

**Learning from the FDIC Youth Savings Pilot Webinar**  
**June 27, 2017**  
**2:30 pm ET**

Coordinator: Welcome and thank you for standing by. At this time all participants are in a listen-only mode. After the presentation we will conduct a question and answer session. To ask a question please press Star then 1. You will be prompted to record your first and last name. Today's conference is being recorded. If there are any objections you may disconnect at this time. I'd now like to introduce your host for today's conference, Nicola Myers. Thank you. You may begin.

Nicola Myers: Thank you Dori. Good afternoon everyone. And to those who may be on the West Coast, good morning to you. My name as Dori just mentioned is Nicola Myers. Thank you for joining us for today's FDIC Webinar, Learning from the FDIC's Youth Learning Pilot.

The speakers for today's presentations include some of FDIC's youth banking team members which includes Tracie Morris, Senior Community Affairs Specialist, Luke Reynolds, Chief of Outreach and Program Development and myself. In addition we are joined by three speakers representing some of the participants in the FDIC's Youth Savings Pilot that you will hear from a little later in today's presentation.

They are Michelle Huddleston from Commercial Bank, Patty Flemings from Treynor Bank and Alana Park from First Metro Bank.

The FDIC's work with America's youth is one part of our effort to expand access to and use of mainstream financial institutions by unbanked and underbanked households in the United States. Building relationships in schools is a worthwhile strategy.

FDIC's work to engage the next generation is a very important part of the FDIC's effort to create greater economic inclusion which will help strengthen the banking system. Building banking relationships in school is a worthwhile strategy because research shows that students have more positive attitudes towards banks and are more likely to have a bank account if there's a branch of a federally insured financial institution in their schools.

Earlier this year the FDIC released a report on lessons learned from our Youth Savings Pilot Program. Twenty-one banks participated in the Pilot and these banks generally saw their outreach programs grow to engage more young people. Banks in the Pilot emphasize the profound impact these programs made on students and their families and sometimes they helped develop future bank employees.

What you have on the screen today is an overview for the goal of the Youth Savings Pilot. The goal is to highlight promising ways to combine financial education and savings accounts with school aged children. There were two phases to the pilot and it included 21 participating banks.

Nine banks were selected for phase one of the Pilot which was during the 2014-2015 school year. And then also the 2015 to the 2016 school year. These

banks were already working with schools or non-profits to help students open savings accounts in conjunction with their financial education programs.

An additional twelve banks were selected for phase two which took place during the 2015-2016 school year. These banks were beginning or expanding youth savings and financial education programs that they had in place.

To learn about the banks and their respective programs we had over 90 calls, in addition to group calls. Surveys were gathered from banks and schools to we learned about startup and implementation efforts.

Today we will summarize the Pilot's learnings and at the end of the Webinar if this is something your bank wants to do more of or even start, we will give you the opportunity to join the 40 banks in the Youth Banking Network.

All of the banks in the Network connect financial education to opening savings accounts for school-aged children and aim to learn from one another and FDIC staff. An example a communication in which a template of a Memorandum of Understanding to open a school branch was shared with banks within the network.

So this is just to give you a brief overview of the purpose of today's webinar. What I'd like to do now is to turn it to Tracie who is going to give you some key learnings from the Youth Savings Pilot. Tracie.

Tracie Morris: Thank you Nicola. And good afternoon. So I'm going to talk a little bit about the Pilot report and then a road map and then turn it over to the bankers. So as Nicola mentioned, we released the Pilot report in March of 2017. What did we learn from the Pilot?

First, we learned that the benefits from the program go far beyond the dollars and cents then the money in the account of the school aged children in youth including improving a child's financial future.

Banks are in a position to offer hands on learning to help students open a real savings account and manage their own money at an early age. Schools and non-profits recognize that finances students use as an adult help to generate positive change in their communities.

And teachers that were involved in the youth savings programs recognized that these programs strengthened academic success in related subjects such as math. Banks also felt that participation in the Pilot, and in these types of programs in general, help to strengthen their community involvement and is central to the bank's mission.

Bank employees express personal satisfaction from working with children and youth. We heard over and over how that the highlight of their day was working with the youth savings program. Non-profits stated that youth savings activities are complementary to their youth savings efforts.

We heard that these programs help to build good will toward the bank and their communities and they also can build a pipeline of future customers. The young people who had accounts with the banks in school savings programs later on came back to the bank as young adults to open additional accounts.

