

IN THIS ISSUE

- Message from the Chairman
- Interactive Computer-Based *Money Smart* Launched
- Money Smart*: Get Involved!
- Partner News
- Photo Essay: *Money Smart* Alliance Program Signing Ceremony
- Photo Essay: *Money Smart* Computer-Based Instruction Roll-Out
- New Federal Education Commission Launches First Major Initiatives

Message from the Chairman



Personal computers and the Internet have revolutionized the way many people bank, shop, communicate and do many other things, including how they can get an education. "E-learning" enables people to study a subject any time, anywhere, as fast or as slow as they want or need. Given the many benefits of e-learning, the FDIC is proud to offer the next generation of *Money Smart*, the FDIC's award-winning financial education curriculum. *Money Smart* CBI -- short for *Money Smart* Computer-Based Instruction -- is interactive, interesting and easy to use, and available free of charge on CD-ROM and on the FDIC's Web site. The new version contains all the information found in the *Money Smart* curriculum but with enhancements, including the chance for users to have a "virtual experience" filling out a check, using an ATM and conducting other banking business.

As you may recall, the FDIC introduced *Money Smart* in the summer of 2001 as a 700-page paper-based product available only in English and designed to be used in a classroom. Since then, we've translated *Money Smart* into Spanish, Chinese, Korean and Vietnamese, and we've made the original curriculum available on CD-ROM. We're proud of how *Money Smart* has helped low-income Americans, new immigrants and other adults outside the financial mainstream enhance their money management skills. In fact, thanks largely to the partnerships the FDIC has established with government agencies, national non-profit groups, banks and other organizations around the country, more than 300,000 people have taken a *Money Smart* class and have opened at least 40,000 new bank accounts.

We've had great success in helping people step into a classroom and later step into a financial institution, so they can be in a position to open the next door -- the door to financial independence -- by saving money, being smart about borrowing money, owning their own home and even starting their own business. *Money Smart* CBI is designed to make it even easier to reach that door to financial independence, without even having to leave home. And because not everyone has Internet access at home, the FDIC is making *Money Smart* CBI available on CD-ROM as well, so that anyone interested can learn on a stand-alone computer in a local library or school. The FDIC also is working with our existing partners and recruiting new partners to offer *Money Smart* CBI in their classes or otherwise help bring our program to people who may not have Internet access or a computer at home.

To do your own e-learning about how *Money Smart* CBI works and how you can access it online or order a copy, start by reading the *Money Smart* News article at <http://www.fdic.gov/consumers/consumer/moneysmart/newsletter/fall2004/launched.html>. Find out why we're so excited about this new financial education service for consumers...and why you may want to be part of it.

###

To see a photo essay on the FDIC's announcement of *Money Smart* CBI at the National Press Club in Washington, DC, on September 15, 2004, visit <http://www.fdic.gov/consumers/consumer/moneysmart/newsletter/fall2004/photoessay2.html>.

---Chairman Don Powell

Interactive Computer-Based *Money Smart* Launched

On September 15, the FDIC announced the launch of an interactive computer-based version of *Money Smart*. The new version is available - in English and Spanish - both as a stand-alone CD-ROM and on the FDIC's Web site at <http://www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html>.

This "next generation" of *Money Smart* contains the same 10 modules (sections) as the original *Money Smart*, which was designed for classroom use. The new version can complement formal classes, serve as a refresher, or enable people to study independently.

Donna Gambrell, Deputy Director of the FDIC's Division of Supervision and Consumer Protection, explained that "the *Money Smart* interactive computer-based instruction will enable the FDIC to reach even more people using an exciting technology that will stimulate students' interests." In addition, the computer-based version can enhance classroom lessons in the original version.

From the September 15 launch of the *Money Smart* CBI through October 9, the FDIC received 890 orders for the English version and 328 orders for the Spanish version.

Photo Essay: *Money Smart* Computer-Based Instruction Roll-Out

***Money Smart* CBI: Questions and Answers**

1. How does the *Money Smart* CBI work?

The *Money Smart* CBI contains all the information covered by the original *Money Smart*, which was designed for classroom use. An online instructor (Penny Cash in the English version; Celia De La Plata in the Spanish) guides the student step by step through each section. The student has a virtual experience learning how to fill out checks, use an ATM, interact with bank employees, fill out a check register correctly, calculate Annual Percentage Rates (APRs), and much more. Students receive ongoing feedback on their work. Upon successful completion of each section, students can print out a certificate showing that they have mastered that module's curriculum.

2. How long does each module take a student to complete?

One of the advantages of the *Money Smart* CBI is that students work at their own pace. However, on average, each section will take 20 - 30 minutes to complete.

3. *Money Smart* was designed primarily for low- and moderate-income individuals. How can people in those groups use the computer-based version if they don't already know how to use a computer?

This problem concerned us, so we actively set out to address it. First, we have chosen to partner with national organizations that regularly provide their audiences with access to computers. We also are encouraging financial institutions and major corporations to donate computers to our partners.

