

FDIC

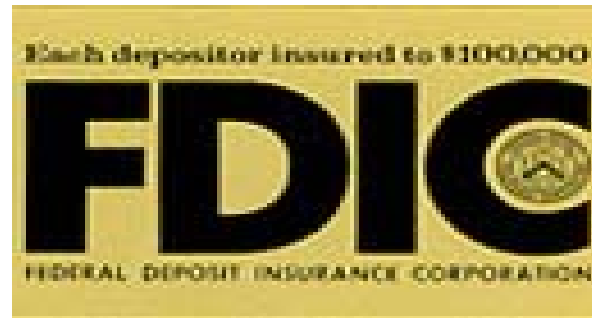


Building: Knowledge, Security, Confidence

What is Money Smart?

- **Financial Education Program**
- **10 Instructor-led training modules**
- **Target Group:**
Adults outside the
financial mainstream

What is the Federal Deposit Insurance Corporation (FDIC)?



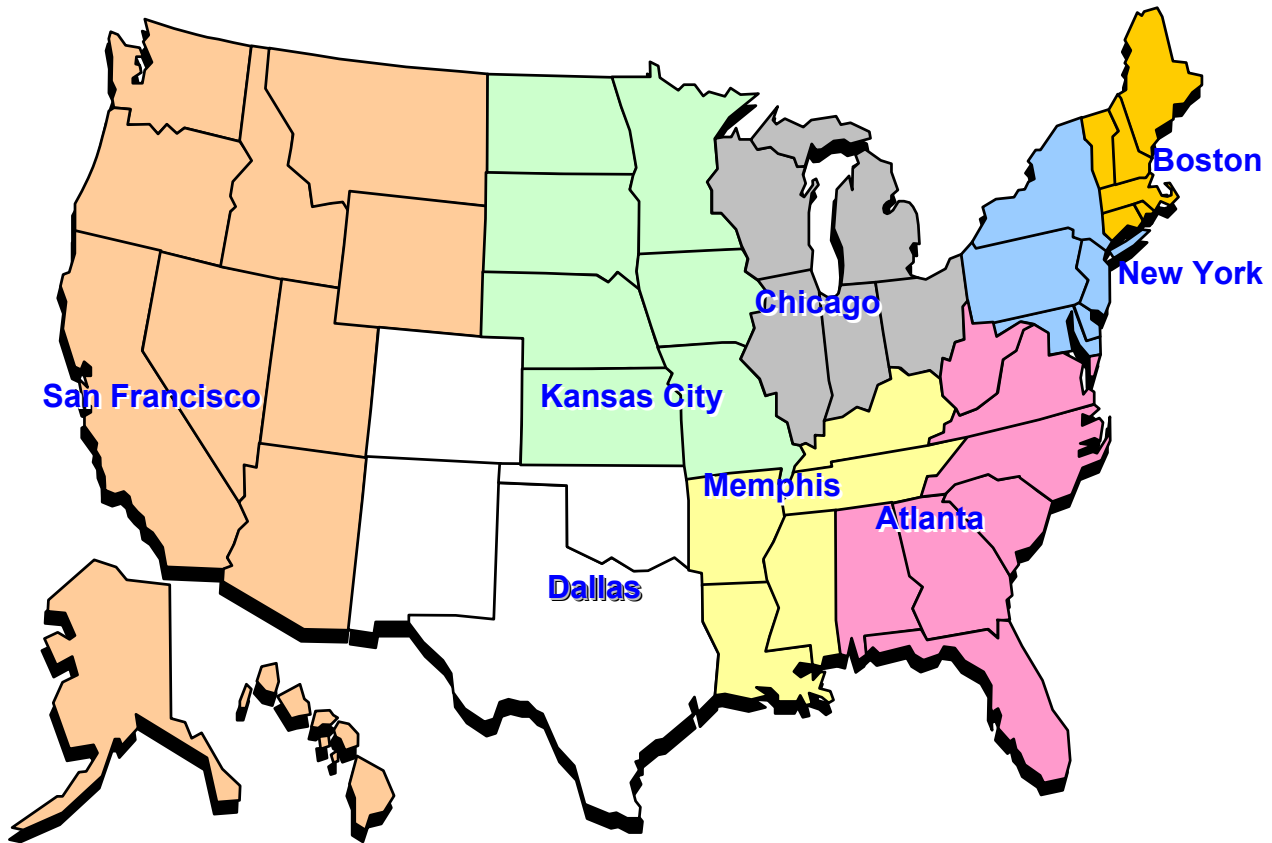
- **Insures deposits up to \$100,000**
- **Promotes safety and soundness of insured institutions**