There's also the ability to receive CRA consideration but we found that that was not one of the biggest reasons banks got involved. It was for the other reasons. After we sat down over the two years with the banks in the Pilot, we developed a framework of how to establish or expand a bank's youth savings program.

What were the high level project planning phases did banks go through? All participants went through these general phases but the actual time spent in each phase varied greatly from bank to bank. So let's get started and go through the phases.

Phase one is planning. In this phase it's important that the bank identifies its objectives and potential benefits. For example, student bank accounts may address a financial need in the community such as building college savings or expanding the reach of financial education to youth or to the student's families.

Looking at these objectives and benefits, the bank should consider the objectives the schools that they may be partnering with. The next is to engage partners. Talk to the partners about what's in it for the school.

And in terms of identifying partners, and you'll hear this later on from our bankers, partners can be found in many, many different places so just be open to that. In terms of partners, a potential challenge for schools and teachers, there may be a certain reluctance that partnering with a bank may be viewed as a commercial activity.

But that's something just to think about and work through as you start working with school partners. And also maybe that's a point where you would bring in a non-profit to maybe take more of a leadership role.

The next phase is design and there are a couple of really important questions around design. Specifically, the selection of a program model, an approach to the account ownership structure and to delivery of student financial education.

In terms of the models, we found throughout our Pilot that they settled around three different types.

First, the school branches. This is where a bank opens a permanent branch on the school premises. Typically it's managed by bank employees with student bankers working as customer service reps, tellers, et cetera. We primarily saw this model being used in high schools.

The next model was in-school banking. In this model a school sets up an in-school bank in a common area such as a school cafeteria, gym, library, or in some cases an unused classroom. And this was done on designated banking days. Typically this was used with the younger children, grades K through 6.

Finally several of our participants used the nearby branch model. The bankers would go into the school, teach financial education and provide the children the opportunity to go to one of their nearby branches, perhaps get a tour of the branch and to encourage them to open an account at that branch.

The second key design consideration is account ownership structure. The three structures that we saw in the Pilot were non-custodial accounts where the accounts were in the child's or youth's name alone and there was no adult in the account.

The banker's that provided these types of accounts felt that students had a greater sense of ownership since no one else was on the account but them.

The second type of account structure was the custodial account with a parent or guardian as the custodian. And this provided the parent or guardian an opportunity to also interact with the bank especially during the account opening process.

Finally some of the banks within our Pilot used a trust custodial or other administrative account held by the school or non-profit partner. These accounts were very useful when a school or non-profit wanted to maintain the account to manage the deposits for multiple students or for a non-profit helping to children or youth save for college.

Another key element that we wanted the banks to consider was that all of the accounts be consistent with the core principals and features of the FDIC's model safe account template. In particular, the account have low opening balances or low minimum monthly balances, and typically no fees.

Just as an aside, we heard from many of the Pilot participants that youth, in particular, really like banking features such as remote check deposit.

In terms of assisting with the design considerations, the FDIC has a couple of resources that Luke will talk about later on.

But I just want to direct you to the Interagency Guidance to Encourage Financial Institutions Youth Savings Programs and Address Related Frequently Asked Questions. The guidance addresses common questions, misunderstandings of existing guidelines and regulations around customer identification, branch, opening, et cetera.

Another thing that we heard was the lack of clarity around whether accounts could be opened for minors in their names alone, a non-custodial account. The FDIC worked with the Conference of State Banking Supervisors to develop a resource that identifies states' specific laws and other rules related to use banking.

And again, that's a resource that is also on our Youth Banking Network webpage.

In terms of design strategy for financial education delivery, we saw that some banks had a formal instruction where they would go in and discuss different topics. Those bankers would go into the classroom periodically, every week, maybe once a month to deliver financial education.

Also, some banks use peer based approaches where they would work with youth in the school who would go out and train their peers.

And then there was also a lot of just in time information sharing. For instance, especially at the school branches where youth would go into open accounts.

Peer tellers/peer bankers would talk to youth about the accounts and how to maintain the accounts. Regardless of the type of delivery, it should be fun and interactive. It's helpful especially for the teachers if it integrates well with other subjects.

And we found there are a lot of curricula out there including the FDIC's Money Smart for Young People. Regardless of the curricula, having the financial education along with the opportunity to save is very, very important.

The next phase is to identify the roles and responsibilities. This slide talks about the different possible bank contributions which would include of course staff time, materials, marketing, monetary incentive and account setup just to name a few.

And then also the partner contributions which would be either the school or the non-profit partner. In addition to these items, there's also their staff time as well. And for the teachers especially their contribution is allowing access to the students during that classroom time.

