

Report Summary

Social Security Administration Office of the Inspector General

October 2010



Objectives

To determine (1) why the Social Security Administration (SSA) considered its Financial Literacy Research Consortium (FLRC) necessary; (2) whether SSA coordinated with other agencies or the Office of Management and Budget (OMB) to ensure research and development efforts were not duplicative; and (3) what SSA's expert panel found when reviewing the FLRC grant proposals.

Background

SSA's *Strategic Plan Fiscal Years 2008 – 2013* included a *Special Initiative to Encourage Saving*. In April 2009, SSA published a Request for Applications (RFA) soliciting research proposals for a 5-year cooperative agreement for which SSA would award grants.

To view the full report, visit http://www.ssa.gov/oig/ADO_BEPDF/A-08-10-20181.pdf

Congressional Response Report: The Social Security Administration's Financial Literacy Research Consortium (A-08-10-20181)

Our Findings

SSA developed the FLRC as a complement to other financial literacy initiatives. When developing the RFA, requesting resources for the initiative, and ultimately funding the proposed activities of the research centers, SSA coordinated with OMB, other Federal agencies, academia, and leading experts in the field of financial literacy.

In our interviews with 11 of the 12 expert panel members, almost all echoed the concerns outlined in the letter they sent to SSA contracting personnel after reviewing and scoring the FLRC grant applications. In fact, although only 8 of the 12 panel members signed the letter, 10 of the 11 we interviewed generally agreed with the concerns expressed.

Because SSA officials did not believe Federal grant-making rules allowed them to discuss the concerns expressed in the letter with the expert panel members, SSA did not directly respond to the panel's letter. Additionally, SSA believed the panel's recommendations were outside the scope of its responsibility to provide a *technical* review of the grant applications. While SSA did not provide the panel with details of its final funding decision, the Agency provided us evidence that it considered the panel's comments and made several adjustments to the grant awards to address their specific concerns.

Our Conclusion

We understand SSA was uncertain whether grant-making policies allowed it to discuss the letter's contents with the panel members. However, SSA specifically sought highly respected members of the personal finance and financial literacy communities to participate in this expert panel. With experts of this caliber—who clearly have strong opinions about the issue—we believe SSA should have done more to clarify governing policies after the conclusion of the panel's technical review. If this occurs again, we encourage SSA to improve its communication with panel members. Finally, we determined SSA coordinated with OMB and other Federal and private organizations on the FLRC initiative—and continues to do so.