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Message from the Chairman

Since the FDIC launched the award-winning *Money Smart* financial education program four years ago, we have helped thousands of unbanked consumers get started on the road to financial independence. We are proud of our leadership role in this area, but there's more to be done. In this issue of our newsletter we focus on one very big problem - the need for more financial education in the Hispanic community - and the latest on what the FDIC is doing to help.



First, the problem. Nearly 40 million Hispanics live in the United States, and according to various studies in recent years, nearly half of the adult Latino population doesn't have a transaction account (such as a savings or checking account) and similarly large numbers don't know enough about how to save and invest their money. The FDIC finds it very troubling that millions of people may be missing tremendous opportunities to establish credit, own a home, build wealth and otherwise create a better future for their families because they lack a basic understanding of how the U.S. financial system works. At the same time, the FDIC believes that the financial services industry is missing out on tremendous business opportunities to serve this large and growing market.

You'll learn about the FDIC's latest efforts to bring more Hispanics into the financial mainstream. We feature details of our summer-long Spanish advertising campaign, which is designed to bring a clear and urgent message to Hispanic Americans - that financial literacy really does matter to them and their families - and that the FDIC's *Money Smart* program can help them get started. You'll even see photos from the June kickoff event for the media campaign on Capitol Hill.

You'll also read about the FDIC's participation in some exciting new partnerships aimed at helping Hispanic communities, including a financial literacy initiative announced by President Bush.

The FDIC enjoys and benefits from partnerships with dedicated organizations that want to bring more Americans into the financial mainstream. If you want to discuss the possibility of teaming up with the FDIC or *Money Smart* to help any segment of our population become more knowledgeable and more prosperous, I encourage you to contact your regional FDIC Community Affairs Officer.

FDIC Expands Hispanic Outreach On Financial Education

The FDIC is expanding its efforts to enhance money management skills in Hispanic communities, including the launch of a Spanish advertising campaign to promote the *Money Smart* financial education program in key locations across the United States. In a related development, the FDIC has been asked to serve on a new partnership on Hispanic financial education announced by President Bush.

Today, nearly 40 million Hispanics reside in the United States, and many of them are attempting to function in our society without a banking account and without a good understanding of how to handle their finances, said FDIC Chairman Donald E. Powell in announcing the new media campaign in June. "Without this knowledge," he said, "they are deprived of the dream of building wealth or buying a home. Financial education holds the key to financial independence, and we can help."

The following is an overview of what the FDIC is doing to help or encourage Hispanic Americans to save for their future, avoid high-cost loans or money transfer services, and otherwise be smart money managers.

The Hispanic Media Campaign: The summer-long Spanish media campaign promotes the use of the FDIC's free *Money Smart* program in print and radio advertisements in Hispanic communities in 14 key locations: Atlanta, Austin, Boston, Chicago, Dallas, Denver, Kansas City, Los Angeles, McAllen (TX), Miami, New York, Puerto Rico, San Antonio and Washington, DC. The ads focus on the importance of financial education in situations such as saving money to pay for a child's education and to buy a home. They also encourage consumers to consider taking a Spanish-language *Money Smart* class in their area, and for more information the ads refer people to a special toll-free Spanish-language help line (1-877-449-6629) and to the FDIC's new Spanish Web page (www.fdic.gov/quicklinks/spanish.html), which also provides other educational materials



The FDIC's Hispanic outreach advertising campaign focuses on the importance of financial education in real-life situations. This print ad focuses on the fact that some married couples want to own a home but are held back by fears of applying for a mortgage loan.

The FDIC also is working with national Hispanic organizations, financial institutions, community groups and colleges and universities to promote the media campaign. To date, 38 organizations in the 14 media markets also have agreed to teach more than 270 *Money Smart* classes in Spanish.

"With the launch of the new advertising campaign, the FDIC is taking yet another major step toward providing high-quality, no-cost educational opportunities in money management to our Hispanic communities," stated Lee Bowman, the agency's National Coordinator for Community Affairs. "We are confident that this outreach effort will help empower more Hispanic Americans to realize their dreams of owning a home or a business or sending their children to college."

To see a photo essay on the FDIC's June 9th announcement of the Hispanic media campaign at the Rayburn House Office Building on Capitol Hill in Washington, go to *Money Smart* Hispanic Outreach Photo Essay.

The President's Financial Literacy Initiative: In May, President Bush asked the FDIC to serve on the first national public-private partnership to ensure that financial education is available consistently and comprehensively in Hispanic communities. The President announced the initiative during a speech to the 2005 Latino Small Business Economic Conference, where he discussed the need to increase Latino ownership of financial assets.

"There is a need for more financial literacy in America," the President said, "and so I've instructed the FDIC, the SBA and the Treasury Department to work with the Latino Coalition and the Hispanic Chamber and other groups to help make sure that financial literacy is more widespread in all neighborhoods and all communities." He went on to say that the FDIC, using its *Money Smart* program, would work with the Latino Coalition to raise awareness about financial education.

A Successful Partnership with the Mexican Government: For the last two years, the FDIC's Chicago Regional Office and the Consulate General of Mexico have teamed up on a pilot program in the Midwest that has successfully brought Latino immigrants into the financial mainstream by promoting financial education and outreach programs and innovative banking products. The partnership -- the New Alliance Task Force -- primarily addresses the high cost of remittances (the portion of an immigrant's earnings sent to family members in his or her country of origin) and encourages banking institutions to market accounts that offer remittance features for Mexican immigrants as an alternative to high-cost wire services. Under this program, more than 10,000 Mexican immigrants have participated in financial education classes in the Midwest, 50,000 new bank accounts have been opened and \$100 million has been deposited in U.S. financial institutions.