Bankers indicated that they would have loved to be in the classrooms a lot longer since they wanted to get in as often as they could to help teach the children.

After deciding, after the decision on the roles and responsibilities the next phase is implementation, when you prepare all of those who will work with the students.

And that includes the teachers, the peers. The peer student will either be taking the deposits or teaching financial education to their peers as well as any non-profit partner that the banks are working with. This involves regular communication in reiterating the roles and responsibilities.

And also, if parents are being involved, bring them in early and let them know what their roles are as well.

The next two phases are assess and refine. And above all the key here is to communicate with the school partners, maintain regular communication, what works, what doesn't work.

Communicate with those parents, not only those parents who are working with the program at the school but the parents of the students. It could include sending home regular communications especially for the younger students, letting them know when the banking days are.

Letting parents know what the students are learning is always helpful to bring them into the process. Communicating with any non-profit partners, what they can do to help and how they can be engaged is also a good idea. And also, of course to communicate with the students.

Make sure the students really understand what is it we're trying to do to help them learn. And then make changes as needed. There's no set formula. And nothing usually works on the first try. So assess and refine is the key.

So with that Nicola.

Nicola Myers: Right. Thank you so very much Tracie. We do have one question in the queue but my thought is we will wait until we have the three presenters because they may in fact answer your questions, if that works for everyone. I will now introduce Michelle Huddleston.

Michelle is with Commercial Bank. Michelle you may go ahead and I'll change the slides for you. Just let me know next slide.

Michelle Huddleston: Okay. Thank you Nicola Myers: Good afternoon everyone. Commercial Bank first partnered with Harlan County, Kentucky public school systems in 2015/16 to bring a program we call Smart Sense into each of their eight elementary and middle schools.

We have had a long term relationship with the Harlan County school system and operate two branches in this remote area of Eastern Kentucky. Harlan County is a rural and isolated area with a declining population and an increasing unemployment rate.

Children are often left with little hope and don't always feel they can find employment or dream of bright futures. Often saving for tomorrow is a concept they have never heard of.

A long time Commercial Bank employee Abby Walker has been lobbying our bank's product review and development committee for several years. She was a strong advocate for the next generation of consumers and business leaders in the community she grew up in.

In early 2015 we finally agreed to offer a partnership for a student savings program. We went to a principals meeting after talking with representatives of the Harlan County schools on the phone. All we went with was a piece of paper and a pencil and some general ideas of how the program would work.

The superintendent and most administrators immediately jumped on board and endorsed the program. So we asked for an informal three year commitment to let us work through the development of the program. We promised to be responsive and flexible to the needs of the school system.

We thought our program would work well with the math class but we found greater success working with a position called family resource directors. The resource directors were more comfortable working with business partners and they work with other students and families in other home and life skill programs.

Next slide. Smart Sense has two separate program features. You do not have to do one to participate in the other. The first part of the program is financial literacy lessons taught by commercial bank employees each month. We use the FDIC Money Smart Program and have found it very easy to use and grade level appropriate.

We assigned a specific banker to each school and committed to five hours per month to each of their eight schools. At first we asked the school to define the topic when we scheduled.

Our intent was to give them flexibility when scheduling and variety in the topics taught however in some cases, it seemed to cause an unintelligible non staff. So we're very organized and using these classroom projects to coordinate our lesson plans.

However some were not as eager to have a banker in the classroom and wanted us to go to multiple classes within the day limiting our time with each group of students. The multiple lessons in the same day proved trying to our bankers.

Even though this approach exposed more students to financial literacy, it was felt that the financial impact was stronger when we met with the same students periodically and were able to spend enough time in the class to have self-instruction and activity.

But in all cases we felt the experience was positive and successful. The second part of Smart Sense is a student savings account that is opened by paperwork completed by the parent or guardian and returned to the school. The parent or guardian is never required to come to the bank.

The school agreed to verify the identification information provided on the paperwork so that we can use alternative identification verification. The account can be opened at any time during the school year. We have two employees who visit each school bi-weekly.

They gather this paperwork and key it into an account when the return to the office, and mailing a thank you letter with required disclosures at that time. In addition to lightening the account opening process, we also lowered the account opening deposit from \$100 to \$1. And actually a few times we've accepted less than that.

And we are paying a higher rate of interest than we do to regular savings account customers. The same two bank employees are responsible for new account documentation, a schedule for each school, and a time and place to be available biweekly to accept deposits from the students.

