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Message from the FDIC



The start of the new year presents an excellent opportunity for educators to encourage consumers to have a plan to guide their finances in 2011 and beyond. After all, even something as simple and easy as keeping track of expenses can easily result in big improvements in household finances.

This time of year also is an opportunity to remind educators about valuable resources from the FDIC, all free of charge, that can make *your* job simpler and easier, too. Consider, for example, using excerpts from the FDIC's newly updated *Money Smart* curriculum for adults or young adults as brief reminders of key principles of personal finance through your organization's newsletters or Web sites, including social marketing sites. You may also reprint or link to articles in *FDIC Consumer News*, a source of timely advice and information that can supplement the *Money Smart* curriculum.

In addition, think about how to leverage broader initiatives. Here are two coming up soon that may be of interest.

America Saves Week (February 20–27) is a chance for organizations and professionals to make a concerted effort to help individuals take positive steps to reach their savings goals. Visit www.americasavesweek.org to learn more, including ways to get involved.

Also, *National Consumer Protection Week* (March 6-12) brings together government and non-profit organizations to help consumers learn how to protect their privacy, manage their money, decipher advertising messages, and steer clear of fraud and scams. Visit www.ncpw.gov for details and materials, including a toolkit and outreach ideas.

We also want to hear from you. Please let us know about special ways you have used *Money Smart* to promote better money management and responsible use of mainstream banking services. Tell us about your success stories and we'll consider them for possible use in a future edition of *Money Smart News*. Just [send an e-mail to Money Smart News](#) with a few short sentences outlining what happened, including the positive results. If your idea is selected for publication, we will contact you for more details.

And, as always, if you want to discuss ways to enhance your financial education efforts or offer suggestions for improvements to *Money Smart*, please send an e-mail to the [FDIC](#).

Finally, the FDIC Board of Directors has approved the creation of a new Division of Depositor and Consumer and Protection (DCP), under which the *Money Smart* financial education program will fall. So, starting next quarter, look forward to a message from Mark Pearce, the Director of the new Division. Read [our press release](#) for more about Mark and the new Division.

Sandra L. Thompson
Director
FDIC Division of Supervision and Consumer Protection

Commission Issues New National Financial Literacy Strategy

The interagency Financial Literacy and Education Commission (FLEC), of which the FDIC is a member, has developed a new national strategy that organizations involved with personal finance education, research, practice and policy will find useful over the next several years. The document, entitled *Promoting Financial Success in the United States: National Strategy for Financial Literacy 2011*, identifies four goals: 1) increase awareness of and access to effective financial education; 2) determine and integrate core financial competencies; 3) improve financial education infrastructure; and 4) identify, enhance, and share effective practices. Read the strategy at http://www.mymoney.gov/sites/default/files/downloads/NationalStrategyBook_12310.pdf. ([PDF Help](#))

Partnership to Promote Financial Education and Savings

On November 15, 2010, the FDIC and National Credit Union Administration (NCUA) joined the U.S. Department of Education in signing a collaborative partnership to promote and enhance financial education access for low- and moderate-income students and families. Among the highlights is an agreement by the FDIC and the NCUA to collaborate with the Education Department in helping its “college access grantees” (organizations that work with students less likely to graduate from college) start or enhance their financial education programs. To learn more about the partnership, see the press release at <http://www.fdic.gov/news/news/press/2010/pr10251.html>. To read a letter sent to FDIC-supervised institutions encouraging them to work with schools to promote financial education, visit <http://www.fdic.gov/news/news/financial/2010/fil10080.html>.



Left to right: National Credit Union Administration Chairman Debbie Matz, FDIC Chairman Sheila C. Bair, and U.S. Department of Education Secretary Arne Duncan sign an interagency partnership agreement to promote financial education and access, November 15, 2010.

