



## Making Sense of Our Economic Uncertainty

2011 is behind us and we are entering 2012 with certainty and optimism. Yet, with bills to pay from a happy holiday, compounded with financial markets fluctuating daily, today's only certainty is that our financial future remains uncertain. That's why financial literacy is more important than ever.

**A Depressing Back Story.** Right now, though, our general understanding of finance scores a D -- as in dismal. The typical college senior, upon graduation, has already racked up more than \$4,100 in credit card debt, reports a [Sallie Mae study](#). A vast majority of students -- 84 percent of undergraduates in the same study -- recognize they need to learn more about managing their finances. Sixty-four percent of those respondents say they would have liked to participate in some type of formalized financial literacy program.

Parents who sent their kids off to college this year probably have asked or are asking themselves such questions as: Can I count on my son or daughter to be financially responsible while away from home? Does my child know how to balance a banking account or save money? Did I teach my child enough? Unfortunately, statistics suggest the answer is no.

This lack of financial smarts continues into adulthood. A June 2011 [working paper](#) by the National Bureau of Economic Research found that half of adults surveyed said they have trouble keeping up with monthly expenses and bills. And when given a basic set of questions on economics and finance in everyday life, fewer than 10 percent answered all questions correctly.

**The New Reality.** While society believes fiscal responsibility starts with individuals, we haven't given them the necessary tools to make smarter financial decisions. We want our children to understand the dismal economic condition of the country and how that plays out in their household, but at the same time we are still giving them holiday gifts and allowances with little oversight. We are continuing to contribute to an already flawed perception of reality. The old adage holds true even in these times: we cannot teach our children to fish without teaching them to reel in the line.

Some states are positioning themselves to address the problem head on by mandating financial literacy curriculum by the time of high school graduation. Thirteen states now require this type of training -- far less than the need to embrace this national crisis. Moreover, [a study](#) by the University of Wisconsin-Madison revealed that more than half of teachers consider themselves unqualified to use their state's financial-education standards, and few (less than 20%) feel "very competent" lecturing a class on such topics such as risk management and debt.

Piecemeal legislation and teachers who have not been given the tools to teach create an imperative to solve this detrimental education gap. Corporations, nonprofits and private institutions can do something, however. They must join together and, collaboratively, bolster and supplement classroom offerings. Through our expertise and

employee base, businesses can help provide access to tools and resources. We can train teachers to master the financial literacy curriculum. We can help students become financially literate. In essence, we can help close this chasm in our education system through bringing together financial literacy knowledge with education expertise

<http://www.huffingtonpost.com/shannon-schuyler/making-sense-of-our-economy-1190254.html>

## Upcoming Events

### Friday, January 27

#### **Earned Income Tax Credit Awareness Day**

This sixth annual event promotes public understanding of the Earned Income Tax Credit. The EITC Web site has information on how to participate in EITC Awareness Day and about the availability of free tax preparation sites.

### Thursday, February 2, 6:30-9:00 p.m.

#### **Evening with the Fed - Tallahassee; Florida State Conference Center**

Includes dinner and a presentation by Michael Chriszt, Assistant Vice President with the Research Department of the Federal Reserve Bank of Atlanta on the topic of "After the Storm: The Long Road to Economic Recovery".

Register online at <http://www.coss.fsu.edu/stavros>

### Friday, February 3

#### **Creative Teaching Ideas for Your Basic Economics Course**

#### **Florida State Conference Center, Tallahassee**

Workshop for high school teachers sponsored by the Federal Reserve Bank, Jacksonville. Register online at <http://www.coss.fsu.edu/stavros>

### Tuesday, February 14

#### **Financial Literacy and Education Commission Meeting; Washington, D.C.**

### February 19-26, 2012

#### **Florida Saves Week**

Promote savings in your community. For more information visit

<http://americasaves.org/>.

### March 4-10

#### **2012 National Consumer Protection Week**

Sponsored by the Federal Trade Commission, other federal agencies, and nonprofit organizations. The event, the Web site and a blog highlight the importance of consumer education and offer free resources to help consumers protect their privacy; manage credit and debt; avoid identity theft; understand mortgages and other loans; and recognize fraudulent scams that target consumers.