Most schools schedule early morning or lunch sessions and give us space in the library or cafeteria. It was important for the bank, and more so for the school district, to know that savings accounts do not reward students differently based on the amount of the deposit or balance in the account.

So with each deposit made regardless of amount they are given an item such as stickers, bubbles or pencils. Each student account holder is mailed a birthday card during the month of their birthday. Local merchants have readily donated items such as free personal pizzas, movie passes or ice cream as a gift in the birthday card.

At the end of the school year we give each school the choice of an ice cream or pizza party in addition to presenting a savings certificate to each account holder at their awards day, field day or just at the end of their party.

We also take opportunities to appreciate faculty and staff that support and endorse our program. Those students that are involved in the Smart Sense Program as either presenters or those who visit schools throughout the year met at the end of the year to discuss the good and the bad.

Certain members of this group also met with principals and schools for the same purpose. Next slide.

Both the bank and the school district felt the first year was a great success. And the second year has been even better. The members support the success. As Tracie has said, there are many other rewards of the program.

Bankers such as myself would come back from a day spent at the schools with special stories and a newfound respect for the classroom teacher. We also learned the struggles that children were seeing and hope to create a renewed energy to help them to meet their goals and dreams and showing them hope for a brighter future.

The schools overwhelmingly wanted us to take a stronger lead at the beginning of the school year in explaining to students and parents how the savings account program works. The first year we just sent home a letter with students in an orientation packet from the school.

Our second year we attended an open house event and went from class to class for a five to ten minute presentation of how the program would work. And just as a way to show that, one school in the first term we had one student participating and in the second year at that same school we had 41.

Another lesson learned is that the middle school-aged students were not very impressed with stickers and such and didn't stand up to participate. So with the second year, we implemented a reward card for grades five through eight. Each deposit qualified for a hole punch and after ten, the student could cash in for a Commercial Bank Smart Cents t-shirt or backpack.

We also address the problem of some bank presenters who felt overwhelmed with giving presentations multiple times in one day on a tight schedule. We all agreed that we were most effective in the classroom of third, fourth and fifth graders so we asked the school to allow us in those classes, and in some cases, the school's enrollment allowed them to combine those classes into one classroom for the purposes of our lesson.

The hardest hurdle that we are still trying to overcome is parental support of the program. Some parents are hesitant to open a bank account, afraid the assets will be held against them for receiving government benefits. And some students are hesitant to open a bank account for fear that their custodian will take their money. Next slide.

Banking is not always fun but Smart Cents certainly has been. Our bank volunteers who teach financial literacy all drive more than one hour to get to their school. So it is basically a full day per month out of the office. This sounds like a great idea until you realize your day of work is waiting for your return. But each bank employee eagerly signed up for the second year, and have already signed up for the third year as well. We believe in what we are doing.

The children love the program and look forward to banker visits. The teachers and administration have bought into the program, and are seeking ways to enhance our partnerships. We've been asked to help in grant writing and other special projects in schools. And also, before the 2016 and 2017 school year began, we were contacted by two other school systems who had heard about our program and wanted us to bring it into their district.

We have grandparents stop in who have children participating in our Smart Cents program and want to open up Smart Cents accounts for other family

members that do not live in the Harlan County School District. We've also received letters of thanks and appreciation from our regulators -- those same regulators that give us our CRA ratings, I might add.

And in closing, my advice to a bank starting out is to start small. Become comfortable with curriculum and allow time for bankers to learn how to teach and connect with the children. This will not be a natural fit for everyone. It will seem overwhelming in the beginning to us bankers, we're just not teachers.

Use the Money Smart programs, they are great and there's no reason to reinvent the wheel. And realize that the benefits to the program will be recognized for years to come. Implementing a student savings and/or financial literacy program will not improve the bottom line immediately, although, if you implement correctly, it doesn't have to be a huge expense either. But it is an investment, not a profit center. And by all means, have fun with it because bankers don't get to do that every day. Thank you.

Nicola Myers: Michelle, thank you so very much for that. Okay, now we're going to hear from Patty Fleming at Treynor State Bank. Patty, are you on the line?

Coordinator: Ms. Fleming, if you could press Star zero to open your line.

Nicola Myers: I know we were experiencing some technical difficulties, so in case she's not on the line we'll go ahead and move on to the next person.

Coordinator: One moment. Fleming's line is now in conference.

Nicola Myers: Great, thank you.

Patty Fleming: Hi, can you hear me?

Nicola Myers: Yes we can.

