



Credit Score Damage Control

Although not as unique as fingerprints or snowflakes, credit scores are highly individualized – and often mysterious. Many factors determine your score, which can change overnight depending on everything from last month’s credit card balances, to opening a new account, to applying for a car loan.

To help demystify – and quantify – how credit scores are determined, FICO recently shared information on the impact certain negative actions can have. For those not as obsessive about credit scores as I am, FICO is the company whose proprietary software is used by major credit bureaus to calculate the credit scores they sell to potential lenders as a tool for determining your creditworthiness.

But as FICO’s Public Relations Director Craig Watts noted, the very uniqueness of each person’s individual situation makes it difficult to generalize. “Take two people with excellent FICO scores of 780,” he explained. “One might have a mortgage, several low-balance credit cards and a 20-year credit history; the other has a dozen open accounts, hefty student loan balances and a car loan, but no mortgage. Same score, very different circumstances.”



What they probably have in common, said Watts, are a history of on-time payments, a low ratio of outstanding debt to available credit, and a cautious attitude toward taking on more debt – that, and no major negative credit activity: “If you have late payments over 30 days, receive a tax lien, or file for bankruptcy, the toll on your credit score can be significant and long-lasting.”

With the caveat that actual point losses can vary widely depending on your individual situation, FICO did share broad ranges for two hypothetical scenarios: One person has a 680 score and the other 780, and each has a mortgage, car and student loans and several credit cards. They differ over factors such as amount of credit limit used, late payment record and length of credit history. Overall:

- Exceeding a credit card limit might lower scores by 10 to 45 points.
- A single late payment exceeding 30 days – 60 to 110 points.
- Entering a debt settlement agreement with a creditor – 45 to 105 points.
- Losing property to foreclosure – 85 to 160 points.
- Filing for bankruptcy has the most devastating impact – anywhere from 130 to 240 points in the scenarios given.

Surprisingly, people with good-to-excellent credit scores often lose more points for negative incidents than do those with lower initial scores. Watts explains that’s because

lower initial scores already reflect riskier behavior; not so for high-scoring people, so the appearance of negative credit activity on their otherwise spotless credit records may drop their credit scores farther.

The main reason to be concerned about significant point drops is that falling into a lower credit category could hamper your ability to qualify for a loan or credit card or receive lower credit limits, as well as greatly increase interest rates you're charged.

To learn more about what you can do to protect – or repair – your credit scores, visit What's My Score, a financial literacy program run by Visa (www.whatsmyscore.org.) The site also features a free FICO Score Estimator that can help you approximate your score. – *By Jason Alderman, Director of Visa's financial education programs.*

News from the Florida Coalition

Changes to the Board of Directors

Several changes were made to the Board of Directors for 2010.

New officers

- **Gloria Esteban**, Junior Achievement of Central Florida was appointed as Secretary replacing Sarah Arteaga, Federal Reserve Bank of Atlanta.
- **Tami Torres**, Florida Department of Financial Services was appointed as Treasurer replacing Tom Kane, Raymond James Financial Services.

We thank both Sarah and Tom for their years of dedicated service to the Coalition! They will be missed!

New directors

- **Janet Hamer** replacing Sarah Arteaga as the representative from the Federal Reserve Bank of Atlanta
- **Richard Schram** replacing Jessica Cecere as the representative from Consumer Credit Counseling Services
- **Teresa Sweet** replacing Beth Bouchard as the representative from the Florida Dept. of Education
- **Shawn Walsh** replacing Andy Williams as the representative from In Charge Education Foundation, Inc.
- **Robin Warren** replacing Clinton Mueller as the representative from the Florida Council on Economic Education
- **Willie Porro**, representing the City of Miami, new partner to the board
- **John Olsen**, FDIC assigned as Technical Advisor to the Board

Florida Teachers Attend the National Educator Conference

The National Jump\$tart Coalition® held its first-ever National Conference for Educators in Washington, DC, November 6-8, 2009. The event was underwritten by Experian®, and developed in conjunction with the National Education Association (NEA). Nationally recognized speakers included: FDIC Chairman, Sheila Bair who delivered the keynote address; Janet Bodnar, editor of Kiplinger's Personal Finance magazine was the luncheon speaker; NEA Director of External Partnerships, W. Philip McLaurin, welcomed the group to Washington; Michael Rubin, author of the best-selling *Beyond Paycheck to Paycheck* delivered the final speech of the conference; and Maxine Sweet, vice president of Experian®, with her team delivered an exposition of the credit-reporting process. Teachers also chose from a variety of breakout sessions to further their learning about teaching financial education.