National Hispanic Organizations Backing *Money Smart*: Four national Hispanic organizations have become partners with the FDIC to incorporate the interactive, computer-based version of *Money Smart* into their existing job training or community outreach programs. The organizations are the Bert Corona Leadership Institute (provides training programs to migrant and immigrant populations), MANA, A National Latina Organization (empowers Latinas through leadership development and community service), the ASPIRA Association, Inc. (provides education and leadership development to Puerto Rican and other Latino youth) and SER-Jobs for Progress National, Inc. (a network of employment and training organizations for Hispanics).

Training Bank Supervisors in Latin Countries: The FDIC is joining with the Association of Supervisors of Banks of the Americas (ASBA) to offer *Money Smart* materials and training programs to bank supervisors in Mexico and other Latin American countries for their use in educating their citizens about money management, including how best to handle remittance payments received from abroad. FDIC officials say that Chile, Uruguay, Bolivia, Guatemala and Ecuador have shown initial interest in pursuing a partnership and developing a financial education program using *Money Smart*.

Joint Projects with the Inter-American Development Bank: The FDIC is working with IADB to encourage financial institutions to set up programs designed to lower the cost of remittances, develop a campaign promoting "financial democracy" to unbanked and underserved Latin American immigrants, and to generally improve these consumers' access to the U.S. financial mainstream.

Photo Essay: FDIC Launches Hispanic Media Campaign Promoting Financial Education Throughout the U.S.

On June 9, 2005, the FDIC announced on Capitol Hill the launch of a summer-long media campaign using print and radio advertisements to raise awareness of the importance of financial education in Hispanic communities across the United States.

FDIC Chairman Don Powell (clockwise from top left) and key members of the House of Representatives, including Financial Services Committee Ranking Member Barney Frank (MA) and Financial and Economic Literacy Caucus Co-Chair Judy Biggert (IL), addressed the gathering at the event held at the Rayburn House Office Building. (Photos by James Kegley, W.W. Reid and Melissa M. Guido)



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Comments supporting the FDIC's financial education initiatives in Hispanic communities came from an impressive array of House members (clockwise from top left): House Financial Services Committee Ranking Member Barney Frank (MA); Financial and Economic Literacy Caucus Co-Chair Judy Biggert (IL); Financial and Economic Literacy Caucus Co-Chair Ruben Hinojosa (TX); Congressional Hispanic Conference Chair Ileana Ros-Lehtinen (FL); Congressional Hispanic Caucus Chair Grace Flores Napolitano (AZ); and House Financial Services Committee Member Steve Pearce (NM). (Photos by James Kegley)



FDIC officials also had the opportunity to speak informally with representatives of community organizations, financial institutions and others involved in serving Hispanic communities. At left, FDIC Chairman Don Powell listened to Jose Niño, President of American Dream Homes, Inc. In the photo at right, Donna Gambrell, Deputy Director of the FDIC's Division of Supervision and Consumer Protection (standing second from left), participated in an impromptu discussion with Alma Morales Riojas, President of MANA, A National Latina Organization, and students brought to Washington by the Bert Corona Leadership Institute. (Photos by James Kegley)



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/consumers/consumer/moneysmart/index.html 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. We're interested in hearing about your programs and procedures, tips and other information that *Money Smart* educators and partners might find useful. The best contributions may appear in a future issue of *Money Smart* News. Submit your stories today! Also see our previously published success stories.

Partner News

Since *Money Smart* was launched in 2001, the FDIC has distributed more than 216,000 copies (paper and CD-ROM versions) of *Money Smart* to financial institutions, community groups and agencies across the country. In addition, the FDIC has provided free training to more than 9,000 instructors. More than 300,000 people have taken *Money Smart* classes and more than 40,000 new banking relationships have been established by *Money Smart* students.

The FDIC has also set up the *Money Smart* Alliance program for organizations that want to sign an agreement with the FDIC to promote *Money Smart* throughout their constituency. In many cases, these organizations have operations 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.

Since the Spring 2005 issue of *Money Smart* News, Bank of America has joined the FDIC's *Money Smart* Alliance program. The bank, which has one of the nation's largest financial networks of banking offices and online banking, agreed to use *Money Smart* to promote financial education and asset building to low- and moderate-income families in its retail banking service area.

Also during this period, the FDIC signed a partnership agreement with the Louisiana Department of Social Services. The state will promote the *Money Smart* program to low- and moderate-income individuals and families through its programs that include the Solutions to Poverty (S.T.O.P.) Network, which provides training on financial management to help reduce poverty in communities.

All our partners 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.

Also, in a related development, the FDIC announced that the National School Boards Association, a not-for-profit federation of state associations of school boards across the United States, has unanimously endorsed the FDIC's *Money Smart* financial education program. The endorsement better enables the FDIC to market the *Money Smart* curriculum to the association's 95,000 local school board members who govern 14,890 local school districts serving more than 47 million public school students.

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

Money Smart News



FDIC and Bank of America officials at the June 10 announcement that the bank will promote the *Money Smart* financial education program throughout its extensive service area. Left to right: Greg Barnard, Community Development National Support, Bank of America; Vickie Tassan, Senior Vice President, Community Development National Support, Bank of America; Michael J. Zamorski, Director of the FDIC's Division of Supervision and Consumer Protection; FDIC Board member Thomas J. Curry; and William Couper, President, Bank of America Greater Washington. (Photo by Steve Barrett)