<http://www.ncpw.gov/?lang=en>

### Thursday, March 8, 5-8 p.m.

#### **Show Me the Money!**

#### **Federal Reserve Bank Jacksonville**

Tour the Cash Services Department of the Jacksonville Branch and learn more about the Fed's role in processing and distributing our nation's currency in an accompanying presentation and Q&A session. Free registration includes dinner and

all materials, resources, and lesson plans and is open to teachers of grades 4-12. Space is limited to the first 30 registrants. To register, please contact Lesley Mace at [Lesley.mace@atl.frb.org](mailto:Lesley.mace@atl.frb.org) or by phone 904-632-1133.

### **March 12 - April 13, 2012**

#### **National Financial Capability Challenge**

Conducted by the Department of the Treasury in partnership with the Department of Education, the Challenge offers high school students all over the country the opportunity to test their financial smarts. Sign up now at <http://challenge.treas.gov/>

### **April 2012**

#### **Financial Literacy Month**

### **April 18–20**

#### **7th Annual Conference on Financial Education; Orlando**

The Institute for Financial Literacy hosts its seventh annual conference to give financial literacy educators opportunities for professional development and networking. Participants learn about current trends, best practices, and ways to promote financial education.

<http://www.financiallit.org/xpages/conference/conference.aspx>

### **Monday, April 23, 2012 - 9:00–11:00 a.m. CST (Webcast)**

#### **International Solutions to Improving Financial Literacy**

The Federal Reserve Bank of Chicago and Visa Inc. will co-host the sixth annual Financial Literacy and Education Summit. The Summit will focus on how global government and financial education leaders, in collaboration with providers, can develop these solutions to positively impact global financial literacy efforts. Register now at [www.practicalmoneyskills.com/summit2012](http://www.practicalmoneyskills.com/summit2012).

### **Tuesday, April 24**

#### **Teach Children to Save Day**

Sponsored by the American Bankers Association Education Foundation. Bank volunteers are invited to visit local classrooms and to share with students information about fundamental money skills. <http://www.aba.com/ABAEF/default.htm>

### **May 7-11**

#### **MoneyWi\$e Week – Jacksonville**

<http://www.moneywisejax.org/>

## **News Briefs**

### **Excellence In Financial Literacy Education™ (EIFLE)™ Award – Nominations Due February 3**

The Institute for Financial Literacy created the Excellence In Financial Literacy Education (EIFLE) Awards to promote the effective delivery of consumer financial products, services and education by acknowledging the accomplishments of those that advance financial literacy education.

Nominations for the 2012 EIFLE Awards are open to the general public. Recipients will be honored at the Awards Dinner to be held on April 18, 2012 during the Annual Conference on Financial Education in Orlando.

- Do you know of an educator who goes above & beyond to help students understand and practice sound money management concepts?
- Is there an organization working to make effective financial education ubiquitous in your community?
- Have you read a book, for either children or adults, that made financial literacy concepts accessible and actionable?
- Have you participated in an education program, for either children or adults, which you feel deserves special recognition?
- Do you know of a game that makes financial literacy fun and educational?
- Have you read a research paper that shed new light on financial literacy education?



The deadline to submit nominations is February 3, 2012. Nomination guidelines and forms can be found [here](#) or by calling (207) 221-3663.

### Call for Academic Presenters of Original Research

The Federal Reserve Bank of Chicago and Visa Inc. are holding the Sixth Annual Global Financial Literacy and Education Summit and invite academics to submit a proposal to present original research on financial literacy and behavioral economics.

The Summit will take place April 23, 2012 at the Federal Reserve Bank of Chicago. At the Summit, we will hold two break-out sessions, during which we invite you to unveil the details of your important research in the area of financial literacy and behavioral economics. Your travel and participation will be compensated.

To submit a speaker proposal, you can access the form [below](#). The deadline for submissions is **February 10, 2012**.

### The Skinny on Checking Accounts for Teens

(January 11, 2012; *FoxBusiness.com*) — Many banks are so eager to sign up teenagers as new customers that they've introduced special starter checking accounts specifically for these young people. A teen checking account can be a good choice, says Luke Reynolds, chief of outreach and program development for the Division of Depositor & Consumer Protection at the FDIC.

"If a consumer is receiving income and paying bills, he probably wants to open up a checking account so he doesn't pay the enormous fees that unbanked and underbanked people pay," Reynolds says. Before a teen opens a checking account, he or she should first consider these points.

