Florida Jump$tart Financial Smarts for Students
Jump$tart Coalition for Personal Financial Literacy
August 2010

Back to School and the Credit Crunch

By Andrew Bernstein/Debthelper.com and partner with the Florida Jump$tart Coalition

As you begin to get back into school activities, there are some ideas we would like to share with you, to make the process less stressful and more successful! What we have discovered over the years is that most families do not go into back to school shopping and activities with any sort of game plan. Just as it does during the holidays and the end of school, laying out a significant amount of cash for clothes, presents and vacation activities, there is a great deal of stress placed on the family and its budget. Here are some easy ways to avoid problems.

- Let Reason Reign: Create two separate lists as to what the kids need and what they want. There are certainly items that are important to their educational growth and it is essential that you contact their school to see what might be available there as to equipment and supplies they need. The rest is up to you.
- Be creative in your process. Create a list before you go shopping. Make sure you have the shopping trip(s) scheduled and you have given yourselves enough time to get everything done. Plan a nice lunch during the day and try to make it a positive experience for both you and the children. (If more than one child, try to take them on separate shopping trips so they have that time with you.
- Look for **SALES!** There are certainly a number of back to school sales from all types of stores. They might have coupons, in-store circulars or online sale information. Don't forget your Sunday newspaper, radio and television and some of the weekly and monthly publications you might get. Compare prices. This might be a great project for the kids!
- Make the children as much a part of the process as you can. If there are projected battles regarding clothing styles and other items, discuss it before hand. Let them explain why they want a particular thing and remember to discuss it not argue. Try to be liberal when and where possible. Observe what other kids are shopping for and talk to the sales clerk at the store. That way, your child is getting the opinion of a paid professional and not just mom or dad!
- Remember that you do have the final say. If, having gone through the above process, you are opposed to a certain item, be ready to explain why. (I know: parents shouldn't have to explain, but it really does keep discussion open and makes for easier times in the future!)

Finally, remember that it's just once a year. Happy shopping!

- Reminder - **DON'T OVERSPEND!!** This is important, particularly if you are using credit cards. Many parents do use them and ending up with sticker shock when the next bill appears. See the first item above.

Upcoming Events

September 24, 2010

Florida Jump$tart Coalition Board Meeting by conference call, 9 a.m.

Saturday, October 2

Miami Financial Planning Day at the Knight Center
(see article below)

October 6-9, 2010

Annual Conference – Miami
Sponsored by: *Council for Economic Education (CEE); National Association of Economic Educators (NAEE); Global Association of Teachers of Economics (GATE)*
This premier conference for educators focuses on K-12 economic, financial and entrepreneurship education. This is a rare opportunity to attend this conference right in our own backyard. More information - http://www.councilforeconed.org/conference/

October 17-23, 2010

Protect Your Identity Week
Sponsored by the National Foundation for Credit Counseling
(www.ProtectYourIDNow.org)

October 21, 2010

Get Smart About Credit Day
Sponsored by the American Bankers Association Education Foundation

October 25-28, 2010

Third Annual Financial Literacy Conference
Sponsored by the Society for Financial Education and Professional Development, Inc. (SFEPD). The theme is "Financial Literacy: Next Steps," and will offer both opportunities to hear guest speakers and key panelists, as well as to present your own perspectives and interests regarding effective financial education delivery. More information and registration is at www.sfepd.org.

October 29, 2010

Florida Jump$tart Coalition Board Meeting by conference call, 9 a.m.

November 5-7, 2010

National Educator Conference
Capitol Hilton, Washington, DC
Sponsored by the National Jump$tart Coalition, promote this opportunity to your teacher contacts; see http://jumpstart.org/teacher-conference.html for details

November 13-19, 2010

Polk County Family Week

Strong Families Build Strong Communities. For more information see http://polkcountyfamilyweek.com/index.htm

News Briefs

Obama Signs Financial Reform Bill into Law

(JULY 21, 2010; WASHINGTON, D.C.) President Obama has signed the sweeping financial regulatory reform bill into law after a year of pushing the legislation through Congress.

