



Money Smart Financial Education Curriculum

Millions of people across the U.S. remain outside the banking system and economic mainstream. These individuals include newly arrived immigrants and low- and moderate-income individuals - widely referred to as the unbanked and underserved populace. Among the barriers identified as prohibitive to establishing banking relationships has been the absence of a basic understanding of money and how it works in our society. In response to this dynamic, and a similar finding identified in connection with industry concerns related to predatory lending, the FDIC developed a financial education program called Money Smart.

Money Smart is a financial educational program designed for adults which includes 10 training modules covering basic financial topic such as an introduction to bank services and credit, budgeting, savings credit cards, loans and homeownership. It contains everything necessary to begin teaching the program right away and includes take-home booklets and other resources for participants. It can be taught in its entirety, or specific modules can be used to fill in the gaps in other financial education programs. Money Smart is free to banks and others interested in sponsoring financial education workshops. The curriculum is available in English, Spanish and Chinese. Korean and Vietnamese translations will be available prior to the end of 2003. In addition, a CD-ROM and web-based interactive version of the curriculum is planned for 2004.

A bank's financial education efforts can contribute to its CRA performance rating, but even more so it is FDIC's position that promoting financial education makes good business sense. When people have more financial options, they seek out more products, services and asset-building strategies, including transactional accounts, loans, investment products and homeownership. Educating the unbanked and underserved population – particularly about unscrupulous lending practices, homeownership and low-cost ways to send money to foreign countries – provides them with an entrée into mainstream banking.

As a result of the Money Smart program many financial institutions, community organizations, government agencies and others across the nation are sponsoring financial education classes in their communities – from classroom courses for prospective customers to financial planning and homeownership seminars for existing customers. Some programs are independent initiatives pursued by banks alone, while others are making an impact as a result of public and non-profit partnerships.

The goal of the Money Smart initiative is to reach one million consumers in all 50 states through 1,000 partnerships and distribute 100,000 copies of the curriculum by 2007.

Current program milestones include:

- Distribution of 52,000 copies of Money Smart.
- Establishment of over 300 local alliance members throughout the U.S., as well as, national partnership agreements with entities such as: Department of Housing and

- Urban Development, Wachovia Corporation, Neighborhood Reinvestment Corporation, Internal Revenue Service, National Coalition of Asian Pacific American Community Development, Community Bankers of America and Goodwill Industries.
- Conduct of 55 orientation sessions for over 1,400 organization and financial institution representatives and 45 train-the-trainer sessions for over 1,200 people.
 - Establishment of 17 model projects sponsored by FDIC regional offices. Model sites are multi-partner arrangements which are required to include a financial institution and be linked to other asset-building programs and/or service organizations such as the IRS Voluntary Income Tax Assistance (VITA) sites, the Department of Labor One Stop Career Centers or homeownership courses offered by community organizations and general education by community colleges.

The Money Smart initiative has been widely cited in numerous national and local publications. Future plans include program surveys and assessments, continued expansion of collaborative efforts to deliver Money Smart to consumers, and exploration of additional steps to bring the unbanked and underserved into the financial mainstream.