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## Message from the FDIC



This edition of our newsletter commemorates the 10th anniversary of the FDIC's *Money Smart* financial education program. *Money Smart* was initially launched for classroom instructors to teach adults in partnership with the U.S. Department of Labor. It has evolved into a multimedia, multilingual curriculum supported by the efforts of more than 1,500 partner organizations in the United States. *Money Smart's* success has led deposit insurers and central banks in several other countries to seek advice on how to adapt our curriculum to promote financial literacy in their countries.

As we move into the second decade of *Money Smart*, we are still developing *Money Smart* to reach new audiences and in new ways. For example, we recently partnered with the U.S. Small Business Administration (SBA) to develop a financial education resource for the growing number of entrepreneurs who are starting or otherwise operating their own small businesses. On October 5, 2011, the FDIC and the SBA, one of our newer national partners, conducted the first workshop using a new FDIC financial education curriculum for small business owners and employees. We plan to release the new, free curriculum to all financial educators by year end.

Also, *Money Smart* is now available in a total of nine languages, including two recently released versions in Hindi and French Creole. All nine languages also include the new Financial Recovery module, which provides an overview of how to develop a plan to recover from a financial setback. And, there is more to come: Watch closely for future editions of *Money Smart News* so you don't miss the announcement of significant enhancements to versions of *Money Smart* for consumers to use independently.

Here at the FDIC, we believe it is essential to learn how financial education affects individual behavior. For that reason, the FDIC has launched an evaluation of the *Money Smart for Young Adults* curriculum to determine how students who complete the curriculum manage their finances in the months following the training. In other words, does knowledge gained equate to sustained behavioral changes? This "longitudinal" survey will build on a previous evaluation that found the *Money Smart* curriculum improves the money-management practices of adults. If you are an educator who plans to use the *Money Smart for Young Adults* curriculum soon, please send an e-mail to our Community Affairs staff (see below) if you would be willing to participate in the evaluation. By doing so, you will contribute to this important study.

While much has changed in the last 10 years, the *Money Smart* program continues to emphasize the role of combining education with access to appropriate bank accounts and banking services. The FDIC wants financial educators who work for non-profit organizations, schools or similar organizations to talk to financial institutions - and for financial institution executives to talk to their staffs - about ways to ensure that consumers who complete *Money Smart* classes have an opportunity to open bank accounts that fit their needs. That conversation also may be about how to help consumers who already have accounts -- to use them more effectively and expand their banking relationships.

Finally, we want to thank our *Money Smart* partners for the critical role you have played in the success of our program. For a special look at how some of our earliest partners have used and changed the *Money Smart* curriculum to meet their needs and reach underserved communities, see below for the latest installment of our Success Stories. And for anyone who has a question, a recommendation or a *Money Smart* success story, send an e-mail to [communityaffairs@fdic.gov](mailto:communityaffairs@fdic.gov).

**Mark Pearce**  
**Director**

**FDIC Division of Depositor and Consumer Protection**

## **FDIC Testimony on Credit Availability Reinforces the Need for Financial Education**

On September 22, 2011, Robert W. Mooney, the FDIC's Deputy Director for Consumer Protection and Community Affairs, testified before a House subcommittee about ways to support affordable small-dollar credit products that are both reasonable for consumers and beneficial for banks. He said the need for small, short-term loans could be ameliorated if consumers became more knowledgeable about personal financial management. To read his testimony, visit: <http://www.fdic.gov/news/news/speeches/archives/2011/spsep2211.html>.

## **FDIC Introduces the *Money Smart* Instructor-Led Multilingual DVD**

The FDIC is now making available the updated and enhanced *Money Smart* curriculum issued for instructors in November 2010 in the following languages (in addition to English): Chinese, Haitian-Creole, Hindi, Hmong, Korean, Russian, Spanish, and Vietnamese. All languages are available on one DVD. To order the curriculum, visit <https://vcart.velocitypayment.com/fdic/>.

## **10 Years of Success Stories from *Money Smart***

*As the FDIC prepares to celebrate the 10<sup>th</sup> anniversary of our financial education program, we asked 10 long-time Money Smart partners to share with us why and how they continue to reach out to the underserved communities they serve. Also, Luke W. Reynolds, Chief of the FDIC's Outreach and Program Development Section, offers 10 lessons learned from the past 10 years to take into consideration as the Money Smart program builds on its second decade. (Read the stories and tips.)*

## **FDIC Issues Tips on Preparing Financially for a Disaster, Making Payments by Mobile Devices, and Researching Old Bank Accounts**

The Summer 2011 issue of the quarterly *FDIC Consumer News* features tips on how to prepare financially for a natural disaster, a fire or another tragedy, especially one that requires people to evacuate their home and not return for days or weeks. Other timely topics include what to know before signing up for person-to-person, or "P2P," electronic payment services using a smartphone or mobile computer; how to solve mysteries of old bank accounts; and an update on new standards for and disclosures by mortgage loan professionals. Financial educators are encouraged to share information from *FDIC Consumer News* with their students. See this issue of the newsletter and subscription information at [www.fdic.gov/consumers/consumer/news/cnsum11](http://www.fdic.gov/consumers/consumer/news/cnsum11).

## **Advisory Committee to Discuss Mobile Banking and Electronic Payments**

On December 1, 2011, the FDIC's Advisory Committee on Economic Inclusion (ComE-IN) is scheduled to meet. The discussion is anticipated to focus on mobile banking and other forms of electronic payments. The meeting will be open to the public for observation online at <http://www.fdic.gov/about/comein/index.html>.

## **FDIC Research Symposium Examined Consumer Financial Behavior in Difficult Times**

Financial education researchers and others may be interested in reviewing papers and presentations on consumer finance topics from the FDIC's Consumer Research Symposium entitled "Financial Behavior in Turbulent Times," which was held on September 15, 2011. Panels focused on a series of papers centering on two major themes: "Lessons and Limits from Behavioral Economics" and "Economic Decisions of Financially Constrained Households." To read more, visit <http://www.fdic.gov/news/conferences/2011-09-15.html>

## **Major Change in the Delivery of Projected Social Security Benefits Information**

Traditionally, financial educators have encouraged consumers to carefully review their annual statement of projected earnings and other benefits from the U.S. Social Security Administration (SSA), for financial planning and to look for discrepancies that could be signs of identify theft or other fraud. However, to save money as part of budget-related cutbacks, the SSA has announced that it has suspended these mailings. Instead, consumers should use the online Retirement Estimator at <http://www.ssa.gov/estimator>. Because the SSA is also phasing out paper checks by 2013, financial educators may wish to suggest that students who receive federal benefits should consider signing up for direct deposit into an affordable bank account. For more details, [see the SSA's press release](#).

## IRS Tax Assistance Program Offers Opportunities for Financial Educators

The FDIC is reminding financial educators and financial institutions that the IRS-coordinated Volunteer Income Tax Assistance (VITA) Program offers an opportunity to assist low- and moderate-income consumers with their tax returns and develop new business by promoting financial education, banking products and other financial services to these taxpay-ers. For example, financial educators may be able to partner with VITA coalitions to help low-income taxpayers learn how to make the most of their tax refund or enter into new banking relationships. Institutions and educators are encouraged to reach out to their local VITA coalition well before the start of the tax season. For more information on the VITA program and links to a variety of publications and hot topics related to taxes, visit the IRS Web site at: <http://www.irs.gov/app/understandingTaxes/teacher/vitae3.jsp>. And, for examples of how *Money Smart* educators have incorporated financial education into the VITA program, [read our previously published success stories](#).

## 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](http://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.