

# Treasury Launches Effort to Study Impact of Climate Change on Households and Communities

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## *Financial Literacy and Education Commission Convenes Meeting to Explore Financial Risks to Households and Communities from Climate Change*

WASHINGTON — Today, the U.S. Department of the Treasury launched a new effort to study the impact of climate change on households and communities. The Financial Literacy and Education Commission (FLEC) convened a meeting, which was chaired by Under Secretary for Domestic Finance Nellie Liang to begin to explore the financial risks to households and communities, especially low-income and historically disadvantaged communities, of climate change and climate transition. The meeting included participation from Adair Morse, Deputy Assistant Secretary for Capital Access, David Uejio, representing the Consumer Financial Protection Bureau, Vice Chair of the Commission, Todd Harper, Chairman, National Credit Union Administration, and Richard Cordray, Chief Operating Officer for Federal Student Aid at the U.S. Department of Education.

“This meeting is part of the Biden-Harris Administration’s whole-of-government approach to tackling climate change. Under Secretary Yellen’s leadership, the Treasury Department is working to better understand financial risks to households, especially in low-income and historically disadvantaged communities, posed by climate change and climate transition,” Under Secretary Liang said. “Americans across the country have seen firsthand how extreme weather events, which have increased due to climate change, can impact their financial wellbeing. Beyond events like storms and wildfires, we expect climate change to impact insurance, credit, and household savings. It’s vital that Treasury undertake this work, in collaboration with other experts in and outside of government, in order to help families prepare for climate-related financial risk and assist local governments, philanthropic agencies, and financial intermediaries in building community financial resilience.”

As FLEC begins work on household climate resilience, its analysis will especially focus on historically disadvantaged people and regions. FLEC will work to develop an understanding of:

- how households, communities, and the smallest businesses experience financial resilience in the face of climate change and climate transition, supported by resilience-supporting financial products and financial infrastructure supporting environments.
- how to map climate-related financial risks, and identify which groups and regions will be most impacted; and
- what tools and best practices could be effective at addressing risks and vulnerabilities and how to implement them equitably.

FLEC's efforts are a direct response to President Biden's Executive Orders 14030 and 13985, "Climate-Related Financial Risk" and "Advancing Racial Equity and Support for Underserved Communities Through the Federal Government." FLEC is an interagency body created by the Fair and Accurate Credit Transactions Act of 2003 to improve financial education and coordinate federal financial education activities.

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