**Fees, Balances and Overdrafts.** Teen checking accounts typically offer reduced fees and a low or even no minimum-balance requirement, Reynolds says. But he adds that a teen still needs to do some research to find a checking account that best meets his or her needs. Teens have multiple ways to keep track of their balances -- a paper register, online banking website, electronic apps and text alerts are good options, says Erin Constantine, senior vice president at Wells Fargo Bank in Concord, Calif. Most teens already feel comfortable with websites, apps and text messages, so they might prefer those methods to a paper register. The technology can help teens keep track of their checking account balance and help them succeed financially, she says.

**Keep it Secret and Safe.** Teens also should be careful to keep their checks, debit cards, passwords, personal identification numbers, or PINs, and account statements safeguarded and confidential, says Paul Golden, a spokesman at FEFE. "If anyone sends you an email or calls you to verify anything in a bank account, do not give them the information," he says. Caution is especially important in public places, such as a swimming pool or gym, where the teen's belongings might be accessible to others, Reynolds says.



**Parental Oversight.** Parents who wonder whether their teen is ready to handle the responsibility of a checking account need to balance two criteria. On the one hand, Golden says it's important for teens to be involved in the banking system, so they won't get caught up in check cashing and other high-cost financial services. On the other hand, teens need to be able to understand needs versus wants and other basic money-management concepts before they're ready to have a checking account. Banks make all this education and

oversight easier by requiring that a parent or other adult family member be a co-signer on the teen's checking account, Constantine says. "The idea is that it's a partnership between the teen and the parent or guardian, or whoever is on the account, and the bank to help them learn how to manage the account," Constantine says. "It's a lifelong skill. They're going to need to understand how to manage their money and their accounts."

Read more at <http://www.foxbusiness.com/personal-finance/2012/01/11/skinny-on-checking-accounts-for-teens/>

### **InvestWrite Essay Competition – Judges Needed**

The Securities Industry and Financial Markets Association Foundation (SIFMA) needs volunteers to score essays for its InvestWrite national student essay competition. Judging is done entirely online, without phone calls or meetings. The foundation provides helpful instructions and support to judges. Those volunteering as judges make a difference in the lives of students across the country who have the opportunity to learn the importance of saving and investing for their futures.

For more information please see <http://www.investwrite.info/judges/>

### **Money Smart for Young Adults: Needs Help with Evaluation Study**

The Federal Deposit Insurance Corporation (FDIC) is evaluating how its Money Smart for Young Adults curriculum helps students handle money. The FDIC is seeking help from organizations planning to use the curriculum for students ages 14 to 18. Selected organizations provide feedback and have their students take pre- and post-training surveys. Selected organizations receive a stipend for participating. To learn more, visit the FDIC's Money Smart Web site, e-mail [communityaffairs@fdic.gov](mailto:communityaffairs@fdic.gov), or call (800) 287-1581.

### **Identity Theft on Rise in Florida**

(December 30, 2011; *NewsChief.com*) — Cathy Montero keeps a debit card. She and her husband use it sparingly, and never online. That's why they were surprised on Dec. 7 to find three charges on her card to a retail web site totalling \$739.22. "It never left my possession," Montero said.

Their bank placed a hold on her account, canceled her card and issued a new one. She filed a report with the Lake Wales Police Department and filled out a complaint form at the web site to get the hold removed by her bank. She still felt violated.

When she asked how someone got her card number, bank officials said there are "20 different ways."

"The people behind this make a living by taking people's money," said Lake Wales Deputy Police Chief Troy Schulze. It's a form of identity theft.

Florida had 21,851 reported identity thefts in 2010, higher per capita than Arizona and California: 114.8 per 100,000 people, according to the Consumer Sentinel Network Data Book published in March 2011 by the Federal Trade Commission.

Of the 250,854 cases of identity theft reported nationally in 2010 to the Consumer Sentinel Network, 15 percent related to credit cards and 6.7 percent were theft from existing credit card accounts.

One way criminals take from existing accounts without attracting attention is skimming, said Detective Sgt. Vernon Noad with the Polk County Sheriff's Office Fraud Division in Winter Haven. Devices attached to point-of-sale systems -- such as gasoline pumps -- or to automatic teller machines read and record card numbers, he said. Detective Suzan Weiss said many such devices are now wireless.

