



Financial Education, Youth Savings and In-School Banking

Linda Preston
Community Affairs Specialist



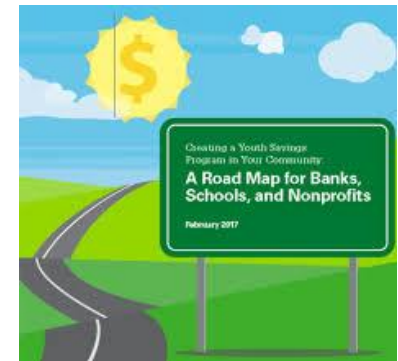
Goals

- **Provide resources that K-12 educators can use to confidently teach financial education**
- **Encourage parents/caregivers to engage in financial-related conversations and activities with their children and youth**
- **Promote hands-on financial education with an emphasis on savings**



FDIC Youth Savings Pilot

- **Goal: highlight promising ways to combine financial education & savings accounts for school-aged children**
- **Two Phases – 21 participating banks**
 - ◆ I: 2014-15 school year (existing programs)
 - ◆ II: 2015-16 school year (new or expanded programs)
- **Methodology**
 - ◆ Calls
 - ◆ Surveys





Pilot Participants

- Athol Savings Bank
- Bank of Hawaii
- Beneficial Bank
- Caldwell Bank & Trust
- Capital One, NA
- Commercial Bank
- Fidelity Bank
- First Bank of Highland Park
- First Metro Bank
- International Bank of Commerce
- Montecito Bank & Trust
- Passumpsic Savings Bank
- PNC Bank, NA
- Reading Co-operative Bank
- ServisFirst Bank
- Southwest Capital Bank
- The Hastings City Bank
- The Huntington National Bank
- Treynor State Bank
- Wesbanco Bank
- Young Americans Bank



Reported Benefits Include

- **Improving financial skills, knowledge and attitudes of students & families**
- **Fulfilling a mission**
- **Staff satisfaction and community goodwill**
- **CRA credit for LMI Schools**
- **Building a pipeline of future customers**
- **Developing account relationships with students, parents, and school staff**



Development Roadmap

- **Phases:**
 - I. Plan
 - II. Design
 - III. Document Roles and Responsibilities
 - IV. Implement
 - V. Assess and Refine



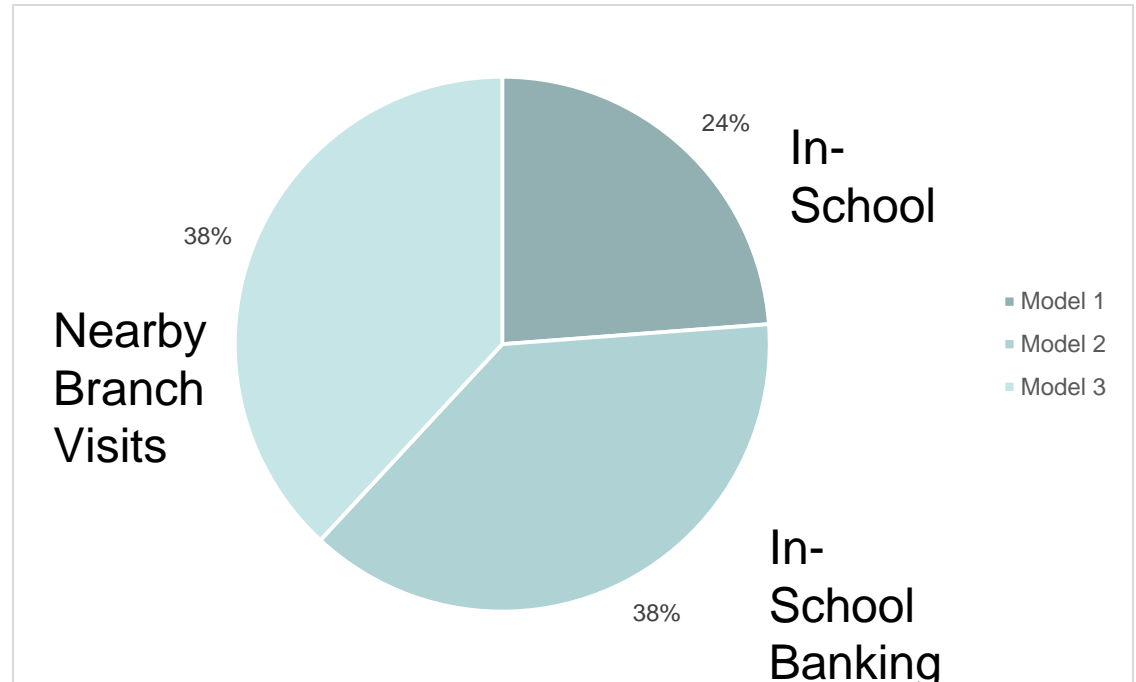
Phase I: Plan

- **Identify objectives**
- **Engage potential partners**
 - ◆ Leverage existing relationships with teachers, administrators or school boards
 - ◆ Work with third-party intermediaries that have existing programs with/for schools
- **Prepare for potential challenges**



