
Joint Release

**United States Department of Education
Federal Deposit Insurance Corporation
National Credit Union Administration**

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FDIC and NCUA Chairs Join Education Secretary to Announce Partnership to Promote Financial Education and Savings Programs²

Officials challenge financial institutions, schools, federal grantees, and stakeholders to work together to help students and families save for college, develop smart money habits

U.S. Secretary of Education Arne Duncan, Federal Deposit Insurance Corporation (FDIC) Chairman Sheila C. Bair, and National Credit Union Administration (NCUA) Chairman Debbie Matz joined together today in signing a new agreement that aims to help millions of students get on the path to financial success. The agencies will work together to facilitate partnerships among schools, financial institutions, federal grantees and other stakeholders to provide effective financial education; increase access to safe, affordable and appropriate accounts at federally insured banks and credit unions, and encourage saving. The potential for impact is great. For example, the agreement allows the FDIC and NCUA to support the US Department of Education's 1,700 college access grantees, which engage over one million low-income K-12 students striving for higher education.

Duncan, Bair and Matz spoke with high school students at the student-run credit union branch at T.C. Williams High School in Alexandria, Va., before announcing the agreement to an audience that included bank and credit union executives; asset-building experts; educators and parents; state policy makers; and students from the Academy of Finance at T.C. Williams.

"A lack of financial literacy is a major roadblock on the path to college access and success for too many students and families," said U.S. Secretary of Education Arne Duncan. "We know that students who save for college are more likely to go. Teaching students how to make smart decisions about money from an early age – and giving them and their parents the right tools and incentives to save for financial goals, including higher education – and will help them build strong financial futures and will help us reach the president's 2020 college completion goal. I applaud the cities, schools and financial institutions that are already working together on this, and I encourage others to take on this challenge."

NCUA Chairman Debbie Matz said, "There is no better place for young people to learn these concepts than from their teachers at school, and no better partner to provide subject matter expertise for schools than financial institutions. In many underserved communities, studies show that parents learn about finances from their children, so youth financial education can benefit adults as well. We look forward to working with Education and FDIC on these shared goals."

FDIC Chairman Sheila Bair added, "Teaching young people how to responsibly handle their finances and use mainstream banking products isn't a luxury in today's economy – it is essential. Even though banking services and products evolve, consumers will always need to know the fundamentals, such as the importance of saving for a rainy day, the meaning of 'APR,' and deposit insurance. That is why this partnership between the nation's deposit insurers and the Education Department makes so much sense."

All three agencies will also work together to increase participation in the National Financial Capability Challenge, a voluntary awards program designed to challenge educators to teach high school students the basics of personal finance, and reward success.

The need for youth financial education, financial access and saving are well documented. The FDIC's research indicates that younger adults are less likely to have access to an account at a Federally-insured bank or credit union and more likely to incur sizable fees, while the National Financial Capability Study conducted by the FINRA Foundation and supported by Treasury found that younger adults struggle with basic personal finance concepts and overestimate their ability to perform simple financial calculations. At the same time, research from the Center for Social Development at Washington University in St. Louis suggests that students with a college savings account are much more likely to attend college, even while controlling for other factors.

Attachment:

Fact Sheet - PDF (PDF Help)
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