Building a Youth Savings Program

*These conversation starters can help you gain support to start a youth savings program*

Our bank currently [Enter a summary of what the bank currently does to reach youth]. We can increase this work to include opportunities for schoolchildren to open savings accounts at Local School Name Here].

Many young people transition to adulthood without the financial knowledge, skills, and habits that are critical building blocks for healthy financial futures.

Youth savings programs help young people learn how to fully participate in the economy and financial system as they enter adulthood. Additionally, these programs provide an opportunity for our bank to develop positive community goodwill and help prepare the next generation of customers to use banking services.

Research conducted for the U.S. Department of the Treasury found that having a bank account intensified the effect of financial education instruction for students. In schools with banking activity provided by an insured financial institution, students had more positive attitudes towards banks and were more likely to have a bank account.[[1]](#footnote-1)

During the second year of the FDIC’s Youth Savings Pilot, the 21 participating banks opened over 4,500 youth savings accounts and provided financial education to thousands more children.[[2]](#footnote-2) Banks participated for reasons that included:

* Improving financial skills, knowledge and attitudes of students and families,
* Fulfilling the bank’s mission of being a community leader,
* Building a pipeline of future customers, and
* Developing account relationships with students, parents, and school staff.

An international assessment conducted in 2015 found that students who hold a bank account score 22 points higher in financial literacy than students who do not, after considering family income level.[[3]](#footnote-3)

Studies find that children as young as 3 years old can benefit from developmentally appropriate education.[[4]](#footnote-4) And, young people who received financial education in high school show notable improvements in how they manage credit later in life compared to other young adults.[[5]](#footnote-5) Financial capability efforts may even help improve long-term educational outcomes, such as college completion.[[6]](#footnote-6)

Surveyed K-12 educators have overwhelmingly agreed that students should take a financial education course or pass a test for high school graduation.[[7]](#footnote-7) In addition, students that participated in a financial education survey said that financial education was important to them as a need and desire to share it with their families.[[8]](#footnote-8)

1. *Connecting School-Based Financial Education and Account Access*, U.S. Department of Treasury (2014) [↑](#footnote-ref-1)
2. *See [www.fdic.gov/youthsavings](http://www.fdic.gov/youthsavings).*  [↑](#footnote-ref-2)
3. *Organisation for Economic Co-operation and Development (OECD), 2015 Programme for International Student Assessment (PISA), available at https://nces.ed.gov/surveys/pisa/pisa2015/pisa2015highlights\_11.asp.* [↑](#footnote-ref-3)
4. *Foundations of Financial Well-Being: Insights into the Role of Executive Function, Financial Socialization, and Experience-Based Learning in Childhood and Youth*, Journal of Consumer Affairs (2015) [↑](#footnote-ref-4)
5. *State Financial Education Mandates: It's All in the Implementation*, FINRA Foundation (2015) [↑](#footnote-ref-5)
6. *Small-Dollar Children’s Savings Accounts and College Outcomes*, Washington University in St. Louis (2013) [↑](#footnote-ref-6)
7. *Teachers’ Background and Capacity to Teach Personal Finance,* National Endowment for Financial Education (2009) [↑](#footnote-ref-7)
8. *President’s Advisory Council on Financial Capability for Young Americans,* Final Report (June 2015) [↑](#footnote-ref-8)