The bill contains a vast array of provisions governing the financial industry, including the creation of a Bureau of Consumer Financial Protection within the Federal Reserve and the ability to close down failing financial institutions that threaten the economy.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, named after Senate Banking Committee Chairman Christopher Dodd, D-Conn., and House Financial Services Committee Chairman Barney Frank, D-Mass., also contains provisions requiring that many over-the-counter derivatives and swaps be traded and cleared on regulated exchanges, giving shareholders a non-binding say on the pay of high-ranking corporate executives, and restricting the proprietary trading of banks in derivatives with their own capital. Credit ratings agencies need to establish and document the internal controls for the methodologies they use to determine credit ratings for companies.

The bill expands the authority of the Public Company Accounting Oversight Board to regulate auditors of brokers and dealers by providing them with standard-setting, inspection and disciplinary authority regarding broker-dealer audits. It also allows the PCAOB to share information with foreign auditor oversight authorities under certain circumstances.

– *Web CPA*

Floridians' Confidence in Their Own Finances Hits Record Low, UF Survey Shows

(July 28, 2010) – A growing number of Floridians are feeling glum about where their bank accounts are headed. In fact, expectations about personal finances a year from now sank to a record low in the monthly consumer confidence survey released by the University of Florida.

Overall consumer confidence statewide for July continued to retract, falling 2 points to 65, the lowest level in 16 months. But the survey component tracking personal finances stuck out, falling 4 points to 72.

Chris McCarty, director of UF's Survey Research Center in the Bureau of Economic and Business Research, said personal finance expectations have never been so low since the state began tracking consumer sentiment in February 1985. McCarty blames the Deepwater Horizon oil spill for dampening spirits when there were signs the economy was improving.

Florida's unemployment rate has fallen three months in a row since hitting a record 12.3 percent. Large corporate layoffs have stopped. Housing prices may decline further, but they've been relatively stable for more than a year.

Uncertainty abounds because of the environmental and economic tragedy in the gulf.

"Floridians do not anticipate a good outcome to the spill's effect on the Florida economy," McCarty said, comparing the spill's potential threat to the financial meltdown in fall 2008 when Freddie Mac and Fannie Mae fell into conservatorship.

"Anecdotal evidence suggests that future reports of taxable sales will show a decline, attributable both to declines in tourism and caution on the part of Florida consumers,

who are uncertain about the effect of the spill's aftermath on their future finances," he added.

– St. Pete Times

As Credit Card Holders Play It Safe, Issuers Increase Non-Penalty Service Fees

(July 22, 2010) – Consumers are charging less on their credit cards and paying off their balances faster, leaving credit card companies searching for new ways to raise revenue. Credit card companies have increased service fees and annual fees in the past year now that penalty fee increases are under strict federal regulation, according to research by the Pew Charitable Trusts. http://www.washingtonpost.com/wp-dyn/content/article/2010/07/21/AR2010072106378.html

– The Washington Post

FICO Scores Drift Down as Economic Factors Weigh on Consumer Credit Risk

(July 13, 2010; MINNEAPOLIS) – A comparison of nationwide FICO® Scores from 2008, 2009 and 2010 indicates that consumer credit risk has increased over the past two years as the distribution of FICO Scores drifted down slightly on FICO's 300-850® score range and score performance shifted in response to changing economic conditions.

On the high end of the FICO® Score range, nearly 19 percent of consumers had scores between 800-850 in April 2008. That figure dropped to less than 18 percent by April 2010. On the lower portion of the FICO Score range, approximately eight percent of consumers had FICO Scores between 500-549 in April 2008. That percentage climbed to nine percent in April 2010.

"While these are small movements, they are important because even slight movements can impact loan portfolios," said Andy Jennings, FICO's chief research officer and head of FICO Labs, the company's research arm. "More interestingly, the performance of consumers at a given score has changed as the economy slumped. It's critical that lenders have analytic tools in place to understand how a score of, say, 700 will perform. Will it perform as a 700 performed last year? Will it be riskier? Banks must be able to anticipate how macro-economic factors such as GDP, unemployment, and housing prices will affect consumer credit risk."

A bright spot in the data is that the downward migration of FICO® Scores slowed between April '09 and April '10. In fact, the 750-799 range stabilized from April '09 to April '10; it includes over 19 percent of consumers.