Second, earlier this year, while the CBI was in the final stages of development, we conducted tests with six groups around the country and in Puerto Rico. Three of the tests were of the Spanish version; three were of the English version. Participants ranged in age from their early 20s to their mid-80s. Some were welfare-to-work participants; others were from senior citizens' centers, public or transitional housing, or neighborhood improvement programs. Some were unemployed and others came to the testing site directly from their jobs on the night shift at a local factory. Computer skills ranged from slight to nil. All six groups reported a positive experience with the *Money Smart* CBI. Even the senior citizens, who were being exposed to a computer for the first time, were able to master the use of the mouse and successfully complete one or more sections.

We have posted the *Money Smart* CBI on our Web site where people can access it through public computers in places such as libraries. The Web version was slightly modified so that the program can be accessed by older, less sophisticated computers without danger of "freezing" them.

4. What kind of equipment and software are necessary for running the version on the FDIC Web site?

To make the program accessible to the broadest number of users, the Web version requires the following:

- One of the standard versions of Windows—Windows 95/98/ME/NT/2000/XP
- Access to the Internet at 56 Kb or faster
- Internet Explorer (version 5.0 or higher) or Netscape (version 4.04 or higher)
A sound card, along with standard speakers or headphones, is also recommended.

5. How do I access the Web version of the *Money Smart* interactive CBI?

The Web version of the *Money Smart* CBI can be accessed at <http://www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html>.

6. How can I obtain a copy of the *Money Smart* interactive CBI?

The order form can be found at <http://www.fdic.gov/consumers/consumer/moneysmart/order.html>.

Note: The September 22, 2004, issue of FYI (the FDIC's electronic bulletin analyzing emerging issues in banking and the economy) explored Delivery Systems for Financial Education in Theory and Practice.

Money Smart: Get Involved!

Any organization interested in financial education can use *Money Smart*. For information and instructions on how to obtain copies of the curriculum go to www.fdic.gov or call 1-877-275-3342.

The *Money Smart* curriculum is comprised of 10 comprehensive instructor-led modules covering basic financial topics including an introduction to bank services, tips on obtaining credit and information on buying a home. It can be easily reproduced for wide dissemination and has no copyright restrictions. *Money Smart* is free to users.

The version of *Money Smart* intended solely for classroom use is available on CD-ROM in English, Spanish, Chinese, Korean, and Vietnamese.

In addition, a new interactive version of *Money Smart* is available for computer-based instruction (CBI) in two formats: as a CD-ROM and on the FDIC's Web site. Unlike the previous version of *Money Smart*, the CBI program is designed for individual use. *Money Smart* CBI is available in English and Spanish. The FDIC also encourages partner organizations to help make *Money Smart* CBI available to people without access to computers or the Internet.

Send Us Your Success Stories

We want to hear how *Money Smart* is making a difference. Submit your stories today!

Here is one recent story submitted by a reader:

Arizona Bank Creates a Scholarship for Students with Help from *Money Smart*

A bank in Yuma, Arizona, with assistance from the FDIC's *Money Smart* program, is offering local students a chance at scholarships as a way to encourage them to learn how to use credit responsibly.

Jeff Byrd, the Business Development Officer at Yuma Community Bank, reported that during August and September of this year, he spoke about credit to more than 1,000 high school seniors and more than 300 junior high school students using *Money Smart* information as part of his presentation. "I used the *Money Smart* credit module to go over topics such as FICO scores and how credit affects your life," he said. "At the end of every lecture, I said that a new scholarship would be offered to the student who composes the best short essay on why credit is important. Several teachers even offered extra credit for the seniors if they entered the contest."

The scholarship winners were announced on September 18, 2004, at an annual community festival created in part to inform Yuma's year-round residents about activities, businesses and services available in the area. Yuma Community Bank started funding of the scholarships with \$500 and supplemented that with small donations from people attending the annual event. The result: three scholarships given to high school seniors - one \$500 check for the first-place essay and separate \$100 checks for two second-place winners - and one \$50 scholarship to the top essay from the junior high school students.

Byrd said that Yuma Community Bank remains "excited about the FDIC *Money Smart* program" because "it has given us the privilege of helping to educate our youth and the community," in part through the new scholarships. "However," he added, "the most exciting aspect was to hear back from teachers that the lectures really hit home with students. A large number of students actually had real conversations with their parents about the importance of credit and returned to school wanting to continue the discussion. To the bank, that acknowledgement really made us feel great." What else does the bank see as a plus from this new program? "We hope that in the next five or 10 years," Byrd wrote, "these students will remember us and come in for a loan when they start their own businesses or buy their own home."

Partner News

To date, the FDIC has delivered over 138,000 copies of *Money Smart* to financial institutions, community groups, and agencies across the country. More than 300,000 people have taken *Money Smart* classes; in addition, over 40,000 new banking relationships have been established.

The FDIC has also set up the *Money Smart* Alliance Program for those organizations wishing to sign an agreement with the FDIC to promote *Money Smart* throughout their constituency. In many cases, these organizations have a presence in a number of states or nationwide. Since the *Money Smart* Alliance Program was announced by Chairman Powell in June 2002, the number of Alliance Partners has grown to more than 900.