The Florida Coalition was pleased to sponsor two teachers – Dee Ann Wilson from Lake County Schools, Leesburg and Samuel Diaz from Poinciana High School, Kissimmee. Seven teachers from across Florida attended the event. These teachers

reported that the conference was fantastic! They received many resources and goodies as well as good information, had great networking opportunities, and “were treated like royalty”!

Update from Dee Ann Wilson on the Jumpstart National Educator Conference

First, let me say I was honored to be selected as one of the two teachers in Florida who was sponsored to attend the Jumpstart National Educator conference by the Florida Jump\$tart Coalition and UPS. The conference started with a wonderful networking reception held at the Federal Reserve Board. During the reception I made so many contacts with national presenters, company representatives, and teachers from other states that I continue to receive resource materials that I learned about that evening and in the exhibitors showcase. I learned many tips from national presenters that I can use with my students in Advanced Algebra with Financial Applications. Where else would I ever have the opportunity to hear tips from Sheila Bair, Chairman of the FDIC, Janet Bodnar, Editor of Kiplinger’s Personal Finance, the combination of Maxine Sweet and Rod Griffin from



Experian, and Michael Rubin author of Beyond Paycheck to Paycheck?

In the High School Resource panel discussion I learned about NEFE, Your Life Your Money PBS documentary, Money Smart, and Financial Fitness for Life. I also attended the High School Competitions panel discussion session. I even learned how to win the Millionaire game working with my cooperative group of two teachers from other states.

I was taken aback when I walked into the “Welcome to Washington!” dinner and there were huge replicas of the Whitehouse, Capitol Building and the Washington Monument that went almost to the ceiling of the ballroom! If that wasn’t fantastic enough, we got to see a live performance of “Mad About Money”. Needless to say, I really appreciated the opportunity to attend this national conference. Not only did I learn a lot, but I was also able to bring back lots of resource materials that I could immediately share with other teachers in my district. I also plan to give a report on all of these resources at our state math meeting next year. Thank you for the opportunity to attend.

Dee Ann Wilson, Secondary Math Program Specialist, Lake County Schools

Upcoming Events

Now through April 16, 2010

Florida Stock Market Challenge

Sponsored by the Florida Council of Economic Education. See <http://www.floridasms.com> for more information.

February 18, 2010 from 6:30-7:45 p.m.

New Year, No Debt Workshop

Clay County Public Library, Fleming Island-Main Branch

Sponsored by the Economic Empowerment Center, Inc.

Register at www.economicpowernow.org or email info@economicpowernow.org.

This FREE workshop examines all types of debt (secured and unsecured), educates the consumer on how to prepare and live on a budget, and develop their own debt elimination program.

February 26, 2010

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

February 21-28, 2010

Florida Saves Week

Start planning ahead on how your organization will reach out to youth and young adults as part of this special initiative!



February 28, 2010

NFCC Poster Contest Submission Deadline

For more information, please see www.moneywisepostercontest.org.

Now through March 1, 2010

National Financial Capability Challenge (formerly the National Financial Literacy Challenge) Sign up currently underway for this year's Challenge. Sponsored by the US Treasury. See <http://www.challenge.treas.gov/> for more information.