	% of Population		
FICO® 8 (BEACON® 09)	April 2008	April 2009	April 2010
300-499	7.2	7.4	6.9
500-549	8.2	8.7	9.0
550-599	8.7	9.1	9.6
600-649	9.6	9.5	9.5
650-699	12.0	12.0	11.9
700-749	16.0	15.9	15.7
750-799	19.6	19.4	19.5
800-850	18.7	18.2	17.9
Total	100.0	100.0	100.0

Florida Student Named One of SIFMA Foundation's InvestWrite® Winners

Middle & High School Students Win Trip to NYC & Speaking Engagement at New York Stock Exchange

(July 26, 2010; NEW YORK) – The SIFMA Foundation welcomed four of the nation's brightest young economists – the middle and high school winners of the SIFMA Foundation's 2010 National InvestWrite Student Essay Competition. Answering tough questions about asset allocation and long-term financial planning, this year's InvestWrite student champions prevailed over more than 8,500 essay-writing peers.

Winners were Maya Talukdar, Mill Middle School, Williamsville, New York; Mary Jane Wooley, Hartselle Middle School, Hartselle, Alabama; Jeston Mitchell, Angelo Rodriguez High School, Fairfield, California; and the **McKenzie brothers, Spruce Creek High School, Port Orange, Florida.** The victory earned each of the winners an all-expenses paid trip to New York City with their teacher and a parent, and an exclusive speaking engagement at the New York Stock Exchange on July 26. The winners also gain entry into SIFMA Foundation's InvestWrite Hall of Fame, a group of 35 students who have collectively outranked 100,000 competitors since 2004.

The SIFMA Foundation, a nonprofit educational organization dedicated to raising the level of financial literacy nationwide, created InvestWrite to foster students' critical thinking skills required for effective personal financial decision-making. The program serves as an innovative extension of SIFMA Foundation's award-winning, curriculum-based Stock Market Game™.

InvestWrite winners are selected each year through rigorous judging by thousands of teachers and industry professionals. Scoring is on the basis of subject matter, analysis of the topic, and writing quality. Participants get to strengthen their writing skills – a core competency for college readiness and an area that has come under greater focus by the U.S. Department of Education in recent months. They also apply personal financial concepts such as understanding wants versus needs, compounded saving, delayed gratification, asset allocation, and financial decision-making at different life stages.

In her essay, Maya Talukdar, a sixth grader, applied the game of chess to investing where strategy, forethought, and patience are all important attributes. In his essay, Jeston Mitchell pointed out how the Stock Market Game helped him realize that it is possible to distribute savings among both immediate wants and future retirement.

Essays written by Mary Jane Wooley and the **McKenzie brothers** are available at http://www.sifma.org/uploadedFiles/News/2010/Middle-School-IW-Winner-Wooley.pdf

Schumer Fears End of Checking That's Free

Urges Banks to Notify Customers about Fees

(July 1, 2010) – Banks that plan to do away with free-checking accounts should notify customers well in advance and allow them to switch accounts or banks without penalty so they don't incur enormous fees, said Sen. Charles E. Schumer.

Citing plans by major banks to eliminate free checking or experiment with alternatives, New York's senior Democratic senator warned that thousands of bank customers are "about to get socked" with monthly maintenance fees if they don't meet minimum balance or other requirements.

"Free checking has helped thousands of American families," he said. "This service, which we've all come to expect from our banks, is in danger of coming to an end, and Americans are about to get socked."

Many have no idea of what may be coming. For example, Wells Fargo & Co., the nation's fourth-largest bank, eliminated free checking, with hardly any notice to its customers nationwide, Schumer said. Wells Fargo owns Wachovia Bank.

"When they change the rules, people should know about it," Schumer said. "Right now, millions of Americans who rely on free checking are being kept in the dark. Banks are hitting them with new fees, and they don't even know about it."

In a telephone news conference, Schumer called for banks that plan such action to send a clear notice to customers, "in common-sense language" and large print, by mail, e-mail or phone, at least a month before the change, to give customers time to evaluate their options and switch accounts or even change banks.

Under the new overdraft rules, if a customer is going to overdraw their checking account with an ATM withdrawal or a point-of-sale purchase at a merchant, banks must have permission from their customers in advance before they can cover the shortfall and charge a fee. Without such an "opt-in" by customers, banks must reject the transaction. Checks and "recurring" bill payments are not affected.