On September 10, four national Hispanic organizations joined the *Money Smart* Alliance Program:

- Bert Corona Leadership Institute (BCLI)
- MANA, A National Latina Organization
- SER-Jobs for Progress National, Inc.
- The ASPIRA Association, Inc.

Photo Essay: *Money Smart* Alliance Program Signing Ceremony

All our partners and Alliance members are helping us meet our shared goal of helping low- and moderate-income Americans become "*Money Smart*" so they can establish healthy banking relationships, begin building assets, and secure a better future for themselves and their families.

We want to hear from you! Please share your stories.

Photo Essay: *Money Smart* Alliance Program Signing Ceremony

A September 10, 2004, ceremony welcomed four national Hispanic organizations as partners in the *Money Smart* Alliance Program: Bert Corona Leadership Institute; MANA, a National Latina Organization; SER—Jobs for Progress National, Inc.; and The Aspira Association, Inc. (Photos by Mattox Photography)



Judy Chapa, Senior Advisor for *Money Smart*, welcomed the audience to the signing ceremony.



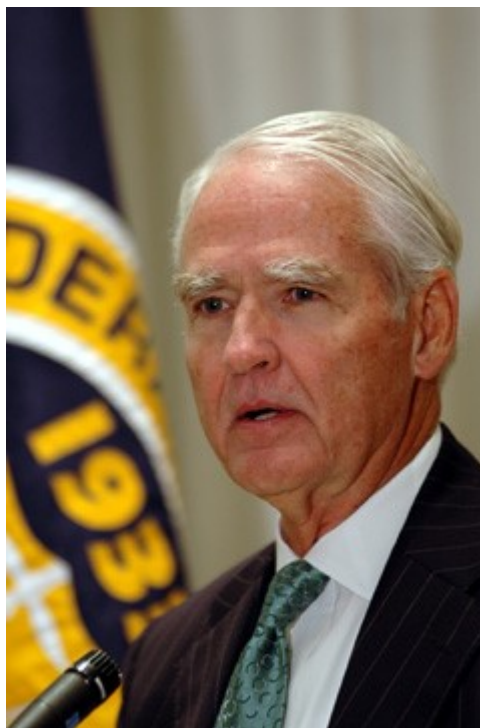
FDIC Chairman Donald Powell explained the importance of *Money Smart* in helping people, including new immigrants from Spanish-speaking countries, learn how to navigate the world of finances.



After the ceremony, Chairman Powell was joined by the representatives of four national Hispanic organizations that became members that day of the *Money Smart* Alliance Program.

Photo Essay: *Money Smart* Computer-Based Instruction Roll-Out

On September 15, 2004, the FDIC announced the launch of the *Money Smart* computer-based instruction (CBI) module. (Photos by Steve Barrett)



Chairman Donald E. Powell welcomed the standing-room-only audience to the presentation held at the National Press Club in Washington, DC



Donna Gambrell, Deputy Director of the FDIC's Division of Supervision and Consumer Protection, summarized the history of the FDIC's *Money Smart* Program and noted that so far more than 300,000 people have taken a Money Smart class and have opened at least 40,000 new bank accounts.



Judy Chapa, Senior Advisor for *Money Smart*, provided an overview of the *Money Smart* CBI and demonstrated how this new product works.



Lee Bowman, the FDIC's new National Coordinator for Community Affairs, applauded the *Money Smart* CBI.



After the presentation, the audience explored the *Money Smart* CBI at computer workstations.



Penny Cash (as seen in the upper lefthand corner) guides the user through the program.



The CBI introduces the user to the bank's employees and explains the kinds of services each one offers.



The Spanish version introduces the same concepts . . .



. . . to help the CBI's users feel more comfortable using a bank's services and saving for major life goals.

To see a more extensive photo essay about this event, go to <http://www.fdic.gov/consumers/consumer/moneysmart/photoessay/cbi/index.html>.

New Federal Education Commission Launches First Major Initiatives

The FDIC is committed to promoting financial literacy, which is why we have been working hard to expand our *Money Smart* financial education program. That's also why the FDIC is pleased to play a key role, working with the U.S. Treasury Department and other federal government agencies, in a new federal Financial Literacy and Education Commission created by Congress in 2003. On October 12, 2004, the Commission announced its first major initiatives -- a financial education "toolkit" and a special Web site.

The toolkit is available free of charge and includes information on deposit insurance, investments, personal savings, Social Security benefits, choosing a credit card, and other personal financial management tips. The FDIC helped develop the toolkit with the Treasury Department, the Office of Thrift Supervision, the General Services Administration's Federal Citizen Information Center, and other members of the Commission. The toolkit is available by calling the Commission's toll-free hotline at 1-888-MY MONEY (that's 1-888-696-6639).

Also, the Commission's new Web site -- www.mymoney.gov -- will serve as an online clearinghouse for information about federal financial literacy and education programs.

"The toolkit and Web site are positive first steps for the federal government's campaign to make financial education a national priority," said FDIC Chairman Don Powell. "The FDIC is pleased to play a leadership role in providing financial education products and services to consumers and in helping to showcase the excellent resources offered by other federal agencies."