Precautions include:

- Don't link accounts through one card for overdraft protection. If thieves steal a card or number, they can take all of your money.
- Use prepaid credit or debit cards for travel or Internet purchases so thieves only get the amount on the card.
- Check your accounts frequently. Fraudulent charges may not be reimbursed if not caught after 60 days.

Read more at

<http://www.newschief.com/article/20111230/NEWS/112305009/1021/news01?p=1&tC=pg>

## OCC Releases Public Service Ads about the Independent Foreclosure Review

(January 4, 2012; WASHINGTON) — The Office of the Comptroller of the Currency today released print and radio public service advertisements to increase awareness of the Independent Foreclosure Review, announced in November 2011.

A feature story is being distributed to 7,000 small newspapers throughout the country, with two 30-second radio spots distributed to 6,500 small radio stations. The material will be distributed in English and Spanish. Below is the text of the feature story.

### Your Independent Foreclosure Review

Did you face foreclosure in 2009 or 2010? If so, the Office of the Comptroller of the Currency says you may be eligible for a free independent review of your case.

Independent foreclosure reviews let borrowers who faced foreclosure on their primary residences between January 1, 2009 and December 31, 2010 request reviews of their cases if they believe they suffered financial injury as a result of errors in the foreclosure processes of these servicers: America's Servicing Company, Aurora Loan Services, Bank of America, Beneficial, Chase, Citibank, CitiFinancial, Citi Mortgage, Country-Wide, EMC, EverBank/Everhome, Freedom Financial, GMAC Mortgage, HFC, HSBC, IndyMac Mortgage Services, MetLife Bank, National City, PNC Mortgage, Sovereign Bank, SunTrust Mortgage, U.S. Bank, Wachovia, Washington Mutual, and Wells Fargo.

The reviews will determine whether individuals suffered financial injury and should receive compensation or other remedies due to errors or other problems during their home foreclosure process. The reviews were ordered by the Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve in April 2011 after the federal regulators found unsafe and unsound mortgage servicing and foreclosure practices among these large, federally regulated mortgage servicers.

Situations that may have led to financial injury include, but are not limited to:

- The mortgage balance at the time of the foreclosure action was more than you actually owed.

- Fees charged or mortgage payments were inaccurately calculated, processed or applied.
- You were doing everything a modification agreement required but the foreclosure sale still happened.
- The foreclosure action occurred while you were protected by bankruptcy.
- A foreclosure proceeded on a military member in violation of Service members Civil Relief Act protections.

More than 4 million letters were mailed to potentially eligible borrowers with request-for-review forms and instructions on how to complete and return them. The form lets you describe what you think went wrong. Simply answer the questions to tell your story, include any additional documents you think relevant and return the form by **April 30, 2012**. If you believe you are eligible and have not received a form, you can request one from (888) 952-9105.

More information is at [www.occ.gov/independentforeclosurereview](http://www.occ.gov/independentforeclosurereview).

## Financial Literacy Resources

### The NFEC Launching the Latest Financial Literacy Grant Guide in January 2012

(December 29, 2011; LOS ANGELES) — In an effort to help organizations receive financial education funding, the National Financial Educators Council is releasing their '[Financial Literacy Grant Guide](#)' January 2012. This guide lists over one hundred organizations that provide funding for financial literacy initiatives and other material to help non-profit organizations and schools raise funds.

The 2012 version of the NFECs' Financial Literacy Grant Guide features foundations, corporations and organizations that provide funding for personal finance programs. This guide also has sample sponsorship forms and turnkey fundraisers to help organization build sustainable money management initiatives.

The Financial Literacy Grant Guide is offered free to any organization that applies for the NFECs' [financial literacy funding program](#). The NFEC financial education funding program offers qualified organization in-kind donations of material, training and other services to support their personal finance initiatives. All applicants will receive the 2012 Financial Literacy Grant Guide complimentary and have the opportunity to receive other in-kind donations as well.

<http://www.prweb.com/releases/2011financialliteracy/grants/prweb9067969.htm>

### The NFEC Launches Their Core 80 Financial Literacy Curriculum and Real Money Experience Student Guide

(January 9, 2012; LOS ANGELES) — The National Financial Educators Council launches the 2012 version of the Core 80 [Financial Literacy Curriculum](#). This personal financial curriculum includes the Real Money Experience Student Guides, the Money XLive Multimedia learning center, PowerPoint presentation and other tools designed to improve the financial capability of high school and college-age participants.