March 26, 2010

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

April 9, 2010 – Deadline

31st Annual Governor's Awards for Excellence in Teaching Economics

The Florida Council on Economic Education is now accepting applications for the 31st Annual Governor's Awards for Excellence in Teaching Economics. Open to K-12 educators in all 67 Florida school districts, the Governor's Awards Program honors educators who have successfully taught these concepts by integrating them into everyday coursework. The Governor's Awards will be held on May 7th at Seaworld in Orlando. For more information, visit <http://www.fcee.org/awards-events/governors-awards-program-gap/>

April 13-14, 2010

National Jump\$tart Partner Meeting, Committee Meetings, State Leaders Meeting, and Fund Raising Dinner - Washington, DC

April 18-24, 2010

National Credit Union Youth Week

Sponsored by the Credit Union National Association to promote youth involvement and to encourage savings, site provides ideas and resources to help promote youth week and participate in the National Youth Savings Challenge. See http://finlit.cuna.org/youth_week.html

April 27, 2010

Teach Children to Save Day

Sponsored by the American Bankers Association Education Foundation

June 9-11, 2010

5th Annual Underbanked Financial Services Forum - Miami

Conference focusing on credit, payments, and deposits. For more information go to <http://www.americanbanker.com/conferences/cfsi10/chair.html>

October, 21, 2010

Get Smart About Credit Day

Sponsored by the American Bankers Association Education Foundation

News Briefs

Sign up Underway for National Financial Capability Challenge

America's high school students are invited to take the challenge! The **National Financial Capability Challenge** (formerly the National Financial Literacy Challenge) is a non-monetary awards program designed to increase the financial knowledge and capability of high-school aged youth across the United States. It challenges youth to take control of their financial future by learning more about personal finance, and it challenges teachers and schools to incorporate the important information and topics into their curricula. **All U.S. high-school aged students** (ages 13-19) are encouraged to take part in the Challenge. Teachers, schools, school districts, home-school parents, and youth groups can register to participate. If you are a high school teacher, home-school parent, youth group leader, principal or superintendent, you can sign up for the Challenge between **December 15, 2009 and March 1, 2010**. For more information, go to: <http://www.challenge.treas.gov/>.

Almost 3 Million U.S. Homes Received Foreclosure Notice in 2009

(Jan. 14, 2010) – The number of U.S. homeowners behind on their mortgage payments reached an all-time high in 2009, with nearly 3 million households receiving at least one foreclosures notice, according to RealtyTrac. Nationwide, 2,824,674 properties, or one of every 45, were in default, a 21% increase compared with 2008. "As bad as the 2009 numbers are, they probably would have been worse if not for legislative and industry-related delays in processing delinquent loans," RealtyTrac CEO James Saccacio said. – [CNNMoney.com](http://www.CNNMoney.com)



SunTrust Foundation Awards \$300,000 Grant to Volunteer USA to Launch *What's on the Menu? Financial Education Program for Families*

(Jan. 13, 2010) – Volunteer USA Foundation and the SunTrust Foundation announced a new partnership aimed at helping young children and their parents become better prepared at managing money in the future. SunTrust Foundation has awarded a \$300,000 grant to the nonprofit Volunteer USA, to create and implement a two-part program: *What's on the Menu? Financial Education for Families* geared to parents and *What's on the Ledger? Financial Education for the Classroom* designed for teachers of 3rd-5th grade students. The program will be offered at no cost to schools or parents. The Florida Department of Education (DOE), also a partner in the project

The two-part education program is being distributed to an initial 200 elementary schools in Orange, Seminole, Lee, Collier, Volusia, Escambia, Leon, Marion, Pinellas, Sarasota and Broward counties. They will receive the free program and dozens of teachers will be trained by Volunteer USA to provide financial education workshops to families.

The *What's on the Ledger?* classroom program will provide students with lessons and worksheets aligned with math and financial literacy standards. The lessons will focus on teaching kids about banking, budgeting and saving through the four core math

skills including addition, subtraction, multiplication and division. In addition, participating teachers will receive complimentary materials that will connect the classroom work with the math skills being practiced at home. These resources were created with Scholastic, the global children's education, publishing and media company.

The interactive *What's on the Menu?* family program incorporates a "menu-based" theme, where parents help their children learn how to tally up restaurant bills and calculate tips. Parents will be invited to evening workshops to encourage family involvement. The workshops will incorporate a mock restaurant setting where families will learn about the dinner bill, tipping and financial management. Parents will receive additional take-home materials that will enhance the learning experience at home. For more information visit Volunteer USA at www.volunteerusafoundation.org.

