



Welcome to a special National Financial Literacy Month edition of FAB Gab!

The Outreach and Financial Literacy team is excited to share content with you to assist in your outreach efforts this month. In addition to our articles and FAB bits, check out our social media pages on Facebook and Twitter for a post each day from our friends at www.financialliteracymonth.com.

Reflections on financial literacy

The month of April is designated in the United States as National Financial Literacy Month, when Americans are encouraged to increase their knowledge of financial education principles and take action to improve their finances. My parents taught me right from wrong, to look both ways before crossing the street, to swim, and to ride a bike, but we never once had conversation about savings, credit cards or how to balance a checkbook.

In high school, I read Shakespeare, and learned to write essays, to drive and to speak Swedish. I took classes in home economics where you might think that paying for household expenses might come up. But not once did the conversation ever turn to how to balance a checkbook, much less check your credit score.

According to a recent study by NerdWallet.com, The average household with credit card debt pays a whopping \$1,292 in interest each year! It's easy to dismiss that debt as the result of irresponsible spending, but in actuality, many people use credit cards to cover necessities because their income just doesn't cut it.

Many people learn about credit the same way I did, by getting turned down for it, either because we didn't have any credit to begin with or because what credit we did have was damaged. I felt like a failure. It didn't matter that I had never been properly educated on the topic. Shouldn't it have been something I must have intrinsically known...like a sixth sense? The answer is no. But we feel guilty anyway. When we are embarrassed, we fail to seek help, we go it alone and give up way too easily. In behavioral finance, there is a term for this, called status quo bias, which basically means that people tend to be biased toward maintaining their current situation rather than trying to improve it. The assumption is that the risks outweigh the benefits. But do they really? This month, let's nudge ourselves out of our complacency by doing three super-simple things to increase our financial awareness.

Things to do this month

- Check your consumer credit report. It's free at www.annualcreditreport.com. You can search all three national consumer reporting agencies (aka credit bureaus) and compare results, contest any errors and update your contact information. Decoding them can be another challenge. Head over to NerdWallet.com for a great (free) article on how to decipher your three reports.

- Look at credit card offers. Take some time to notice how different interest rates compare. Then, think of a purchase that has meaning to you personally...maybe a new watch, shoes, or tablet, and use the Credit Card Repayment Calculator at iGrad.com to see how long it will take (and how much extra you will spend) to pay off that purchase by making only the minimum monthly payments.

- Visit www.CollegeAbacus.org. The cost of college can include some things you might not expect. A moderate budget for an in-state public college for the 2016-2017 academic year averages about \$24,610. A moderate budget at a private college averaged \$49,320. ECMC's free, personalized financial aid comparison tool generates net price estimates for more than 5,500 college and universities nationwide, allowing you to compare schools and explore options for lowering your expenses.

I look forward to National Financial Literacy Month each year. Working with schools planning events to get information out to their students is so rewarding and a fabulous step in the right direction toward steering Americans to become more financially secure.

In Honor of Financial Literacy Month...

FINANCIAL LITERACY AFTER HIGH SCHOOL

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HOW PREPARED ARE OUR HIGH SCHOOL SENIORS FOR FINANCIAL RESPONSIBILITIES?

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This year, 3 million high school seniors will graduate in the United States, but only:

- 29%** have taken a course in personal finance or money management
- 34%** currently feel "very confident" in their ability to manage their own finances

86% will have to earn all or some of their income and spending money when they graduate, and will have to pay for more of their day-to-day expenses.

2 WEEKS ■■■■■■
The amount of time spent by half of high school seniors picking out a prom dress or deciding who to ask for the big event

5 HOURS ■■■■■
The amount of time spent by most high school seniors learning how to pay for college

Students want to learn!

- 46%** of students say they wished they learned personal finance in school to prepare them for life after college.
- 83%** say they would be very interested in learning more about how to manage their personal finances.
- 82%** recognize that it is very important to be able to manage their finances when they graduate.

Classes pay off

Students who take courses in personal finance are more likely to engage in responsible financial behavior including:

Save Money	93%	84%
Have a Budget	60%	46%
Invested Money	32%	17%

Legend: ■ Taken a course in personal finance, ■ Taken NO personal finance courses

To learn more, visit <http://www.councilforeconed.org/>

Sources:
<http://www.pathwaytofinancialsuccess.org/blog/key-findings-new-poll-underscores-need-financial-education-school>
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[www.benjamintravis.com/project/financial-literacy-month-infographic-2/#prettyPhoto\[gallery1\]/0/](http://www.benjamintravis.com/project/financial-literacy-month-infographic-2/#prettyPhoto[gallery1]/0/)

Financial literacy programs on a pedestal

People with their full financial literacy invest less, tend to buy more on credit, are unable to pay their full credit card balances each month and end up spending more on interest fees. Without exposure to financial education, college students may not fully understand that student loan debt is a lot of money.