Phase II: Models

1. School Branches
2. In-School Banking
3. Nearby Branch Visits





Youth Savings Guidance

Interagency Guidance to Encourage Financial Institutions' Youth Savings Programs and Address Related Frequently Asked Questions (2/24/15)

- Opening accounts for minors
- Application of Consumer Protection Laws
- Customer Identification Program requirements
- CRA Consideration
- When are branch applications not required



ID Key State Rules

- **Collaboration between FDIC and Conference of State Banking Supervisors (CSBS)**
 - ◆ Research to identify state-specific laws or rules pertaining to youth banking
 - ◆ Examples
 - State laws pertaining to age for non-custodial deposit accounts
 - Branch application exceptions for school banking
 - ◆ <https://facts.csbs.org/>



Account Characteristics

- **Ownership structures:**
 - ◆ Non-Custodial
 - ◆ Custodial (parent/guardian)
 - ◆ Custodial (school, nonprofit, or other 3rd party)
- **Key elements:**
 - ◆ Consistent with Model Safe Account Template
 - ◆ Mobile technology



Financial Education

- **Delivery approaches**
 - ◆ Formal instruction
 - ◆ Peer-based
 - ◆ Just-in-time information sharing
- **Fun and interactive approaches**
- **Integration with social studies or math**
- **Variety of curricula, including Money Smart for Young People**



Money Smart for Young People

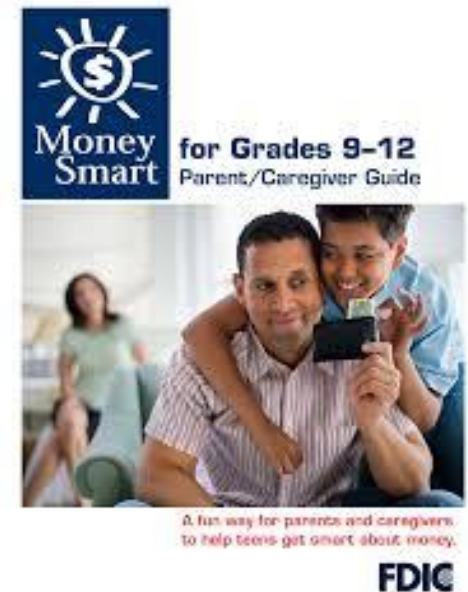
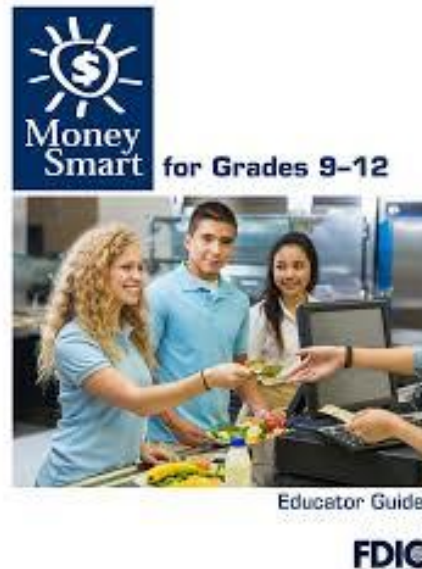
- Money Smart for Young People series:

- ◆ Grades Pre-K-2
- ◆ Grades 3-5
- ◆ Grades 6-8
- ◆ Grades 9-12

- Components for:

- ◆ Teachers
- ◆ Students
- ◆ Parents/Caregivers

- Alliance





Money Smart for Young People

- **Curriculum is segmented by grades and age appropriate lesson plans**
- **Each is equipped with 3 guides; parent guide, teacher guide and student guide**
- **Teacher Presentation Slides are provided for class time tools**
- **Curriculum meets educational/academic standards**



Money Smart for Young People

- **Downloadable from FDIC.gov website**
- **Online Teacher Resource Center**
- **Money Smart Alliance – peer to peer support**
- **Portable – use one lesson or all**
- **Let's take a quick look**



Youth Savings Phase III: Roles and Responsibilities

- **Possible bank contributions:**
 - ◆ Staff time
 - ◆ Materials
 - ◆ Marketing
 - ◆ Monetary incentives
 - ◆ Account set-up

- **Partner contributions**
 - ◆ Staff time
 - ◆ In-kind services (e.g., space)
 - ◆ Account matching (e.g. college savings)



Phase IV: Implement

- **Prepare those who will work with the students**
- **Regular communication**
- **Involve parents**



Youth Banking Network

- **Launched on March 27, 2017**
- **Goal: help banks working to connect financial education to savings accounts for school-aged children**
 - ◆ Conference calls
 - ◆ Sharing information resources
 - ◆ Give FDIC ideas for how we can customize our educational tools for youth savings



How to Join the Network

- **Eligibility:**
 - ◆ FDIC-insured bank partnering with school/nonprofit to enable young people to open a savings account
 - ◆ Financial education provided
- **Join: youthsavings@fdic.gov**



For More Information

Email

youthsavings@fdic.gov

Or visit the websites:

www.fdic.gov/youthsavings

www.fdic.gov/moneysmart

**Teamwork
Makes The
Dream Work!**





THANK YOU!

**Linda Preston
Community Affairs Specialist**



**Division of Depositor and Consumer
Protection**

Dallas Region

LinPreston@fdic.gov

(972) 761-2298