



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-80-2010
November 17, 2010

FINANCIAL INSTITUTIONS ENCOURAGED TO WORK WITH SCHOOLS TO PROMOTE YOUTH FINANCIAL EDUCATION

Summary: On November 15, 2010, FDIC Chairman Sheila C. Bair signed a partnership agreement with U.S. Department of Education Secretary Arne Duncan and National Credit Union Administration (NCUA) Chairman Debbie Matz to promote and enhance financial education and access for low- to moderate-income students and families. For additional information on partnerships to promote youth financial education, institutions can contact the FDIC Outreach and Program Development Section at communityaffairs@fdic.gov.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
Chief CRA Officer

Attachments:

None

Contacts:

Luke W. Reynolds, Chief, Outreach & Program Development, Division of Supervision and Consumer Protection, at LuReynolds@FDIC.gov or (202) 898 6724

Note:

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at www.fdic.gov/news/news/financial/2010/index.html.

To receive FILs electronically, please visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

Highlights:

- FDIC Chairman Sheila C. Bair, Department of Education Secretary Arne Duncan, and NCUA Chairman Debbie Matz signed a partnership agreement on November 15, 2010, to foster collaboration between the agencies to promote youth financial education and financial access.
- FDIC's free *Money Smart for Young Adults* curriculum is one tool financial institutions and schools can use to promote youth financial education. See www.fdic.gov/moneysmart.
- In addition to supporting the delivery of financial education instruction, financial institutions should consider promoting school-based savings programs.

FDIC CHAIRMAN JOINS WITH EDUCATION SECRETARY TO ENCOURAGE FINANCIAL INSTITUTIONS TO WORK WITH SCHOOLS TO PROMOTE YOUTH FINANCIAL EDUCATION

Federal Deposit Insurance Corporation (FDIC) Chairman Sheila C. Bair joined U.S. Department of Education Secretary Arne Duncan and National Credit Union Administration (NCUA) Chairman Debbie Matz at a press conference on November 15, 2010, to sign a partnership agreement between the agencies designed to promote and enhance financial education and access for low- to moderate-income students and families. The partnership, in part, is designed to lead to more collaboration between financial institutions and schools to deliver financial education to students and to provide safe, affordable banking products responsive to the needs of students and their families.

Financial institution staff can support the delivery of financial education in ways such as:

- Teaching financial education as a guest instructor in the classroom;
- Serving as a subject matter resource for educators on personal finance and banking-related topics, or hosting a field trip to a branch so that students can see how a bank operates;
- Supporting the delivery of financial education through after-school programs or in collaboration with other organizations; and
- Facilitating or providing support for in-school student savings programs. These can range from the collection of savings deposits to school-based bank branches.¹

Bankers and educators may find the FDIC's free *Money Smart for Young Adults* curriculum a valuable resource. The curriculum provides unbiased, objective information that is aligned with state educational standards. It is based on the award-winning *Money Smart* adult financial education curriculum, which was designed to help low- and moderate-income individuals enhance their financial skills and create positive banking relationships. *Money Smart* has been shown to bring sustainable improvements in participants' knowledge and financial behaviors. Visit <http://www.fdic.gov/consumers/consumer/moneysmart/young.html> to order a free copy or read success stories and strategies on youth financial education delivery.

Financial institutions can also consider partnering with schools to encourage participation in and support financial education efforts in conjunction with the National Financial Capability Challenge. The Challenge is a voluntary program coordinated by the U.S. Department of the Treasury with support from the U.S. Department of Education to increase the financial knowledge and capability of high school-aged youth. See <http://challenge.treas.gov/>.

¹ FDIC regulations permit state nonmember banks to provide certain banking programs in schools without submitting a branch application to the FDIC, provided certain conditions are satisfied. See §303.46 of FDIC Regulations.

Financial education enables young people to start positive habits, such as saving money and budgeting, and learn how to use mainstream banking services effectively. The need for youth financial education is well-documented—FDIC research indicates that younger adults are more likely to be unbanked and incur sizable fees in automated overdraft programs.

For additional information on partnerships to promote youth financial education, please contact the FDIC Outreach and Program Development Section at communityaffairs@fdic.gov.

Sandra L. Thompson
Director
Division of Supervision and Consumer Protection