The new rules go into effect today for new bank customers and take effect Aug. 15 for existing customers. Banks have been contacting customers to notify them of the change and solicit their permission, but overdraft fees are expected to fall significantly. In response, banks are re-examining the free accounts they have offered for years and either eliminating them or considering changes that would cost consumers more money or require them to do more business with the bank.

http://www.buffalonews.com/cgi-bin/print_this.cgi

Experian Ranks Top 20 Major U.S. Metropolitan Areas by Average Debt Per Consumer

Seattle leads with the highest debt, but its residents are managing credit well

(May 13, 2010; Costa Mesa) – Experian®, the global information services company, released its findings today on average debt* per consumer in the top 20 major U.S. metropolitan areas. Approximately 65 percent of these areas exceeded the national average consumer debt, which was $24,775 in March.

Within the top 20 major U.S. metropolitan areas, Seattle is the most debt-burdened city, coming in at almost $2,000 above the national average debt per consumer, while Los Angeles has the lowest average debt.

Metropolitan areas		Average debt per consumer
1.	Seattle	$26,646
2.	Dallas	$26,599
3.	Denver	$26,428
4.	Atlanta	$26,063
5.	Phoenix	$26,035
6.	Houston	$25,790
7.	Washington, D.C.	$25,702
8.	***Tampa***	***$25,603***
9.	Philadelphia	$25,544
10.	***Orlando***	***$25,316***
11.	Minneapolis	$25,115
12.	Detroit	$24,995
13.	Sacramento	$24,826
14.	Chicago	$24,781
15.	Boston	$24,670
16.	Cleveland	$24,669
17.	New York	$24,444
18.	San Francisco	$24,429
19.	***Miami***	***$24,334***
20.	Los Angeles	$24,009

"It's important to look at the whole picture when evaluating how consumers are actually managing their credit," said Maxine Sweet, vice president, public education, Experian. "Seattle ranks the highest in terms of average debt per consumer. However, additional data shows that Seattle's consumers have very few late payments and are not maxing out their credit cards, so they are using their credit wisely and maintaining higher credit scores."

Below are some tips for consumers on how to better manage their debt:

- Pay your bills on time. If you have an overdue bill, an unpaid debt or a tax lien, pay it off.
- Set up a budget and live within it. In the age of self-help and empowerment, managing your finances should top your list.
- Use your credit cards responsibly to demonstrate that you can manage credit well, but keep balances low on all of your cards and revolving credit.
- Review your credit report 60 to 90 days before making a major purchase. Do not open or close accounts, but concentrate on paying down balances.
- Pay off debt rather than moving it around. Also, do not close unused cards as a short-term strategy to improve your credit score. Owing the same amount but having fewer open accounts may lower your utilization ratios and your credit scores.

– Experian

Student Loan Program Changes Affect Rates, Repayment

Thousands of recent high school graduates have headed off to college. For many students, though, the thrill of embarking on a new adventure is tempered by the sobering reality of student debt.

More than 60% of students borrow money to pay for college. If you're one of them — or you're the parent of a college student — it's important to understand some of the changes that took effect on July 1, including:

All federal student loans are now issued through the federal government's Direct Loan program. In the past, banks and other financial institutions provided federally guaranteed student loans through the Federal Family Education Loan Program, but the health care reform bill enacted in May ended subsidies for lenders.

Lenders can still offer private student loans. In recent months, some lenders, faced with the loss of billions in federal student loan subsidies, have lowered rates and fees for their private loans.

Because there are limits on federal student loans, borrowers who are attending high-cost schools often use private loans to bridge the gap between their federal student loans and the cost of college.

But before you even think about a private loan, make sure you have maxed out on your federal student loans. Federal student loans have fixed interest rates and more flexible repayment terms than private loans. If you have trouble making payments after you graduate, the federal government offers several programs that provide relief (more on this later). Private lenders aren't required to do anything to help troubled borrowers.

All PLUS loans (Parent Loan for Undergraduate Students) are now issued through the Direct Loan program. Like Stafford loans, these loans were previously offered by private lenders, as well as through the Direct Loan program. The rate for Direct PLUS Loans is 7.9% vs. 8.5% for FFEL PLUS Loans. Parents can use PLUS loans to pay for any college costs that aren't covered through Stafford loans and financial aid. Graduate students are also eligible to borrow through the PLUS program.

