communities of color and their intersections with experiences including parenthood and LGBTQ+ communities, as well as a deeper look into how the pandemic influenced the shecession, a named coined by C. Nicole Mason, Director of Research and Policy Initiatives at National Council for Research on Women. Ms. Spruell also mentioned that 2021 marks the 5th year anniversary of the Equal Pay Law and that plans were in the making to celebrate it July or August 2021.

Ms. Washburn-Baronie confirmed that Board member Ms. Evelyn Murphy would be joining the March Roundtable discussion and thanked Ms. Murphy for her invaluable participation.

d. Money Experience
2:30PM

Ms. Washburn-Baronie announced that in the coming weeks, OEE would launch a partnership with the Massachusetts community colleges throughout the state to bring financial literacy to their students and thanked Board member Ms. Ellen Kennedy for her invaluable assistance in connecting the office with the colleges.

Ms. Washburn-Baronie stated that OEE received 5,000 licenses for Money Experience, a digital learning platform that focuses on financial literacy. Ms. Washburn-Baronie explained that the platform delivers the information through a graphic novel in which the user, through a series of different scenarios, will make decisions and set priorities that ultimately impact the character's financial goals. Through this "experience", users learn how to prioritize and make better decisions for their own personal financial goals. The program, she said, is geared towards young adults ages 16-26, which is why OEE elected to offer it to college students who will have one year to complete the program.

VI. Announcements
2:35 PM

Treasurer Goldberg reminded the Board of the next meeting on Monday, June 7, 2021 at 1:00PM.

VII. Adjournment
2:36 PM

Treasurer Goldberg sought a motion to adjourn.

On a motion by Mayor Yvonne Spicer, seconded by Undersecretary Palleschi, the Board unanimously approved, by roll call vote, to adjourn the meeting at 2:36 PM.

LIST OF DOCUMENTS AND EXHIBITS USED

1. Meeting Agenda
2. Meeting Minutes – December 7, 2020
3. Executive Director’s Report
4. Trust Fund Budget Reports
 - a. Balance Sheet by Class
 - b. Profit & Loss by Class
 - c. BabySteps Funded Accounts
5. BabySteps Program Update PowerPoint
6. K-12 Financial Education Study PowerPoint
7. Articles and Press Releases
 - a. 2/4/2021 National Association of State Treasurers – NAST Financial Education Directors Caucus
8. Money Experience PowerPoint
9. Money Talk Tuesdays February thru June 2021 Event Calendars