Patty Fleming: Great. I am Patty Fleming and I'm the Financial Literacy Banking Coordinator for TS Institute, and I'm calling behalf on Bob Mantell, who is the Director of Financial and Economic Education for Treynor State Bank. He leads the TS Institute which is a nonprofit affiliate of the bank, and our mission is to promote and enhance financial and economic education in school districts and with nonprofit organizations where Treynor State Bank has a presence.

Treynor State Bank facilitates five in-school banking programs. We do have a K-12 program where students can participate from an elementary level all the way up to a high school level. We do have three elementary banks in place, one middle school branch and then one in the high school which is a chartered branch bank. We are going to open up another elementary school this - bank in schools this fall.

TS Bank and the partnering school sets up the in-school bank in a common area, a library or an unused classroom, on designated bank days. We do this usually once a week for approximately two hours in the morning. And this is a K-8 program. TS Bank staff works with the school educators to accept applications and interview the candidates for the 12 -- at the elementary level - - positions. We usually use fourth or fifth grade students at the elementary, which is K-5 grades, to be student tellers.

Our business students at the middle school apply for positions and the high school seniors from their business program also apply to be the CSRs at their school branch as well. A nice thing about having the seniors at that their

branch - they also come and assist at our elementary schools during - they get about a 45 minute time frame that they can come and assist at our elementary levels which works with their business program at the high school.

So back with our elementary CSRs, we assist them. They are trained to assist the students with their deposits. They count the money, they complete the deposit slips, they write in transaction registers to reconcile each student-client deposit. At the end, after the bank is closed, they reconcile funds for the day. And since I am overseeing the operations of the branch banks, with the exception of the high school branch, I will take these funds to the banks for deposit.

Deposits are recorded on an Excel spreadsheet which is provided by the school for each student. Each student has a transaction register that is stored in the classroom. Funds are held in one school specific account at the participating bank and withdrawals or inquiries are done at the school through a bank champion -- usually this is a designated school employee, either a teacher, a principal, or a combination of administrators -- that these peoples will set up the bank account, which is usually a checking account. The funds are issued by check to the student-client.

In our bank program, we work with the school to not only teach the students how banks operate, but we want them to become savers themselves. So the goal of our in-school banking program is for the students to create a good savings habit.

Since 2009, the TS Institute has impacted well over 15,000 students in Iowa through in-school banking. We do classroom programming, special events, teacher workshops. We do afterschool programming -- the students participate in the stock market game, that's one of our after school programmings. We do

junior achievement programming in K through eighth grade. We do Council on Economic Education contests, we do financial literacy contests, we do concerts with a band called Gooding, and we do matching deposits at our in-school banks during national events such as America Saves Week, Money Smart Week. We also promote their essay and poster contests. And all of this is something that is facilitated by the TS Institute. Thank you very much.

Nicola Myers: Thank you Patty. And now we'll hear from our third former Youth Savings Pilot participant, Alana Parker from First Metro Bank.

Alana Parker: Hey guys, hope everybody's having a good day so far. I've so enjoyed working with you - everyone, and hearing about all of your cool programs.

Here at First Metro Bank, we are - this picture that you see right now, that's actually the president and CEO of our bank. He is talking to kindergarteners about why it's important to save money and what interest is. So that's one of my favorite pictures, but - a little bit about our bank, we're in the Northwest corner of Alabama and we serve three counties. We are a small bank. We have eight locations, one compliance office, one, like, loan type building and we have two student operated banks.

Our Financial Literacy Outreach program started in 2007 and, like Michelle said, we started small. Our - as our - we started in the shallow end of the pool and gradually got in over our heads. That is what we feel like sometimes. But we started with fourth graders, then we saw fourth and eighth graders, then we saw fourth, eighth, eleventh and twelfth graders. And it's just gotten bigger and bigger.

We opened our student operated branches at two of our largest local high schools in 2013. So we see -- just in our Financial Literacy Outreach program -- between five and seven thousand kids every year.

So a little bit about our area, we are in a unique area. I know when you think of the state of Alabama, you probably, you know, have some ideas of what it might be like. And I know you all probably think about football, but besides that, we have some definite challenges that we're dealing with. For instance, the median family income dropped to \$4,000 between 2015, 2016. Additionally, Alabama is number 1, unfortunately, in prescription drug abuse. And we have a huge meth problem here.

So what that sort of all adds up to is, kids in need -- kids who are not getting financial literacy at home. And as, you know, being a part of a community bank, we felt like it was our duty to step in and get started. So - you can go on to the next slide for me.

