
For immediate release

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FDIC, DEPARTMENT OF LABOR INTRODUCE MONEY SMART PROGRAM

The Federal Deposit Insurance Corporation (FDIC) and the Department of Labor today announced a joint initiative, called Money Smart, which offers basic financial education for the first time to people taking part in Welfare-to-Work and Workforce Investment Act programs nationwide.

Beginning in the second quarter of 2001, Money Smart will be available through a national network of more than 800 One Stop Centers, which provide employment and training services for persons seeking new jobs or entering the workforce, including individuals participating in Welfare-to-Work programs. The program also gives financial institutions a new tool to use in serving their communities.

Developed by the FDIC, Money Smart is designed to help adults currently outside the financial mainstream build financial knowledge and develop positive relationships with financial institutions.

"This is an important initiative, and the FDIC is delighted to partner with the Department of Labor to address the needs of individuals in Welfare-to-Work and Workforce Investment Act programs and their families," said FDIC Chairman Donna Tanoue.

"Financial education is important to prepare workers for a secure future," said Secretary of Labor Alexis M. Herman. "Money Smart will expand the Labor Department's efforts to help American workers and their families improve their financial fitness."

Money Smart consists of 10 training modules covering basic financial education topics. The modules are being piloted in the District of Columbia's Naylor Road One Stop Center and with the District of Columbia's Office of Banking and Financial Institutions and the North Capitol Neighborhood Development Corporation.

Said one student from the class at the Naylor Road One Stop Center after opening her first checking account at a local bank: "I got a lot out of this program and now understand that I am more than a customer. I can ask questions. I feel more confident and comfortable at the bank." The Money Smart program will be ready for distribution to One Stop Centers and financial institutions in the second quarter of 2001. The program's 10 modules are:

Bank On It - an introduction to bank services

Borrowing Basics - an introduction to understanding credit

Check It Out - how to open and maintain a checking account

Pay Yourself First - the importance, benefits, and methods for saving money

Money Matters - preparing a personal budget

Keep It Safe - consumer rights and responsibilities

To Your Credit - the importance of credit history

Charge it Right - the costs and benefits of using a credit card

Loan To Own - the costs and benefits of consumer loans

Your Own Home - an introduction to home loans

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