FDIC and Financial Education

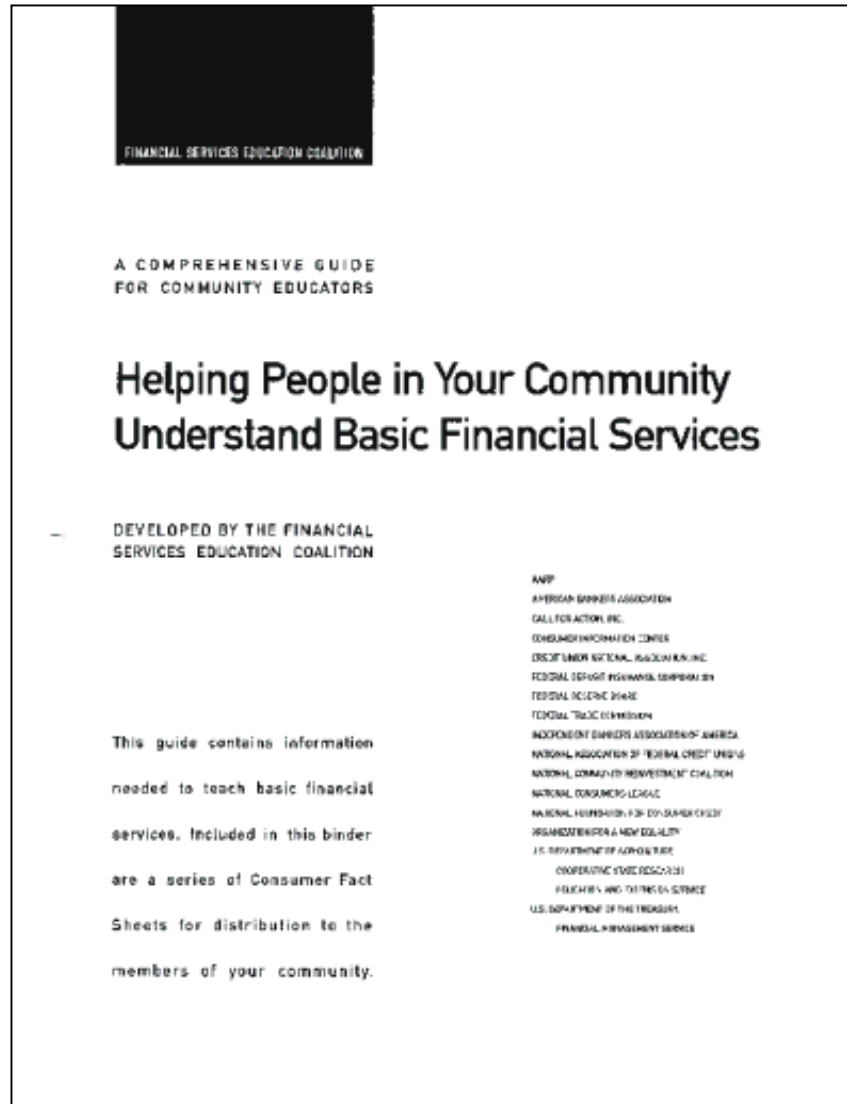
- **Community Reinvestment Act**
- **Promotes financial stability for individuals and communities**