– USA Today

News and Recent Events From Our Partners

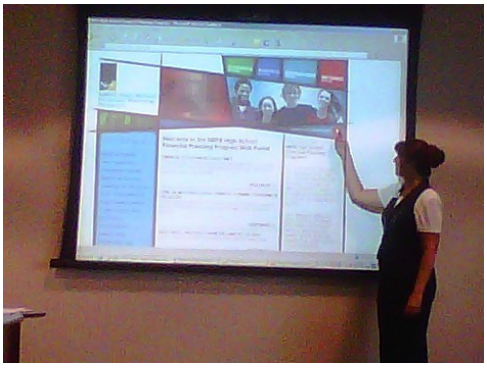
Miami Financial Planning Day – Saturday, October 2

In an effort to assist people in our community, City of Miami and Mayor Tomas Regalado invite you to Miami Financial Planning Day, a first-of-its-kind initiative to provide Miami residents with free financial advice and education, delivered by professional financial planners at no cost and no strings attached. The advice will be delivered through one-on-one counseling and classroom-style presentations by experts from the Financial Planning Association and highly qualified Certified Financial Planner™ professionals.

The event is taking place on Saturday, October 2nd, at the Knight Center. Please promote this special day to your constituents, and allow them to benefit from this exciting program. This is your chance to help those closest to you get the free financial assistance they need to achieve financial security.

League of Southeastern Credit Unions Delivers NEFE Workshops

The League of Southeastern Credit Unions delivered several NEFE Train-the-Trainer workshops in Florida over the summer. Each workshop covered the materials using a PowerPoint presentation, printed guides and internet links. Participants were given a variety of ways to look at the materials, discussion of how to use them in the classroom, and time for idea sharing.



Pictured: Janette McElwain, Training Director for Suncoast Schools FCU conducting the Tampa training. This session included participants from Manatee Community FCU, Florida Transportation Credit Union, Suncoast Schools FCU, GTE Credit Union, and League of Southeastern CUs.

Economic Empowerment Center, Inc. Seeking Sponsorships to Host Jacksonville Radio Show

See note from April Murdaugh, President, The Economic Empowerment Center, Inc. below.

Thank you for your continued support and encouragement in the development of The Economic Empowerment Center, Inc. As most of you are aware, The Center provides financial literacy programs for teens and adults. I am so excited about recent developments of The Center - namely, I have been offered a talk radio show on Jacksonville's 1530AM Talk Radio to talk about none other than personal finance! Additionally, *The Center* will provide daily 60 Second **"Financial Tips"** on 91.7 The Truth Christian Radio station.

The Economic Empowerment Center
Changing Lives, One Penny At A Time

This is a huge success and I am certain that this would not have occurred had I not met you. Many of you have communicated your desire to see The Center be a success because financial literacy is so needed in our society.

To make the show a success I need sponsors. There are three sponsorship levels:

1. Buy air time to advertise his/her company;
2. Financial donation of any amount to spread positive, accurate financial information; and
3. Provide continued prayers and encouragement

For more information or to support the radio show, please contact April Murdaugh, President, The Economic Empowerment Center, Inc., at 904-589-0574. Visit our website: www.economicpowernow.org

Send us your news and pictures!

Welcome New Partners

Polk County Family Week
1700 North Lake Eloise Dr.
Winter Haven, FL 33884

Lori Waters, Chair
(863) 287-4877
fabh20@aol.com

Cindy Hopkins, Assistant Chair
(863) 422-0123

Financial Literacy Research

Survey Supports Financial Literacy for Youth

(July 29, 2010, HOUSTON) – Money Management International (MMI), the nation's largest nonprofit credit counseling agency, announced today the results of its 2010 **Kids and Money Survey**. The survey studied how kids today are learning about finances compared to how their parents learned and which financial learning tools kids are being exposed to.

According to the survey, many more kids are being exposed to some kind of financial learning – nearly five times as many parents did not learn about money until they were adults compared to their kids. "It's never too early to start teaching the next generation the financial skills they need for life," says Cate Williams, vice president of financial literacy for MMI. "Being exposed to financial education at a young age prepares youth to have financially successful futures."