Wealthy Americans Shift to Tighter Budgets

(Jan. 12, 2010; Philadelphia) – The recession has caused a significant number of America's wealthy to re-evaluate their lifestyles, according to a new survey. Four out of 10 (42 percent) say they have felt a negative impact on their family budget, with one-third (34 percent) experiencing a negative effect on their lifestyle, according to the sixth annual Wealth and Values Survey by PNC Wealth Management. In addition, wealthy Americans have changed their views of what is important as a result of the recession, emphasizing living within their means, developing an appreciation for non-material aspects of their lives and re-evaluating priorities.

Nearly nine out of 10 (88 percent) believe it is "more important than ever to live within my means" and two-thirds (66 percent) believe they have "developed a greater appreciation for the non-material wealth in my life." Half (50 percent) say they "feel more centered because the recession has given me an opportunity to re-evaluate my priorities." Also, concern over children becoming more spoiled has risen dramatically in the last two years. This year's survey revealed that 35 percent "believe that my children may be too spoiled by money and have too many material possessions," up from 22 percent in 2007. Just over half (51 percent) believe the recession has changed the way their children will manage their finances and has prompted nearly half (47 percent) to discuss money management with their children.

The survey of 1,046 wealthy Americans, all of whom have at least \$500,000 in investable assets, also revealed that they have been impacted in other ways by the recession. Four in 10 (42 percent) have cut their spending on non-essential goods, while three in 10 (29 percent) have provided financial assistance for friends or family who need it. Among the ultra-wealthy (those with \$5 million or more in assets), 39 percent are more likely to have provided financial assistance to friends or family, compared to 26 percent of those with assets of \$500,000 to \$1 million. – *WebCPA.com*

Actor Willie Aames Becomes a Financial Planner

(Jan. 12, 2010; Los Angeles) – Actor Willie Aames has become a financial planner despite filing for personal bankruptcy twice. Aames, who starred in the TV series "Eight Is Enough" and "Charles in Charge," and the movies "Paradise" and "Zapped," recently appeared on the VH1 reality TV show "Broke and Famous: Willie Aames" to discuss his own financial troubles.



Aames described how he was left homeless and had to sleep under bushes and in parking garages after his wife and daughter left him. Aames later reunited with his daughter and studied to become a financial planner. He has passed three licensing exams and a training program given by the Overland Park, Kan.-based financial advisory firm Waddell & Reed. – *WebCPA.com*

Personal Bankruptcies Top 100,000 in U.S. for Ninth Month:

(Jan. 6, 2010) – More than 110,000 personal bankruptcies were filed in the U.S. in November, a 12% increase over the same month in 2008, the National Bankruptcy Research Center said. That brought the total number of personal bankruptcy filings in the U.S. in the first 11 months of 2009 to 1.3 million. November was the ninth consecutive month in which more than 100,000 personal bankruptcy petitions were filed.

– [Mortgage Orb](#)

“Financial Fridays” from the National Coalition

Jan. 8

[The ACA International Education Foundation](#) (ACAIEF) is a 501(c)(3) not-for-profit organization. Its mission is to serve consumers by creating and distributing tools and resources aimed at improving financial literacy. The ACAIEF is the philanthropic arm of ACA International, The Association of Credit and Collection Professionals, which is the world’s largest trade association for the credit and collection industry.



The new, *Ask Doctor Debt* is a fast, free, and friendly consumer education Web site that offers consumers a vast array of information and tools to seek solutions to their credit and debt issues. It is an online version of “Dear Abby” where consumers can submit and have their inquiries answered by “*Ask Doctor Debt*” experts. Since its launch, *Ask Doctor Debt* has led to more than 125 interviews, reached more than 25 million consumers with its important message, and received more than an estimated \$1 million in free advertising and publicity.

ACAIEF also has a Community Education Kit to help consumers make the most of their money. [Click here](#) to access a printable PDF and a PowerPoint presentation that offers advice and tips about credit and debt issues.