FDIC and Financial Education

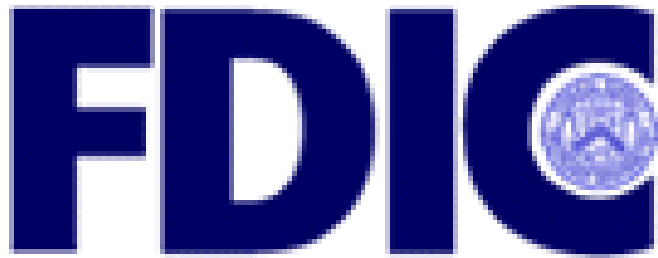
Community Affairs Program



FDIC and Financial Education



FDIC and DOL Partnership



**Community
Affairs Staff**

Department of Labor



Money Smart Program Structure

10 modules with 4 sections

- 1. Instructor guide**
- 2. Slides for transparencies**
- 3. Sample promotional flyer**
- 4. Participant guide**

10 Modules

~ **Bank on It**

~ **Borrowing Basics**

~ **Check it Out**

~ **Money Matters**

~ **Pay Yourself First**

~ **Keep it Safe**

~ **To Your Credit**

~ **Charge it Right**

~ **Loan to Own**

~ **Your Own Home**

Program Structure - Icons



Ask questions or conduct a discussion.



Distribute a handout.



Report out exercise information or record the results of a brainstorm.



Refer to activity material.



Indicate the beginning of an individual activity or exercise.



Indicate the beginning of a group activity or exercise.



Summarize an activity or check for understanding.

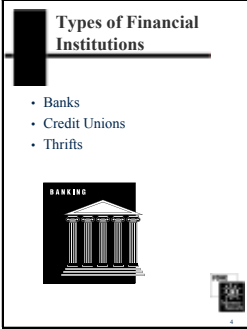





Summarize the course.

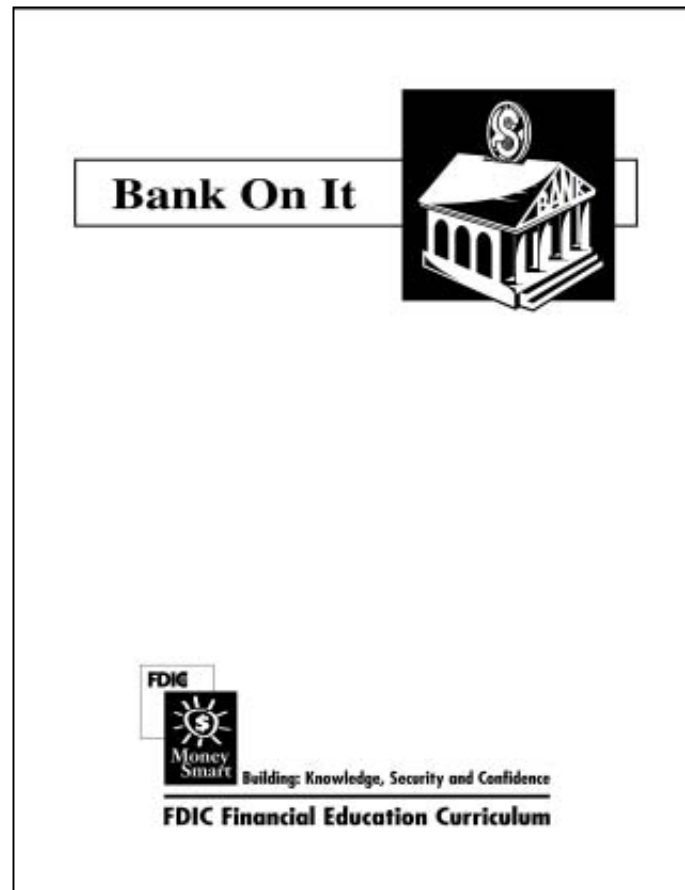


Transition to the next topic.

Program Structure - Script

 <p>Types of Financial Institutions</p> <ul style="list-style-type: none">• Banks• Credit Unions• Thrifts   <p>Slide 4</p>	<ul style="list-style-type: none">▶ Show Slide 4 (Types of Financial Institutions).▶ Remind the participants that the term “bank” and “financial institution” are used interchangeably in this course. All types of institutions are regulated by state and federal rules.▶ Explain: “There are three major types of financial institutions:<ul style="list-style-type: none">• Bank – A financial institution run under federal and state laws and regulations.• Credit Union – A nonprofit financial institution owned by people who have something in common. You have to become a member of the credit union to keep your money there.• Thrift – A savings bank or savings and loan association that is similar to a bank. Thrifts were created to promote homeownership and must have a majority of their assets in housing-related loans. ”
	<ul style="list-style-type: none">▶ Transition: “No matter what type of financial institution you use, all of them use some basic banking terms.”