The part of our program that was included in the Youth Savings Pilot program was specifically our student operated branches. So I wanted to give you some pictures of what our branches look like. You can see the one at the top that - the Muscle Shoals Trojan Branch. That was actually Tuckett Bank that we converted - down a little bit lower - the South End Branch. That one is a little bit larger.

We covered all the construction and everything associated with those branches. There, as in every school, they're doing lunch, they're staffed by student tellers and a teacher is responsible for their tellers every day. Their kids earn a grade for their participation, and they also are serviced immensely. All this - they have to do our online training that our real tellers here in the branches do.

They do peer-to-peer training projects, which is pretty cool thing that their teachers have implemented. So that is where they, you know, pick a topic, then learn about it, and then teach their peers about it. So that's been a really, really, positive thing because it gives the kids here a sense of unintelligible, additional skills, you know, speaking in front of others, things like that.

They also - the kids are also - our student tellers participate in our bank's community projects. So if we're trying to raise money for, you know, like, unintelligible, sometimes that and we've used them for a community event. The kids will come and work that event with us. So they're really seeing what it is to be a part of a bank - a community bank.

As far as the student teller requirements, they have to be a junior or a senior, can't have any major disciplinary issues. They have to have good attendance because, you know, very, rather - attendance is very, very important. A strong B-GPA at least. And they complete an application and turn it into the school. The school goes through - what's going to convince - discipline - top savings - and then we get this, you know - narrows that down and gives it to us.

We meet with the kids and do an interview with them. And so this gives them experience of an interview. And then from that pool our student tellers are chosen. So right now we only have two student operated banks, and we're getting ready to open our third. So we're pretty excited about opening our third one. Next slide.

Probably the coolest thing about our program's community is that we have a non-custodial account that we offer to these kids. I've already sort of told you a little bit about our area and the struggles that we face. So one of the things that we send out really early on, is that we have to offer them a non-custodial

account. If we want students buying them, if we want them to be involved, if really want them to save money and be able to use as they use, to do, we got to offer non-custodial accounts.

Because what was happening in the past was, these kids - most of them have jobs and receive direct deposit, especially when they're in eleventh and twelfth grade and high school. So what would happen is, they would receive their direct deposit and the joint owner would go to the financial institution while the child was at school and withdrawal all the money. So we found out from the students, you know, about what was happening. So we worked with Mr. Olsen from the FDIC and Mr. Harris from the Alabama State Banking Department, to figure out how we can make this work.

I understand that different states have different state laws, so I think, within these Savings Pilot programs. They looked into that and actually provided the citations there in the study, so you can look at those and, you know, and find out more for your specific state. But we really haven't been terribly compliant with the state and federal regulations, but we also had to meet the needs of our community members. We had to meet them where they were. That's a big phrase here at our bank is, meet your customer where they are, whether they're a millionaire or they're over-drawn and just lost their job, we have to meet them where they are and help them in whatever way that we can.

So as far as our - how to open an account, we have a pretty cool CIP program that our Compliance Officer came up with. And I am happy to share that with anybody who's thinking about implementing a student operated bank. I know that's one of the main compliance concerns. So if you want to look at our forms - we just recently went through an exam and they looked at our forms and felt great about them that he actually unintelligible said. We will be glad - I will be glad to send those over to you if you email me and I'll share that with

you. But in the interest of saving time, I'm just going to sort of talk about the savings account.

Again, it's non-custodial, does not require joint ownership, and we have a \$1 minimum deposit, and then a \$1 minimum balance. And the only reason we have that is because our core IT system does not recognize anything smaller than a dollar right now. And we're working on that because we would like to be able to accept whatever they have to bring us, you know, just to get that account opened. The kids get an ATM card, mobile banking, online banking, telephone banking all of that is included in this account and of course, we don't do these fees.

I will tell you, one of the things that we found out was that we have to do lots and lots and lots of training with our student tellers and then again with the students who are opening a savings account. Talk to them about how that's planned so that they can afford - avoid excessive transaction fees. That is a big thing that we really, really focus on. Because a lot of these kids are paying, you know, their car insurance, their cell phone bills, their - some of them are paying daycare costs. So we have to really talk to them about budgeting and planning as much so that they don't see their minimum transaction limits that are set for that account. Next slide please.