Jan. 30

The Society for Financial Education and Professional Development, Inc. (SFEPD) (www.sfepd.org) is a 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. SFEPD offers face-to-face personal financial education seminars and workshops to college students and to individuals who interface with community-based organizations. Individuals who attend learn fundamentals, strategies, and practical application of personal financial management concepts.



The quarterly newsletter (downloadable through the organization Web site), *Financial Success*, 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 Annual Financial Literacy Leadership Conference held each fall 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 to “roll-up” their sleeves to expand the process to enhance the level of financial literacy at all levels of the American society.

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

News and Recent Events From Our Partners

Send us your news and pictures!

Welcome New Partners

Florida Family Network

P.O. Box 6129
Tallahassee, FL 32314
(850) 580-3526
Sokoya Finch, Executive Director
sokoya@earthlink.net

Miami Springs Senior High School

751 Dove Avenue
Miami Springs, FL 33166
305-885-3585
Robert Nolan, Economics Teacher
RCNolan@dadeschools.net

Hope Community Center

1016 North Park Avenue
Apopka, FL 32712
*Maria Desangles, Pennies for Power
Coordinator*
407-880-4673 x237
mdesangles@gmail.com
Laura Firtel, Americorps Site Director
407-880-4673 x231
laurafirtel@hcc-offm.org

Financial Literacy Resources

50 Ways to Love Your Money

If you are over 50 and need help thinking through questions on retirement, credit, banking, debt, and more check out “50 Ways to Love Your Money,” a clear and simple guide created by AARP Financial and Chase. It’s found at Visa’s Practical Money Skills for Life site (www.practicalmoneyskills.com/boomerguide).

“50 Ways” contains 50 easy-to-follow tips on how to live happily within your means, create and manage a budget and use banking products and other financial services wisely. It also contains web links and phone numbers where you can get more information on a host of important retirement-related topics.



Stand Up for Financial Literacy

[Stand Up for Financial Literacy](#) is a program designed to create a public-private partnership of celebrities, sports figures, financial advisers, coaches, educators, lawmakers, and concerned citizens to promote Financial Literacy Month in April 2010. This same group of persons also will take part in the 45-day competition, developed by Sarano Kelley, called “The Game,” which is set to begin in the nation’s classrooms on April 1, 2010. This program will allow the delivery of financial literacy curriculums to classrooms every April, honoring National Financial Literacy Month.

Reality Check Online Calculator

“Reality Check,” is Jump\$tart’s online calculator designed to give young people a glimpse of what it will cost them to live as independent adult consumers (before it actually happens). This tool was created more than a decade ago and has been a popular resource; and just received much needed revisions. Thanks to Rosella Bannister

for her leadership, Maxine Sweet, vice president of public education for Experian, and Ken McDonnell, program director for the Employee Benefit Research Institute/American Savings Education Council, for their work in updating this tool. The updated version is at <http://www.jumpstart.org/realitycheck>

Fifty Nifty Econ Cards

[Fifty Nifty Econ Cards](#), developed by the Federal Reserve Board, aims to help elementary and middle school students develop knowledge of economic and personal finance words. The resource guide, activities, and games help teachers integrate economic vocabulary through language, math, social studies, and art.

Money Talks Podcasts for College Students

Oklahoma Money Matters created [Money Talks Podcasts](#) about money management for college students. The three new podcasts are: Financial Aid, Identity Theft, and Living on a College Budget. Money Matters is produced by the Oklahoma State Regents for Higher Education.

Wealth Watchers

[Wealth Watchers](#) developed by Wealth Watchers International helps people set and track a daily goal for saving and spending. The foundation of the online program is the Wealth Watchers Spend Smart Journal—a tool that gives people a daily reality check as to where their money goes.

