

**Remarks by Martin J. Gruenberg, Chairman**

**Federal Deposit Insurance Corporation**

**at**

**Jump\$tart Coalition**

**National Partners Meeting**

**Washington, D.C.**

**April 23, 2015**

Thank you very much for including me in your event today.

First, I'd like to recognize Laura and Ted for their leadership, not just of the Jump\$tart Coalition, but for all they do to help teach American youth about money and how to responsibly handle their financial affairs.

All of you here today are terrific advocates and resources for advancing youth financial capability, both nationally and in communities across the nation. Thank you for your dedication and your many contributions to financial education.

I am delighted to be here today for the unveiling of an extraordinary new set of tools to help educators and families work together to teach children about financial literacy at every stage of their education, from Pre-K through age 20.

A little over two years ago, the FDIC began working more intensively with partner agencies on the Financial Literacy and Education Commission to promote youth financial capability.<sup>1</sup> We did this because starting financial education early can have long-standing benefits for young people and their families.

We soon realized that our interests and objectives in this area matched those of the Consumer Financial Protection Bureau (CFPB). In particular, both of our agencies encourage practical and tested approaches that can positively affect young peoples' decisions in a lasting way.

So last April, the FDIC and CFPB signed an agreement to leverage our strengths by working together to improve financial education and the decision-making skills among American youth.

After a year of hard work, we are here today to announce the initial results of that partnership.

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<sup>1</sup> <http://www.treasury.gov/connect/blog/Pages/flec-starting.aspx>

To start, I am very proud to announce a brand new Money Smart for Young People series. It is an extraordinary step forward for financial literacy. It is the first nationally available free curriculum that directly brings educators, parents, other family members and caregivers into the learning process for young people of all ages. This is a major innovation.

Family and other caregivers play an important role in shaping a young person's financial learning and development. Young people often learn about money by observing and listening to parents and other adults they spend time with. Yet, CFPB research showed that while parents want to talk about money with their kids, they often lack the knowledge and tools to do so effectively.

So to solve this problem, we added a parent/caregiver guide to all levels of the new Money Smart for Young People series. The guides are easy to use and include information about topics that are covered in class, as well as at-home activities and conversation starters.

And the program gives educators an extensive library of lesson plans so they can teach the concepts that make the most sense for their class.

In a minute, Rich will talk more about our efforts to get parents and caregivers more involved in educating their kids about money. As you will hear, this new Money Smart for Young People series truly supports the contributions of students, educators, and parents in learning.

For example, the new curriculums empower teachers with engaging activities to integrate financial education instruction into other subjects, such as math, English, and social studies. We hope this multi-disciplinary approach can be especially helpful for teaching toward state standards in a range of subjects.

Our new series will offer educators a powerful tool to customize lessons for students at different grade levels and abilities. Previous Money Smart lessons did not focus on grade level, but only provided general instruction.

As always, our Money Smart programs are available on line from the FDIC website.

We are eager to hear how teachers use the new Money Smart for Young People materials so that we can improve the curriculum and share successful approaches with other educators. We also want school administrators and principals to share their thoughts on how we can best equip teachers to use these materials.

I know there are a number of education leaders with us today. If you have any comments, please speak with an FDIC representative after this briefing, or send us an email through the FDIC website.

I also want to share with you another groundbreaking resource that has come about because of our work with the CFPB.

For the first time, we now provide videos for teachers that demonstrate how some fundamental financial lessons can be delivered in the classroom. They are short and meant to empower teachers not just by building their confidence, but inspiring their creativity to talk about money in the classroom.

Finally, the FDIC continues to work with the CFPB on our youth savings program. We know that hands-on approaches to learning really help students understand and retain lessons delivered by educators. To that end, earlier this week we announced Phase II of the FDIC's Youth Savings Account Pilot.

The first phase of the pilot program involved nine banks that set up youth savings programs, which gave young people the opportunity to apply their knowledge to real financial products at real depository institutions in a safe setting. Some of the programs sponsored school-based bank branches run by students.

For the second phase, we plan to build on successful approaches that were taken during the first phase of the pilot. For example, several banks in the first pilot have told us that younger children – even those in kindergarten – were excited to save, even pennies, and that doing so can start healthy habits at a formative age.

I am certain many of you can relate to how teenagers can be reluctant to take advice from their parents or other adults. But Some of the banks in the first phase of the pilot found that financial advice provided by peers can have greater credibility.

One of the student bankers whom FDIC staff spoke to recently said teachers frequently ask her and her peers to talk about the importance of saving with fellow students and to answer questions in classes.

Another student banker conveyed how she had helped her peers save for higher education.

We're encouraging banks that want to be a part of the second youth savings pilot program to let us know by June 18<sup>th</sup>. You can learn more about the pilot from the FDIC website. Also on the website, you can find interagency guidance for financial institutions aimed at promoting youth savings programs.

In closing, as many of you know, economic inclusion is a major priority for the FDIC. Our long experience with Money Smart has proved that carefully designed and implemented programs enhance the ability of mainstream institutions to offer safe, sound, and sustainable products and services to underserved consumers.

The newest efforts that we are announcing today advance this work in several important ways:

They make available a well-crafted and flexible set of tools for educators that incorporate best practices and educational standards;

They provide resources for parents and caregivers that reinforce key messages about using money to achieve a better future; and finally

They continue our work to link practical financial education and experience with a safe savings account at an insured institution, with the end goal a lasting banking relationship and greater financial stability for children and their families.

We strongly believe that our partnership with the CFPB will lead to more young people making better informed decisions about their money. I look forward to continuing the partnership in the years to come.

Thank you very much.

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