The Core 80 Financial Literacy Curriculum has over 80 hours of personal financial instruction but was designed in a modular format so it can be segmented into shorter classes to fit a variety of schedules. This curriculum includes eighty different financial literacy lesson plans that were designed by a team of educators, financial education experts and financial professionals from over fifteen industries, including: financial advisors, mortgage experts, credit specialists, student loan experts and others. The goal was to create personal finance lesson plans that can be used in the real world while still meeting educational standards.

The NFEC aligned the curriculum with the financial literacy standards set forth by the National Financial Educators Council, the National Council of Economic Education and the Jump\$tart Coalition. It is also aligned with standards set forth by the National Council of English Teachers, the National Council of Teachers of Mathematics, National Business Education Association and the National Council for Social Studies.

<http://www.prweb.com/releases/2012financail-literacy/curriculum-launch/prweb9083573.htm>



### Talking Money with Elmo—Free Financial Education from Sesame Street

(December 23, 2011; GoBankingRates.com) — Are you teaching your child about money? If the answer is no, guess again. Your child is watching and learning from you every day, whether you're using an ATM or shopping for groceries—and he or she is forming an idea of what money is, how it works and how it should be handled.

A new financial literacy program by Sesame Street is looking to change that by teaching children about finance. The Sesame Street educational videos follow Elmo, Grover and other well-known characters as they learn about earning money, saving and, of course, sharing.

Check out some of the lessons Elmo and his friends are learning in these Sesame Street educational videos. Whether you have young children or are just young at heart, these characters' earnest attempts at financial and personal growth may just strike a chord. Lessons include:

For Me, For You, For Later – learning how to earn, save, and spend

Learning to Wait - the need for self restraint

Earning Money – saving and paying in cash

Helping Others – learning to share funds, charitable giving

DVDs and printed materials are available at PNC Bank, which sponsors the program.

<http://www.gobankingrates.com/savings-account/talking-money-with-elmo-financial-education-sesame-street/>

### Building Wealth in the Classroom - Materials

The Federal Reserve Bank of Dallas offers this personal finance education resource that provides lesson plans, student activities, handouts and presentation visuals on budgeting, saving and investing, controlling debt, and protecting wealth with insurance.

<http://dallasfed.org/educate/pubs/wealthclass.cfm>

## Financial Literacy Research

### Women and Personal Finances

(January 6, 2012) — By many measures, women's lives have changed substantially in recent decades. According to a comprehensive government report called "Women in America" ([www.whitehouse.gov/data-on-women](http://www.whitehouse.gov/data-on-women)), although certain social and economic situations for women have improved, when it comes to personal finances, many women still face challenging hurdles.

Key report findings include:

- Women live longer than men but are much more likely to experience critical health problems that hamper their ability to work – and to pass up needed care due to cost.

- Although the earnings gap between women and men continues to narrow, it's still significant: Among full-time workers, women's weekly earnings as a percentage of men's have increased from 62 percent in 1979 to 80 percent in 2009.
- More women than men now graduate high school and college, but far fewer earn degrees in engineering, computer sciences and other higher-paying fields.
- Women increasingly marry later, have fewer children or remain childless, yet still are more likely to live in poverty, particularly single-mother families.
- Women are less likely than men to work outside the home (61 percent vs. 75 percent in 2009) and are much more likely to work part-time and to take time off to raise children or care for aging relatives.

In a nutshell: Women generally earn less and live longer than men, so at retirement they often have less in savings, receive smaller retirement and Social Security benefits and must spread out their money longer. Clearly, women need to take charge of their financial wellbeing. See resources and tools at:

[http://www.practicalmoneyskills.com/personalfinance/experts/practicalmoneymatters/columns/2012/0106\\_womenFinances.php](http://www.practicalmoneyskills.com/personalfinance/experts/practicalmoneymatters/columns/2012/0106_womenFinances.php)

### Using Social Media, Social Marketing and Brain Research to Improve the Design and Delivery of Financial Education

This publication discusses new ways to provide effective financial knowledge, skills and techniques to different audiences to help them make sound financial decisions.

Sponsored by the FINRA Investor Education Foundation and the Tuck School of Business at Dartmouth

<http://www.finrafoundation.org/web/groups/foundation/@foundation/documents/foundation/p124107.pdf>

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