Sample Exercises



Check-Cashing Exercise

check-cashing service

4 checks a month x \$5 each check = \$20 a month

\$240 a year




checking account

\$5 a month

\$60 a year (+ \$18 for box of checks)

Savings = \$240 - \$78 = \$162 a year


Sample Exercises



Money Matters

BUDGET			
EXPENSES	Month	Year	Total
Housing			
Utilities			
Food			22.5
Clothing			
Transportation			
Child Care			
Other			

\$



FDIC
Money Smart

Building: Knowledge, Security and Confidence

FDIC Financial Education Curriculum

Daily Spending Diary

Day	What did I spend my money on today?
Sunday	\$ 2.50 laundry \$ 1.50 newspaper \$12.00 groceries
Monday	\$2.50 metro \$5.00 lunch \$1.00 snack
Tuesday	\$5.00 gas
Wednesday	
Thursday	
Friday	
Saturday	

Income and Expenses Worksheet

My Income

Wages \$ \$1,000
Public
assistance \$ _____
Child support/
Alimony \$ \$300
Interest/
Dividends \$ _____
Social Security
\$ _____
Other \$ _____

Total Income \$ \$1,300

My Expenses

Fixed Expenses

Rent/Mortgage \$ \$500
Property taxes/
Insurance \$ _____
Trash collection \$ _____
Car payment \$ _____
Car insurance \$ _____
Other loan payments \$ \$50
Health insurance \$ _____
Day care/Elder care \$ \$250

Flexible Expenses

Gas/Oil \$ _____
Electricity \$ _____
Water \$ _____
Telephone \$ \$25
Food \$ \$250
Transportation/Gas \$ \$50
Car maintenance \$ _____
Education \$ _____
Personal expenses \$ \$50
Savings \$ \$25
Other \$ _____

Total Expenses \$ \$1,200



Monthly Payment Calendar

Month - APRIL						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 \$1,000 paycheck	3	4	5 \$300 child support	6 \$500-rent	7
8	9	10	11	12	13	14
15	16 \$25- phone bill	17	18	19	20 \$250-food \$50-credit card	21
22	23 \$50-Bus	24	25	26	27 \$50- personal	28 \$250-child care
29	30 \$25-Savings					

Partnerships and Collaborations

Teaching



work
welfare to

Dollars &
Sense



*Implementing Financial
Education In a One-Stop Setting*

Teaching Dollars and Sense

- Getting Informed
- Forming Partnerships
- Planning Issues

Getting Informed

- About clients' financial education needs
- About existing resources and potential partners in your community

Forming Partnerships

Possible Roles for Financial Institutions

- **Provide volunteer instructors**
- **Provide low- cost or no-cost accounts**
- **Provide pertinent products such as IDAs and ETAs**
- **Provide field trips opportunities**
- **Provide space for classes**
- **Help pay for reproducing participant guides**
- **Provide refreshments**

Forming Partnerships

Possible Roles for Community-Based Organizations

- Provide volunteer instructors/mentors
- Provide IDAs
- Provide space for classes
- Help recruit participants

Planning Issues

- Defining roles
- Building an audience
- Class content
- Incentives
- Evaluation/measuring results

Measuring Results

- **Number of sessions offered (by topic, audience, and location);**
- **Number of participants per session;**
- **Number of Welfare-to-Work clients reached;**
- **Number of new banking relationships developed;**
- **Course Evaluations; and**
- **Number of One-Stop Centers providing the curriculum.**

To Order Money Smart

1. Complete order form

- located on brochure
- brochure available on web

<http://www.fdic.gov/news/publications/moneysmart/index.html>

2. Fax or mail back to FDIC

Need Assistance?

1. Community Affairs Officer -

Eloy Villafranca 972.761.8010

or Teresa Perez 972.761.8011

2. Money Smart Voice Mailbox:

202.942.3404