Key findings from MMI's 2010 Kids and Money survey include:

- **Kids are starting to bank younger these days.** Three times as many children under 10 have bank accounts than their parents did when they were that age.
- **Piggy bank popularity is increasing.** Nearly twice as many parents use the piggy bank as a learning tool for their kids compared to how many used it themselves as kids.
- **Kids are learning how to raise money.** Nearly 7 in 10 American kids participate in fundraisers for their school or organization. Parents are using these fundraisers as an opportunity to teach financial lessons – teach financial responsibility or basic math skills (66%), teach goal setting or basic business skills (50%), and use fundraisers to teach about budgeting or charitable giving (40%).
- **Some kids have control over their money, others don't.** When it comes to controlling the money kids receive, parents are roughly evenly split on who gets to control their children's money –they either give their children the total decision or most of the decision (49%) or say they give kids pretty free rein or put their money directly into savings (51%).

- **Kids mostly spend their money on wants.** Almost half (49 percent) of parents report that their children primarily spend their money on things they want, such as ice cream, video games, etc. Others said that kids save their money (27%) and that their children spend their money on things they need, like new clothing, school supplies, etc. (20%)

MMI offers many resources on MoneyManagement.org. Find helpful articles and tools in the Financial Education section, participate in a free webinar on teaching children about money, and visit Blogging for Change for daily financial tips and inspiration.

Financial Literacy for Kids a Big Worry for Parents, B of A Says

(July 28, 2010) – Teaching children how to be financially savvy is almost as important as maintaining a close relationship with family, according to Bank of America Corporation.

The *Merrill Lynch Affluent Insights Quarterly*, which surveyed 1,000 Americans in June with investable assets of at least $250,000, found that 51 percent cited "financial know- how" as the most important life lesson to share with their children. That compares with maintaining ties to family (54%), choosing the right spouse (26%) and staying physically fit (11%).

As uncertainty over jobs and long-term economic recovery increases, affluent investors are worried about rising college and retirement costs, the survey said. About 40 percent of respondents said they are concerned about the rising cost of college education and 46 percent are worried about their ability to preserve an inheritance for their children.

The study, which was conducted by Braun Research, found that 70 percent of respondents don't think their retirement plan is adequate in providing for unexpected events or illness of a family member.

http://www.bloomberg.com/news/2010-07-28/financial-literacy-for-children-a-big-worry-for-parents-bofa-survey-says.html

College Students Call on Schools and Financial Institutions for Improved Financial Education

(July 29, 2010) – College students need better financial literacy education and they think their schools, banks and other financial institutions are the ones who should be providing it, according to a national survey released by Higher One Holdings, Inc.

Nearly 70 percent of the students polled believe that their colleges and universities need to increase financial literacy initiatives and expand programs that teach students the skills they need to successfully manage their money. Similarly, 85 percent of the students surveyed believe that banks and other financial institutions should be doing more to encourage and enhance money management skills.

When asked about who should provide personal finance education, more than three times as many students responded that they believe their school is responsible than those who think it is their parents' responsibility.

Additional findings from the survey show that the U.S. college students polled lack the basic financial knowledge needed to successfully manage their money.

- 57% currently have some form of credit card debt
- 50% admit that they were late paying bills this year
- 50% don't know how much money they should set aside for an emergency savings fund
- 70% don't know how to access their FICO score to check their credit standing

According to the survey, though 60 percent of respondents believe the responsibility is ultimately in their hands, their confidence in their own ability to manage their money is decreasing. The percentage of respondents who claimed that they were confident or very confident in their financial management skills was the lowest reported in three years, leading many students to look for outside resources to aid in their financial education. This is supported by the fact that 80 percent of students who responded got at least three answers wrong in a 10-question financial literacy quiz.

With over three-quarters of the survey respondents reporting that they save less than five percent of their income and over half of students saving less than one percent, the need to teach the importance of financial planning and money management on college campuses is not only apparent, but welcomed by students across the country.

Students are increasingly aware of the need to be financially literate and are eager to learn. When asked which areas of financial management they were most interested in learning more about, savings, budgeting and maintaining good credit topped the list. When asked where they are most likely to look for information on managing their money, the college students polled responded that they most often turn to websites and financial experts for help.

The Higher One Survey was conducted in May 2010 among 2022 students nationwide. All of the survey respondents are enrolled in four-year universities, community colleges or two-year vocational schools that use services provided by Higher One.