So one of the things that Tracie had asked us to go over and sort of talk about was the responsibilities, like, what is the bank is responsible for and what is the school responsible for. For the most part, we are responsible for the construction and upkeep of the branches. We purchase - we covered all of the renovation costs, we've brought the night teller space, the drawers, the keys, all of that good stuff. And, the telephone line, the telephone, internet access. We make sure that they have access to our online training courses and all the marketing materials. So basically any costs that they need. And then we do

summer training with the parenting, cover all that as well. We're also responsible for monthly audits and we have employees out there, at least, you know, at least once every ten days we're there.

We have a courier, someone that picks up their work every day. The school is responsible for daily oversight of the branches. Looking over the teller work, surprise audits and helping us fill out the tellers. They - click here on the grey - the enforcement of the policies and procedures - and then helping to achieve their projects. Next slide. There we go.

So our best advice, number 1, somebody knows somebody. Where's your contact? Somebody is in somebody's Sunday school classes. Somebody has a child who's on somebody else's soccer team, you know. That was one of the things that we ran into, is we wanted to do these things that, you know - someone was saying, oh gosh, well I don't know anyone at that school, but somebody does. You know, talk to your branches that are like, hey pledge to that school. You've got to contact somewhere and just work your contacts.

Number 2, find a way to say yes. It's so easy to say no. I know, we are busy, we have a lot of things going on, you know, a hundred things happening at a time, but if you can find a way to say yes, make time. Make a way to say yes. Tell yourself if it's legal and complaint, I'm going to do it for a school and really make that happen.

Send dynamic speakers. Michelle talked about that. I'm telling you the same thing. It takes one bad experience to ruin your reputation in a school. Teachers are so interconnected thanks to Social Media groups, you know, email groups, those types of things, so you don't want, you know, a teacher saying, "Oh gosh, you know, First Metro is trying to come and talk to us, and they sent the most boring speaker. My kids were just, you know, bored to tears." Or

whatever. You want to send dynamic speakers. So that might be one of your best tellers or that might be your CEO. Whoever is going to be a dynamic speaker and do a great job - that's who you want sending.

Decide who you want to reach. It's easy to reach the kids on the front row. You know, the kids who are non-minority, and, you know, have a really expensive handbag. But if you want to reach the kid on the back row who is way below the poverty level and first generation, you know, English speaking student, you may have to work harder. You're going to get CRA credit either way but decide what you want to do and what your mission really is and decide who you want to reach and you make that happen.

Understand your purpose and be purposeful. You're not there to sell credit cards and talk about how great your bank is. You're there to give financial literacy education to these kids and that's got to always remain your priority. And if it does, if that's your truth and your genuine authentic priority, the teachers are going to sense that, and your program is going to take off. There's nothing that will make your program bigger than sincerity in your mission.

Be a friend to the teachers. They're the gate keepers. They are overworked and underpaid. And I love what Michelle said about having a whole new respect for classroom teachers because that's absolutely true. I feel the same way. So be a friend to the teachers. Be there for what they need. If they call and ask for something, again, find a way to say yes.

Number 2 pencils. Number 2 pencils are always a hit. If you take a big box of number 2 pencils with a letter that says, thank you for all you do teachers, we appreciate you so much, one month before each semester ends, I'm telling you, they will love you and they will call you if they have any questions, you'll be their first phone call.

And the last one is, don't forget why you're there. You're there for those kids. You're there to make their lives better. You're there to give them education you already have but they may not get from home. So don't forget why you're there. And again, if you want any of our details, the IT forms, withdrawal or check cashing rules, email me. I am so happy to share those things. And that's it for me.

Nicola Myers: Thank you very much Alana and thanks Patty and also Michelle. We appreciate sharing your different aspects of the projects that you all have in place. Now what we're going to do right now is open it up for any question. Operator, do you have any questions in the queue? We have a couple of questions on this end but we'll start with any callers.

Coordinator: At this time if you would like to ask a question, please press Star then 1. You will be prompted to record your first and last name. To withdraw your request press Star 2. Once again, to ask a question, press Star then 1 now. And at this time we do not have any questions in queue.

Nicola Myers: Okay, thank you. There - here's one of the questions that we have for today's presenters. For those who have established banks in your area schools, how much did it cost for you - cost you for a bank license/certificate, if you are at liberty to share?

Luke Reynolds: So that's a good question. So, I guess there's a couple thoughts. Thank you Eve for this question. When I hear bank license or certificate, I look at it very technically and I'm thinking of the branch application process. So if this is a branch application question, we're going to talk about the Interagency Youth Savings Guidance.

Generally speaking, if you're a FDIC or OCC supervised bank, and you're setting up a school based branch as part of a financial education program, you don't have to apply for a branch license from either of these two agencies. Some states have similar exceptions to their state branch application rules, but not all.