United Way Funds Financial Literacy Programs for Disadvantaged Youth

United Way has announced nearly \$650,000 in funding to support financial education for formerly homeless, refugee, and economically disadvantaged youth, ages 13-24, and those leaving foster care. See [United Way Funds Financial Literacy Programs for Disadvantaged Youth](#)

Economic Snapshot Online News Program

An Economic Snapshot is a financial literacy feature of an online news program for middle and high school students called “the News.” The program is produced by MacNeil/Lehrer Productions. Standards-based lesson plans in social studies/economics and language arts along with a time-coded transcript are available in the “For Educators” section of the Web site carrying the program.

Banking on Our Future

Operation Hope’s “Banking on Our Future” is designed to execute a global delivery system for financial education for youth ages 9-18 at no cost to school districts, with a focus on urban, underserved communities. The program also offers an online curriculum that teaches young adults about the language of money management and to take control of their financial future. See [Banking on Our Future](#).

Financial Literacy Research

FDIC’s Survey on Understanding the Unbanked and Underbanked

The FDIC’s national survey on the unbanked and underbanked found that about 9 million U.S. households are unbanked. The approximately 9 million households that are unbanked are approximately split between households that have never had a bank account (46.9%) and households that were previously banked (49%). Another 21 million

are underbanked, with a checking or savings account but relying on alternative financial services.

This survey complements the FDIC's February 2009 survey on the unbanked and underbanked. View the [survey findings](#) and comparison data for your region.

Key findings http://www.economicinclusion.gov/key_findings.html

Statedata http://www.economicinclusion.gov/pdfs/State_Summary.pdf

Majority Believe It's Harder to Get Wealthy Now

A new study shows that the majority of Americans think wealth is beyond their reach and it won't be easier to get rich any time soon. The poll, conducted by Princeton Survey Research Associates International for Bankrate's Financial Literacy series, found that 70 percent of Americans believe it is more difficult to get rich today than it was in the past.

More than half of those surveyed believe it will be even more difficult to get rich in America in the next 10 years while 24 percent think it will be about as difficult as it is now. When asked about the likelihood of getting rich personally, one-third of Americans say it's very or somewhat likely they will attain wealth, but 63 percent say it's not too or not at all likely they'll get rich.

Only 21 percent of Americans see traditional investment as a feasible route to wealth, with 12 percent who believe investing well in stocks and bonds will provide them with financial freedom and 9 percent who think that investing in real estate is the best way to get rich.

Family is the primary motivator for Americans to strive for prosperity, as 41 percent of respondents said their reason for wanting wealth is to provide a better life and future for their children, while 18 percent said they'd like to be rich to take care of their parents and other family members. Equal numbers of Americans see "job loss or income reduction" or "too many bills and not enough income" as the main obstacles to achieving wealth, with each choice being selected by 27 percent of respondents.

Eleven percent blamed credit card debt for wealth seeming out of reach. In spite of the respondents' concerns about accumulating wealth, only 52 percent of those polled say that they save consistently.

Volunteer Opportunities

Do you need assistance with a project or outreach effort? Let us know.

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



Inquiries or articles may be sent to:

Florida Institute of Certified Public Accountants

325 West College Avenue

Tallahassee, FL 32301

Attn: Brenda Hubbard

850-224-2727, Ext. 419

FLJumpstart@ficpa.org

This newsletter is published monthly by the Florida Jump\$tart Coalition® for Personal Financial Literacy, Inc. and is sent to partners and friends. Florida Jump\$tart Partners represent a broad array of organizations, including business corporations, non-profits, faith-based organizations, federal and state government agencies, regulatory authorities, and

academic institutions. Previous issues of the newsletter can be found on the Web site at www.FLJumpstart.org.

Please contact us if you believe that you are receiving this newsletter by mistake, are a current Partner that has not been receiving the newsletter, or wish to update your contact information. Any additional concerns or questions should be directed to FLJumpstart@ficpa.org.

This newsletter is one of our primary communication tools. We invite Partners to submit articles, photos, or news briefs about your innovative ideas, research, activities and events. Financial education is rapidly growing in Florida. We need your help to stay on top of trends and information. Please submit your information to FLJumpstart@ficpa.org.

All articles are subject to editing. Statements of fact and opinion are the responsibility of the author(s) and do not imply an opinion on the part of the Board or Partners of the Florida Jump\$tart Coalition®.