The Society for Financial Education and Professional Development, Inc.

Linda Gabriel
September 13-14, 2018
11th Annual Financial Literacy Leadership Conference
September 13th - 14th, 2018
Objectives

Attendees will be knowledgeable of:

- Who is FDIC
- Need for Financial Education
- Money Smart Programs
- Best practices in teaching Money Smart
- Implementation tips
- Resources
An independent agency of the United States government created to insure deposits at banks and savings associations throughout the United States.
FDIC’s Primary Responsibilities

Provide Federal deposit insurance for banks and savings associations in the United States.

Perform duties of Receiver for failed banks and thrifts and then liquidates assets.

Supervise and enforce consumer protection and safety and soundness laws at state-chartered nonmember banks.

Facilitate community development efforts.
NEED FOR FINANCIAL EDUCATION
Financial Education: The First Step

Financial Education Can Be the Building Block to...

- Building wealth
- Establishing Relationship with a Bank / Credit Union
- Opening a Savings and/or Checking Account
- Creation of long-term assets
- Buying a home and/or starting a small business
- Developing a budget and saving money
- Trust between consumer and financial institution
Characteristics of Unbanked Households

Households more likely to be unbanked than the population as a whole are those:

- With a black, Hispanic non-black, or American Indian/Alaskan householder
- Where Spanish is the only language spoken at home
- With a householder that is a foreign-born noncitizen
- That are family households with an unmarried female or male family householder
- Earning less than $30,000
- With a householder holding less than a high school degree
- With a householder under age 45.
A Few Statistics...

On U.S. households:

- 60% of households with credit cards carry balances; average balance is $8,220
- Use of budgets
- Growth in alternative service providers
- Just 42% of Americans know how much they need to save for retirement goals.
Why Is the FDIC Involved in Financial Education?

Reasons include:

1. To help fight predatory lending
2. To encourage financial institutions to identify untapped markets
3. To assist consumers in shaping their financial future
4. Complicated financial landscape
Money Smart

- Money Smart is FDIC’s FREE financial education curriculum
  - Over 932,000 copies have been distributed
  - Over 3 million consumers have been trained
  - Over 1,600 organizations are members of the Money Smart Alliance
- Money Smart has received recognition
Reasons Why Money Smart Is Unique

- Easy to Teach
- Easy to Learn
- Flexible – A la carte approach
- Designed for the Un-banked and Underbanked
- Scalable for more sophisticated consumers
- No licensing fee or copyright restrictions
- Available in multiple media formats
- Multiple Languages
- U.S. seal of approval
- FREE!
FDIC’s Role

- Distribute the curriculum to potential instructors
- Provide technical assistance, possibly including linking sites interested in delivering financial education with potential instructors
- Conduct Train-the-Trainer classes
- Research and publications
The Money Smart Program

- **Curriculums for:**
  - Adults
  - Young Adults (ages 12-20)
  - Small Businesses
  - Elementary School students (ages 5-8)
  - Older Adults
  - Money Smart for Young People (PreK-12) 2015

- **Implementation resources:**
  - *Money Smart News* — MoneySmartNews@fdic.gov
  - Train-the-Trainers
  - Alliance
Different Versions

Instructor-Led

Self-Paced/ Internet-Based
Instructor-Led Curriculums

- Each module is structured identically
  - Comprehensive guide for instructors
  - Take-home booklet for participants
  - Overheads (PowerPoint and PDF format)

- Modules can be taught in any order or combination
- Flexibility to teach portions of modules
Money Smart for Adults

The Modules

• Bank on It
• Borrowing Basics
• Check It Out
• Money Matters
• Pay Yourself First
• Keep It Safe
• To Your Credit
• Charge It Right
• Loan To Own
• Your Own Home
• Financial Recovery

In Nine Languages

• English
• Chinese
• Haitian Creole
• Hindi
• Hmong
• Korean
• Russian
• Spanish
• Vietnamese

Two Formats

• Instructor-led
• Self-paced
What’s Coming in October 2018
2018 Money Smart for Adults Will Have 14 Modules

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Measuring Money Smart
Survey Methodology

- **Three phases**
  - Before taking the course
  - Immediately after the course
  - 6-12 months following the course
Findings include:

- *Immediately after completing the course:*
  - 69% of respondents reported an increase in their level of savings
  - 53% reported their debt decreased
  - 58% stated they were more likely to comparison shop
Approximately 95 percent of respondents reported that they were satisfied with their *Money Smart* course.
Must Perceive Value

- This Training Is Created For ME
- The Value Must Apply To Their World
5 Aspects of Building TRUST

- Listen
- Validate
- Problem-Solve
- Positive Regard
- Hope
Small Groups

- Creates opportunity to exchange Information
- Helps Others To Encounter Different Perspectives
Implementation Tips
Keep In Mind When Targeting the Unbanked...

- Deposit Insurance
- Fees
- Identification Issues
- Bounced Checks
- Insufficient Funds
- Credit History
- Sensitivities (education vs. literacy)
- Incentives
- Assess audience first
Also Keep In Mind...

- Set realistic expectations for program participants
- Choose appropriate outcomes and indicators based on participants’ financial situation or other external constraints
- Identify the stage when a participant is ready and willing to change
- Find “the teachable moment”
Money Smart News

- **View online or subscribe**
  www.fdic.gov → Mail icon on top of screen

- **Released quarterly**

- **Provides:**
  - Success Stories
  - Updates on the Money Smart program
  - Other items potentially of interest to financial educators

- **Submissions are welcome**
Points to Remember

- Review objectives
  - Be knowledgeable of Money Smart
  - Best practices in teaching Money Smart
  - Best practices in financial education delivery
  - Implementation
  - Measurement

- Questions?

- Evaluation
Best Practices

- Identify the learning needs of participants
- Focus on the Participants
- Aim discussion towards course objectives
- What are their expectations
- How can the information be relevant to them
- How can this experience change the lives of your participants
Finally

- **How are you changing your community?**
  - Loans of various types?
  - Working with various non profit organizations to feed families or place them in affordable homes?

- **Now What?**
- **What’s the Key?**
- **What’s the goal?**
Thank you!

Questions?
Thank you!

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