



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC's Financial Education Program Improves Consumers' Money-Management Practices

*Gallup data demonstrate the lasting effects of the FDIC's **Money Smart** program.*

Findings from a survey of consumers who have taken the FDIC's *Money Smart* financial education program show that the training can positively influence how people manage their finances. The survey is the first to examine the impact of financial education on the behavior of a broad audience up to one year after completing the training.

"This unprecedented survey shows that financial education works and can make a significant difference in the way people save and spend their money," said FDIC Chairman Sheila C. Bair. "I am proud that the FDIC and our *Money Smart* curriculum have been at the forefront in financial education, and have had such a positive impact on the lives of those who have taken part in the program."

The survey results indicate that those who took the *Money Smart* course were more likely to open deposit accounts, save money, use and adhere to a budget, and have increased confidence in their financial abilities when contacted 6 to 12 months after completing the course. A majority of those surveyed reported an increase in personal savings, a decrease in debt, a better understanding of financial principles, and an increased willingness to comparison shop for financial services.

Among other changes in behavior 6 to 12 months after the course were these:

- 43 percent of those without a checking account after completing the course had opened a checking account.
- 37 percent of those without a savings account after completing the course had opened a savings account.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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- 22 percent who already had a checking account at the conclusion of the training had opened a checking account at a different financial institution, and 13 percent had opened a different type of account at the same institution, demonstrating the ability to comparison shop.
- 61 percent of those not using a spending plan/ at the end of the course had used one when polled.
- 95 percent of those who used a spending plan at the end of the course still used it when surveyed.
- Between the beginning of the course and the survey, there was a 12 percent increase in the number of participants who always paid bills on time.

Since its inception, more than 864,000 consumers have attended at least one financial education class using the *Money Smart* curriculum and more than 128,000 have established new banking relationships as a result.

The FDIC engaged the Gallup Organization to help design and administer the survey to determine the impact of *Money Smart* on the behavior of those attending the training. Gallup interviewed 631 people who had completed the FDIC's *Money Smart* program six to 12 months earlier. Each person interviewed completed a survey at the start of the training and then immediately following completion of the course.

The FDIC created its award-winning financial education program to help adults enhance their money-management skills, understand basic financial services and build confidence to use banking services.

Money Smart is available free of charge in six languages and Braille, and is available on the FDIC's Web site at www.fdic.gov and on a computer-based instructional CD-ROM.

The study: *A Longitudinal Evaluation of the Intermediate-term Impact of the Money Smart Financial Education Curriculum upon Consumers' Behavior and Confidence* - April 2007 is available

at: <http://www.fdic.gov/consumers/consumer/moneysmart/pubs/ms070424.pdf> - ([PDF Help](#))