It only takes a look back at the financial crisis of 2008 to remind us how a lack of understanding of basic mortgage principles can have a direct and devastating impact on the national economy.

The good news is that financial literacy initiatives are becoming more prominent and colleges and universities work to increase retention and graduation rates, and address rising student loan default rates.

Financial Flight Plan is a University of Oregon program dedicated to creating a community of financially literate students. The Financial Flight Plan team consists of three counselors and one student intern who maintains their social media accounts and their blog. The team offers workshops related to student loans, money management and employment, using pre- and post-surveys to identify learning outcomes. Overall, the team has focused on generating more dialogue around financial literacy barriers. They mailed postcards to let students know about the change in FAFSA filing dates and held workshops to help students understand the verification process. Their social media activity and presence has increased, and many of the office staff are incorporating resource links into their email signature, providing another outreach opportunity in their interactions with students and parents. Next on the horizon is a student ambassador program. Way to go Michelle, Cassie, Ian, Amanda and Karalynn!

Truckee Meadows Community College's successful Financial Literacy and Money Education by Students program, aka FLAMES, is a student-led financial mentoring initiative. Peer mentors are trained to help students with budgeting, FAFSA applications, student loans, basic money management and banking along with a variety of other topics. FLAMES services include counseling, workshops and videos all free of charge. Congratulations Karla, Christian, Victor, Sara, Jason, Paige Caitlyn and Allison!

To get YOU ready for National Financial Literacy Month, let's take a look at some ideas you can easily implement on your campus:

- Create a simple email campaign with the 30 days of posts from www.financialliteracymonth.com.
- Host Frugal Fridays. Offer \$1.00 off coupons for food from local stores. (Do any alumni own or work at these local stores?)
- Create a social media campaign. Tweet, post and Instagram financial literacy tidbits.
- Have students tweet, post and Instagram their own financial literacy quotes and stats for one week with a special hashtag.
- Feature a money question each week on whiteboards around campus and have students write their answers on the boards.
- Conduct "man on the street" interviews. With your cell phone in hand, go out for an hour and video students' answers to financial literacy questions. Do you know how much you owe? Do you have a budget? You can also use the video later to promote future workshops or financial literacy events.
- Set up an information table in the student commons or cafeteria where students can pick up budgeting worksheets and other resources.
- Hold an Instagram scavenger hunt promoting financial education. Have players photograph themselves accomplishing a provided list of tasks such as "check out a money related book at your local library," "high-five your banker," or "attend financial literacy workshop." Each completed task and photo is awarded with points (and prizes) at the end of your time period.
- Write an article about financial literacy for the school newspaper; it's simple, fast and great exposure.
- Air your financial dirty laundry. Have students, staff and faculty talk frankly about money mistakes they have made and how they recovered.
- Hide cards with money secrets around campus like an Easter egg hunt and follow up with a one-hour "money secrets" workshop.
- Hold a fashion show featuring thrift store finds. Challenge each participant to spend \$20 or \$25 to put together an outfit. Then have them strut their stuff on the catwalk!
- Work with faculty to offer in-classroom financial literacy presentations.

Whatever ideas you are thinking about implementing on your campus, remember that there really isn't a one-size-fits-all solution. What works for one school may not work for another. Finding the most effective solution for your students will most likely involve multiple initiatives based on what you know about your student population...and lots of tweaking and adjusting.

Don't forget to track your turnout. Data will be important come next year when you are looking for funding for your events. Also, cut yourself some slack. It usually takes a couple of years to get people used to the idea of a new event. You may start with small numbers but they'll grow!

Stuff that's FAB!

- [Budgeting worksheet from our friends at the University of Virginia School of Medicine](#)
- [Learn about the five key topics for managing and growing your money](#)
- [Check your consumer credit reports now for free!](#)
- [Lack of financial wellness can lose you a job offer](#)
- [The Five-Minute FAFSA](#)

Did you know that Outreach and Financial Literacy hosts a FREE weekly national webinar? It's TRUE! These are turnkey presentations delivered in a "Train the Trainer" format. Once completed, we share the presentation with you, including all speakers' notes.

Topics for Financial Literacy Month

- 4/12 Expenses after Graduation
- 4/19 Student Loan Repayment Options
- 4/26 Understanding Consumer Credit Reports and Scores

Check out a sample of our upcoming topics and register at ecmc.org/schools/training.html.

We also share important money management tips on social media. To stay up to date, Like our **Facebook** page and follow us on **Twitter**.

Looking ahead

In our third quarter newsletter for 2017, we'll focus on counseling students and how to successfully bridge the gap between graduation and entering the workforce in our article, "You've graduated, now what?! Using your grace period to find a job, plan for your student loan payments and get your financial house in order."

Article suggestions, feedback, or other ideas? Send them to [financialliteracy@ecmc.org!](mailto:financialliteracy@ecmc.org)