– Higher One Holdings, Inc.

2010 Families & Money Survey Released by Charles Schwab & Co., Inc

The road to financial independence for today's youth stretches out farther than ever before, with 41 percent of so-called "sandwich generation" parents continuing to provide at least some financial support to their young adult children, according to the 2010 Families & Money Survey. The survey polled adults who have at least one child between the ages of 23-28, as well as at least one living parent. View complete survey results at:

http://www.schwabmoneywise.com/views/families-and-money/2010families-and-money.php

New Research Offers Answers to the Value of Youth Savings Accounts

Banks that offer youth savings accounts often have a hard time finding the value in servicing these low-dollar accounts. While YSAs may not yield immediate results on your bottom line, they do have positive effects on youth and society. One new study found that seventy-five percent of young adults who have had some of their savings designated for education are currently enrolled in or have graduated from a two-year or four-year college. A report from the YouthSave Consortium links asset building with an improved outlook on life, greater social engagement and decreased risk-taking behaviors. Read up on the latest research for a long-term perspective on the value of these important accounts at

http://www.aba.com/aba/documents/press/abaef/savingsandcollegeresearch.pdf

– American Bankers Association

Americans Increasingly Anxious about Finances

(July 13, 2010) – Nearly two out of three Americans are more concerned about their finances today than they were at the beginning of the financial crisis two years ago, according to a new survey.

The survey of 1,002 Americans, conducted for the Certified Financial Planner Board of Standards, found that 37 percent of the respondents expect to see their personal

finances improve in the next six months, versus 46 percent who expect to hold onto what they currently have, and 16 percent who expect to lose money.

Eighty percent of Americans say that Congress and regulators have not done enough to deal with financial market problems and their impact on American investors.

One bright spot in the findings is that 44 percent of Americans expect the U.S. economy to improve in the next six months, while only 28 percent expect matters to worsen. A smaller group (22 percent) anticipates no change in the economy.

When asked to describe how they feel about their personal finances, the No. 1 response from Americans was "cautious" (33 percent), followed by "calm" (26 percent), "concerned" (25 percent) and "hopeful" (25 percent).

Just 38 percent of whites expect the economy to improve, compared to 51 percent of Hispanics and 74 percent of African Americans.

– *Web CPA*

Many People Will Run Short of Money in Retirement

(July 13, 2010) – Dramatically high percentages of Americans —even in the upper income categories—are likely to run short of money after 10 or 20 years of retirement, according to a new study. The nonpartisan Employee Benefit Research Institute finds that almost two-thirds (64 percent) of Americans in the two lowest pre-retirement income levels will be running short after 10 years in retirement.

However, the EBRI study also finds that after 20 years of retirement, almost a third (29 percent) of those in the next-to-highest income level will run short of money, as will more than 1 in 10 (13 percent) of those in the highest-income level. Not surprisingly, those with the highest income are at the lowest risk of running short of money — but many in the highest income category still face significant risks of not being able to pay basic expenses and uninsured medical expenses for the remainder of their lives.

The study finds that nearly half of early Baby Boomers—those on the verge of retirement, currently ages 56 to 62—are at risk of not having sufficient income to pay for basic retirement expenditures and uninsured medical expenses, and nearly the same fraction of "Generation Xers" are in a similar position.

– *Web CPA*

"Financial Fridays" from the National Coalition

July 9

FICO (formerly Fair Isaac Corporation) is best known for FICO credit risk scores. Lenders use roughly 10 billion FICO scores every year to help them make better decisions about consumer credit. The three major credit reporting agencies—Equifax, Experian, and TransUnion—calculate all of these scores using our formula. Lenders and other businesses also know our company for other FICO products that help them automate, improve, and connect consumer decisions across their organization. For example, FICO is a leading provider of fraud solutions that identify attempted identity theft and credit fraud while they are occurring, so that credit card companies can block the thief and protect their customers.

Most of FICO's public education about credit scores is provided through our consumer Web site www.myFICO.com. There people can get the same FICO score—for a small fee—that lenders see, accompanied by the underlying credit report and our detailed analysis of their score. Customers also can use our FICO Score Simulator to learn how selected credit actions are likely to change their score. The education section of our site contains abundant free information about credit scores and good credit management. More than 300,000 people actively participate in FICO Forums, a free-

wheeling public message board on myFICO.com devoted to credit issues and credit scores.