Regarding costs - costs were all over the board.

As we said in our Youth Savings Pilot report, we outlined some of the major groupings of costs, but costing models differ, particularly the accounting treatment of overhead and staff time. So there's a couple thoughts Eve. If that was not a good answer, if I didn't answer your question send us an email and we can try to help a little bit more offline.

And then I also see a question from Roselyn, Have any of the bank partners created a new account type for these projects? What was the process for this like?

I think we saw I'm interpreting that you're asking about school based work broadly. I think again, there are answers both ways. We know some banks adapt existing account products. We know from our Pilot, some banks undertook college savings programs where they created new restricted savings account products working with a non-profit partner. So I think there's flexibility we saw banks do this both ways.

Nicola Myers: And then we have a third question. Thank you all for your questions, we have a - question which is a three-part question. Which types of accounts were the most popular? I think we had - amongst us, had mentioned that it seems as though it's equally divided across the board of the Youth Savings Pilot participants. And then another question is, were there issues with custodial

accounts where guardians took out funds? Now that's a case of where - Tracie you wanted to...

Tracie Morris: I think what Alana Parker from First Metro - she mentioned that her bank adapted some of the accounts when that issue arose. We don't have any statistics on how and if that is - that has happened. But - anecdotally we've heard from those such as Ms. Parker so, you know, there obviously is the - that is something that could happen but not sure how often. And the final piece to that, can the bank hold custodial accounts for students?

I would suggest checking with legal counsel for your bank. If - we've noticed that in our Pilot when there were custodial accounts, they were typically held by non-profit partners, and in some cases the schools themselves. So there's a lot of flexibility in terms of that approach to accounts.

Nicola Myers: Great. Thanks very much. Okay what we're going to do now is I'm going to pass the microphone to Luke Reynolds. Luke?

Luke Reynolds: Thank you Nicola. We appreciate you taking time to participate on this Webinar today. This is intended to be a brief introduction to the key learnings from our Youth Savings Pilot. The Report is available on our Youth Banking Resource Center, which is, [www.FDIC.gov/youthsavings](http://www.FDIC.gov/youthsavings). And there are several resources there that go into more detail.

First, as Tracie mentioned, we offer a roadmap to communicate the key learnings from our Youth Savings Pilot in an action orientated way. So if you're looking at starting a new program, building on what we covered today, I encourage you to look at that roadmap for ideas of where to get started.

Second, once you decide you do want to do more, often there's a lot to be gained from talking to other banks that are doing something similar things, either they've been doing something similar for a long time, or maybe a little farther along or in a different place than you are.

The FDIC, a couple months ago, launched what we call our Youth Banking Network. What this really is, is it a community of the practice for banks that are interested in enhancing their youth financial education efforts through addition of access to a savings account for young people.

We have been - what our plan is to conduct periodic conference calls for banks around specific topics. These are really learning calls. We held our kick off call couple weeks ago that identified some of the key issues of interest to banks in the Network, as Nicola gave an example of one of the things that we already did in the Network that we hope to do more of -- the bank wanted to see a sample MOU with the school to establish school based branch. We're able to tell the bank that the approached MOUs really differ from, perhaps the handshake agreement, where a banker may be going into a school to conduct a class and collect deposits periodically, to where there may be a more full service in-school branch in which case there likely going to be an MOU.

So those are types of things that we are hoping to do more of in the Network, get specific questions, figure a way to get input from other banks in the network on those questions, and then get the initial question answered.

We have on our website a list of banks in the Youth Banking Network. We have banks all across the country, all different sizes, in all different types of communities. It's not too late to join, you can join the Network. It's pretty easy to join. Those of you who are part of the Network know the next step is finalizing our outline of the key issues we heard on their kick off call. We're

asking feedback on that list of questions. Once we get feedback on that list of questions this week, we will probably be reaching out over the next couple weeks to ask for help with whatever the first couple topics are. And then we'll be setting up a conference call around that topic within the next couple months.

So from there, I want to thank everyone for taking time to participate. Once again please visit the Youth Banking Resource Center on [FDIC.gov/YouthSavings](https://www.fdic.gov/YouthSavings). If you have any questions whatsoever, send us an email. And I really want to thank our guest speakers and our presenters today. Hope everyone has a great rest of the day.

Woman 1: Thank you.

Coordinator: Thank you for joining today's conference. That does conclude the call at this time. All participants may disconnect.

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