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Message from the FDIC



This edition of *Money Smart News* starts with the recent results from the FDIC Survey of Unbanked and Underbanked Households. It is disappointing, but not surprising, to find that there are still more than one in four people in the United States who are either unbanked or underbanked. While there is no single solution to increase participation in the mainstream banking system, financial education clearly has an important role to play in providing people with knowledge they can use to achieve their financial goals -- wherever they are in life.

This edition of *Money Smart News* features a success story involving the use of our curriculum by correctional institutions as a component of their programs to help those transitioning back into society learn a variety of positive life skills. Our other success story in this edition revolves around enabling teenagers to become more financially savvy.

Financial education and information are important, whatever stage of life you're in. This edition provides an important news item for seniors receiving paper federal benefits checks who may need assistance to determine their best option as the U.S. Treasury Department begins to issue all federal benefits payments electronically March 1, 2013.

While there is a lot of work ahead for financial educators, it's important to acknowledge the successes already achieved, often on shoestring budgets amidst advertising encouraging consumers to make financial decisions that are not necessarily in their long-term best interest. We appreciate your efforts to use *Money Smart* to help consumers learn to effectively manage their financial future.

As always, if you have a question, a recommendation or a *Money Smart* success story to share with us, please send an e-mail to communityaffairs@fdic.gov.

Mark Pearce

Director

FDIC Division of Depositor and Consumer Protection

FDIC Releases New National Survey of Unbanked and Underbanked Households

On September 12, 2012, the FDIC released its second biennial national survey of unbanked and underbanked households, the most comprehensive survey of its kind in the United States. The survey, conducted in June 2011, indicates that more than one in four U.S. households (28.3 percent) are either unbanked or underbanked, a slight increase from the findings of the FDIC's 2009 inaugural survey. FDIC Acting Chairman Martin J. Gruenberg said the results "indicate that insured financial institutions have an important chance to grow their customer base by expanding opportunities that bring unbanked and underbanked individuals into mainstream banking." The survey, conducted in partnership with the U.S. Bureau of the Census, provides the banking industry and policymakers with insights and guidance on the demographics and needs of the unbanked and underbanked. It was released at a meeting of FDIC's Advisory Committee on Economic Inclusion (see next item). To read or download a copy of the survey and additional information, go to <http://www.fdic.gov/householdsurvey>.

Advisory Committee Discusses "Safe Accounts" and Other Efforts to Enhance Access to Mainstream Banking

The FDIC's Advisory Committee on Economic Inclusion (ComeE-IN) met September 12, 2012, and discussed new initiatives relating to the agency's model "safe accounts" program that promotes low-cost transaction accounts with electronic access for underserved and low- and moderate-income consumers. At the meeting, a panel of financial services providers and experts discussed the work they are doing to promote safe accounts. In addition, the ComeE-IN's Mobile Financial Services Subcommittee presented an update on its examination of how evolving technologies can be used to enhance access to mainstream banking institutions. To watch a video or access handouts from the meeting, visit <http://www.fdic.gov/about/comein>.

Our Latest Success Stories: How *Money Smart* Educators Are Helping Former Offenders and High School Students Prepare for Financial Independence

This edition of our "Success Stories" includes a collection of stories about how the *Money Smart* curriculum is being used to give individuals with criminal backgrounds the financial education they need to begin a better life. Another story describes how two high school seniors used *Money Smart for Young Adults* to educate their fellow classmates about making informed financial decisions and won state and national recognition for their efforts. ([Read the stories](#)).

Newsletter Features Tips on Getting the Most From a Bank Account

The Summer 2012 issue of *FDIC Consumer News* features tips on how to choose and effectively use a bank account for routine financial needs. Also in this issue are practical suggestions for navigating the mortgage process -- from before a consumer buys a home through the final loan payment -- and a look at potential risks when adding other people to a deposit or loan account. Financial educators are encouraged to use *FDIC Consumer News* as a supplemental handout for students. See this issue of the newsletter and subscription information (the newsletter is available free) at <http://www.fdic.gov/consumers/consumer/news/cnsum12>.

Getting Ready to Go Direct Deposit for All Federal Benefit Payments

Beginning March 1, 2013, all federal benefits payments including Social Security income, will be made electronically. This move is expected to save taxpayers \$1 billion over the next 10 years, while ensuring that all federal benefit recipients receive their money in the safest, most reliable way possible. Those who are currently receiving a paper check should arrange by March 1st to have their funds direct-deposited into an account of their choice. People who have not chosen an electronic payment option by that date will receive their money via the Direct Express® card, a prepaid debit card that can be used to pay for purchases and access cash at ATMs. Financial educators can use *Money Smart* as a resource to help consumers select the best bank account for their needs, particularly for those who may choose to open a new account. To learn more about this change, go to <http://www.godirect.org/media/about/fact-sheet-direct-deposit-federal-benefits>.

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*

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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.