People can also download three educational booklets from myFICO.com. *Understanding Your FICO Score* provides a thorough description of credit scoring, including ways credit scoring can help you, the relationship between your credit report and your credit score, what information a FICO score considers, and how to interpret your score. A shorter version developed with Consumer Federation of America -*Your Credit Scores*- provides a quick overview of what matters most in credit scores.. *Identity Theft and You* provides an easy-to-understand overview of identity theft as well as ways to prevent, detect and resolve it.

FICO is providing free to teachers an interactive CD-ROM disk about FICO credit scores, designed for use in a classroom environment. While the intended audience is adults who already have a little credit experience, the content may also be of interest to college and high school students.

July 23

The Society for Financial Education and Professional Development, Inc. (**SFEPD**) is a nationally recognized not-for-profit organization, and its mission is to enhance the level of financial and economic literacy of individuals and households in the United States. SFEPD offers personal financial education seminars and workshops for education institutions, corporate, government, and community-based organizations.

The quarterly newsletter provides articles that cover a wide variety of financial planning topics, from establishing financial goals and following economic trends to retirement planning and investments. The newsletter is downloadable from the organization's web site—www.sfepd.org.

The SFEPD Annual Financial Literacy Leadership Conference is held during the fall of each year. The conference brings together leaders in the field of financial literacy to develop effective strategies and create partnerships to address the issues that have been broadly discussed in various forums. The primary goal of the conference is to create a forum for leaders of Federal, state, local, corporate, consumer groups, community-based organizations, schools, colleges/universities, financial institutions, other interested organizations and individuals to "roll-up" their sleeves to expand the process to enhance the level of financial literacy at all levels of the American society.

Beginning the 2010-2011 academic school year, the organization will expand its financial education program to majority colleges and universities, nationwide. The students of these schools will be offered credit management and personal management seminars/workshops through a partnership with HSBC-North America.

July 30

The Actuarial Foundation is the charitable arm of the actuarial profession, supporting youth education through the development and distribution of math curriculum materials to U.S. teachers with the goal of improving the mathematics performance and financial literacy of our nation's students. Through individual and corporate contributions, and the volunteer spirit of actuaries, the Foundation curricula have reached more than two million students.

The Foundation offers teachers grades 3-12 unique, fun, hands-on, engaging mathematic and financial literacy programs to use as an enhancement or adjunct to their curriculum.

Building Your Future is the Foundation's most recent program and is an engaging, relevant financial literacy curriculum to help high school students master the foundational elements of personal finance and to prepare for life after high school.

Setting the Stage With Geometry helps students grades 6-8 build and reinforce basic geometry skills for measuring 2D and 3D shapes.

Conversions Rock has a rock-n-roll band navigate its way to stardom using its knowledge of numbers in this fun and engaging program for students in grades 6-8.

Bars, Lines & Pies teaches students grades 4-6 how to create, apply and analyze pie charts and bar and line graphs, all while learning about the environment and recycling. Imagine calculating how much recycling will happen in the year 2020.

Shake, Rattle & Roll is an award-winning program for students grades 6-8, which provides skills-building lessons and activities while applying real-world disaster concepts and their far-reaching effects.

Math Academy Series provides teachers grades 3-8 with teaching tools and hands-on activities in a five-booklet series to enhance their math instruction while staying true to the rigor required by the state standards framework.

To support the launch of our *Building Your Future* financial literacy series and to help teachers during the "back-to-school" season, The New York Life Foundation has made a contribution to provide individual sets of the program materials to high school teachers free of charge. If you are a high school teacher who would like to receive these materials email your name, school name and full mailing address to Programs@ActFnd.org and indicate that you would like to receive a complimentary set of the *Building Your Future* financial literacy curriculum resource. Supplies are limited and will be made available on a first-come, first-served basis. To view the *Building Your Future* materials in full, go to: www.ActuarialFoundation.org/programs/youth/BuildingYourFuture.shtml.

For archives of past Financial Fridays, see the Download tab at www.jumpstart.org.

Florida Jump$tart Coalition® for Personal Financial Literacy, Inc.

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FINANCIAL SMARTS FOR STUDENTS
FLORIDA COALITION

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