



Session 5A:

Asset Accumulation: Increasing Access to Financial Education

Moderator: Ben Mangan, Executive Director, EARN

Panelists:

- Alex Alanis, Legislative Advocate, California Banker's Association
- Sandra DeBourlando, Principal Assistant, Office of Assemblymember Koretz, 42nd District
- Catherine Sylvestre, Executive Director, California Jumpstart Coalition.
- Susan Walters, Los Angeles Community Development Manager, Citibank

In the session entitled, "Asset Accumulation: Increasing Access to Financial Education," participants discussed current efforts to expand financial education as well as the obstacles that a statewide financial education program would face.

Current Efforts to Expand Financial Education

Banks

Citibank: Susan Walters, the Los Angeles Community Development Manager at Citibank, explained that Citibank supports increased financial education in schools and cited Junior Achievement as a major partner in this effort. She also mentioned that information about the Citibank financial education program is available on-line.

California Banker's Association (CBA) reaches out to community based organizations through their Financial Empowerment Program, which focuses on seven issues: budgeting, investing, credit and identity theft, mortgages, repairing credit, saving for retirement, and sending money abroad. The CBA is not in the process of promoting a particular piece of legislation, but is working with legislators on the issue of marketing financial education.

US Bank: Participant Erica Opstad from US Bank believes that too many financial education curricula already exist. As funders, she explained, US Bank would be more interested in funding the translation of an existing curriculum into a new language, rather than the creation of a new curriculum.

Government

FDIC (Federal Deposit Insurance Corporation): Participant Lisa Kanemoto of the FDIC explained that the FDIC has had a growing interest in financial education over the last few years. Of particular interest to them is how to reach out cross-culturally to immigrants who are unbanked.

Office of Assemblymember Koretz, 42nd District: Koretz's office has fought to end credit card solicitations on college campuses and recently pushed for a financial education day.

Nonprofits

CA Jumpstart: Catherine Sylvestre of CA Jumpstart works to create partnerships, trains financial educators, and hosts a national Web site with financial education curriculum.

United Way of the Bay Area (UWBA): Robyn Farroane at the UWBA coordinates financial management training in seven counties, helping organizations build capacity and access information. Also, UWBA runs a campaign to educate low-income tax-payers about the Earned Income Tax Credit.



Current Challenges

The group articulated a wide range of current challenges facing statewide financial education efforts.

1. **Lack of Cohesion:** The obstacle most often cited was the lack of sufficient coordination between the various financial education efforts in California.

2. **Different Levels of Financial Literacy and Learning Styles:** The group also discussed problem of reaching the many different audiences across California in need of financial education. For example, Participant Lisa Kamemoto of the FDIC explained how immigrant populations can offer special challenges, especially those who come from countries where banks were extremely unreliable or unavailable. These populations lack training on what are considered basic bank products in the US, like the checking account. While Participant Megan O’Neal from the World Institute on Disabilities talked about the need for financial education programs that took into account a wide variety of learning styles in order to make classes accessible to people with learning disabilities.

3. **Research on Effectiveness:** The group pointed out the difficulty of finding strong research on the best methods for financial education. Catherine Sylvestre suggested the existence of a white paper that found that schools were the most effective outlet for disseminating financial education. Participant Dory Rand remarked that she had seen a conflicting study that described the failure of financial education programs in high schools, but she pointed out that the study failed to track or monitor the role of teaching methods in the study. Susan Walters added that Junior Achievement conducts third-party research on the effectiveness of financial education. Dory Rand explained that a long-term evaluation of Illinois’s financial management curriculum is available at poverty-law.org

4. **Modifying School Curriculum through Legislation:** While some studies have shown that school-based financial education to be a powerful tool, participants raised the issue that modifying curriculum through legislation can be an onerous process. Teachers, who are already overburdened by state requirements, may not be supportive of efforts to add financial management to the state’s curriculum.

5. **Lack of Training for Trainers:** Many of the participants reported a need for more programs to properly train financial management teachers.

6. **Organizational Capacity:** Participant Robyn Faraone has also found that in some regions around the Bay area groups that could serve as providers of financial education simply don’t exist.

Information resources referenced throughout the discussion include:

National Council on Economic Education – ncee.org

National Endowment for Financial Education – nefe.org

Mymoney.com, Poverty-law.org