Quiz on Financial Scams Featured in Latest FDIC Newsletter for Consumers

To help test people's knowledge about financial scams, the Fall 2010 issue of *FDIC Consumer News* features a quiz on common frauds and their warning signs. Other timely articles discuss FDIC insurance coverage, solutions to mortgage and other debt problems, "credit protection" offers, student loans, ways to save money at tax time, and automated overdraft payment programs. The FDIC encourages financial institutions, financial educators, and others to distribute the information in *FDIC Consumer News* by reprinting, linking to the material, or making copies and affixing their name or logo. *FDIC Consumer News* also can serve as the basis for a financial education session or it can be provided to participants at workshops. Subscriptions are free. See the most recent newsletter and subscription information at www.fdic.gov/consumers/consumer/news/cnfall10.

Advisory Committee Focuses on Children's Savings and Underserved Consumers

The FDIC's Advisory Committee on Economic Inclusion (ComE-IN) met on November 16, 2010, to discuss children's savings programs and recent studies of underserved consumers. The Committee heard about several countries that offer government-sponsored children's savings programs and pilot programs in the United States to encourage low-income parents to save for college. The Committee also discussed several recent studies of underserved consumers that add further depth to the FDIC's landmark 2009 study on unbanked and underbanked households. To access a PowerPoint presentation and copies of research articles presented at the meeting, visit <http://www.fdic.gov/about/comein/agendaNov2010.html>.

Helping Low-Income Teens Save Toward Financial Independence: A Money Smart Success Story

This issue of *Money Smart News* features a success story on how one organization is using financial education – along with incentives for saving money plus special “field trips” – to help low-income youths (in this case, teens in a homeless shelter) prepare for financial independence and to generate sustainable changes in each student's behavior. ([Read the story.](#))

FDIC Selects Participants for Model "Safe Accounts" Pilot

The FDIC has announced the selection of nine banks to participate in a case study to help the agency identify best practices with respect to banks offering safe and low-cost transaction and savings accounts, particularly those that are responsive to the needs of underserved consumers. Key features of the model safe accounts are that they are largely electronic, are FDIC insured, have reasonable rates and fees proportional to their cost, and are subject to applicable consumer protection laws, regulations and guidance. Optional services and features may include delivery of financial education. A list of participating banks can be found at <http://www.fdic.gov/consumers/template/banks.html>. For more details, see the press release at <http://www.fdic.gov/news/news/press/2010/pr10252.html>.

FDIC Issues Guidance on Overdraft Payment Programs

The FDIC has issued final guidance to assist FDIC-supervised institutions in identifying, managing and mitigating risks associated with overdraft payment programs, including situations that could result in serious financial harm to certain consumers. The guidance includes a provision that encourages institutions to consider providing information to consumers about how to access free or low-cost financial education workshops or individualized counseling to learn how to more effectively manage their personal finances. Read more at <http://www.fdic.gov/news/news/press/2010/pr10257.html>.

Chairman Bair Speaks on Restoring Public Confidence in the Housing Finance System

In a speech on October 25, 2010, FDIC Chairman Sheila C. Bair discussed institutional changes that would strengthen the mortgage finance system for years to come. To read her speech, given at a symposium sponsored by the FDIC and the Federal Reserve System, visit <http://www.fdic.gov/news/news/speeches/archives/2010/spoct2510.html>.

Reminders

Send Us Your Success Stories

The FDIC wants to hear how *Money Smart* is making a difference. We're interested in finding out 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*. [See our previously published success stories](#). [Submit your stories](#) today!

Keep Up With *Money Smart News*

To subscribe to a listserv that will e-mail you each new edition of *Money Smart News*, follow the instructions at www.fdic.gov/about/subscriptions/index.html. The FDIC does not send unsolicited e-mail. If this publication has reached you in error, or if you no longer wish to receive this service, please [unsubscribe](#).

For More Help or Information

If you need additional assistance, [contact your regional Community Affairs Officer](#); or if you would like additional information on the *Money Smart* program, visit our [overview](#).

Past Issues

See other issues of the quarterly [Money Smart News](#) dating back to 2003.