



FEDERAL DEPOSIT INSURANCE CORPORATION

Learning from the Youth Savings Pilot

June 27, 2017 Webinar

FDIC Welcome



**Nicola Myers,
Community Affairs
Specialist,
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Program
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Washington, DC

FDIC *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

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FDIC **Key Learnings**



Tracie Morris

**Senior Community
Affairs Specialist,
FDIC**

Washington, DC

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FDIC 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**

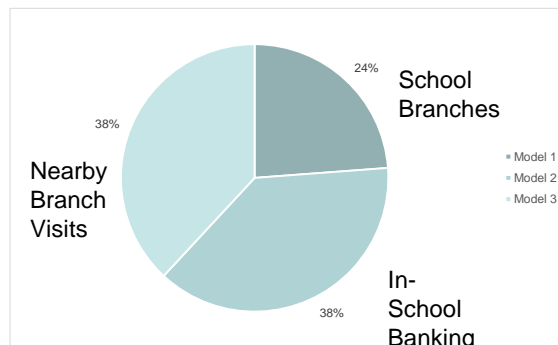
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FDIC Design

Models:

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



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FDIC *Design, continued*

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

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FDIC *Design, continued*

- ***Interagency Guidance to Encourage Financial Institutions' Youth Savings Programs and Address Related Frequently Asked Questions***
- **Conference of State Banking Supervisors (CSBS) Resource**
 - ◆ Research to identify state-specific laws or rules pertaining to youth banking
 - ◆ <https://facts.csbs.org/>

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FDIC *Design, continued*

- **Financial Education Delivery**
 - ◆ Formal instruction
 - ◆ Peer-based
 - ◆ Just-in-time information sharing
- **Fun and interactive approaches**
- **Integration with other subjects**
- **Variety of curricula, including Money Smart for Young People**

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FDIC *Roles & 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)

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FDIC *Implement*

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

FDIC *Assess and Refine*

- **Communicate with school partner**
- **Communicate with parents**
- **Communicate with non-profit partners**
- **AND Communicate with the students**
- **Make changes, as needed.**



Michelle Huddleston

**Executive Vice-
President, COO and
Compliance Officer,
Commercial Bank**

Harrogate, TN

COMMERCIAL BANK AND HARLAN COUNTY, KENTUCKY PUBLIC SCHOOLS

Smart Cents Student Savings
K-8 Program offered at 8 schools
Total student population 2,897



Two separate programs are offered within Smart Cents

- Financial Literacy taught by bankers
 - Guaranteed 5 hours per month to each school
 - Assigned 1 banker to each school for time management and familiarity
- Student Savings account
 - Lightened account opening process
 - Lowered minimum opening deposit
 - Pay premium interest rate



End of 2015-2016 school year

- ▶ 212 student savings accounts
- ▶ Total balances \$7,783.86
- ▶ Over 300 hours of in the school
- ▶ We added 1 school outside of this school district

End of 2016-2017 school year

- ▶ We added 2 schools outside of this school district
- ▶ 425 student savings accounts (326 in Harlan County)
- ▶ Total balances \$22,166.39 (\$18,912.32 in Harlan County)
- ▶ Similar time was spent in the schools this year but totals are not available

THE PROGRAM HAS SEEN
SUCCESS AND GROWTH





**Patty Fleming,
Financial Literacy
Banking Coordinator,
Treyvor State Bank,**

Treyvor, Iowa



**Alana Parker,
Education and
Training Director,
Community
Reinvestment Act
Officer,
First Metro Bank**

Muscle Shoals, AL



Muscle Shoals, Alabama
Eight locations, Two Operations Centers
Two Student-Operated School Banks
130 Employees
Three-County Assessment Area in Northwest Alabama



**Financial Literacy
Outreach Program**
Began in 2007
Teach Children to Save Day – 4th
grade
CHOICES Program – 8th grade
Get Smart About Credit Day – 11th
& 12th grade
Student-Operated Falcon Branch
and Trojan Branch
Between 5,000 and 7,000 Students
Annually

The School Branches



How it works...

To Open an Account

1. Student Teller completes CIP form and has Student sign the form
2. CIP form sent to CSR at designated FMB location
3. CIP procedures completed by the CSR, if all requirements are met, then the account is created
4. Signature card and disclosures returned to school branch
5. Student signs signature card, receives disclosures, and makes initial deposit

The Student Savings Account

- Does not require a joint owner for those 15 or older
- \$1 minimum opening deposit
- \$1 minimum balance
- ATM card, mobile banking, online banking, telephone banking, etc... included



Responsibilities

First Metro Bank

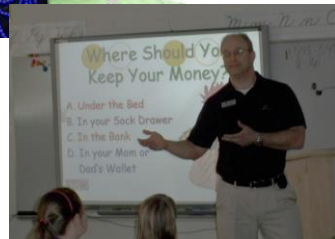
- Construction and upkeep of the branches
- Night-teller vault, teller drawers, keys, adding machines (hardware)
- Security equipment that interfaces with the school's security equipment
- One telephone line and telephone
- Internet access and one PC
- Office supplies (pens, paper, ink, etc...)
- Monthly Audits
- Summer Training
- Student-teller Interviews
- Marketing Materials
- Financial Literacy

The School

- Daily oversight of the branches
- Checking teller work each day
- Surprise audits
- Selection of student tellers
- Open communication regarding any needs they may have
- Curriculum
- Grades
- Enforcement of policies/procedures
- Helping the students choose, create, and implement financial literacy outreach projects

Our Best Advice...

- Work your contacts
- Find a way to say yes
- Send DYNAMIC speakers
- Decide who you want to reach
- Understand your purpose and be purposeful
- Be a friend to the teachers
- #2 PENCILS!!!
- Don't forget why you're there



Questions and Answers



FDIC Closing



Luke W. Reynolds

**Chief, Outreach and
Program Development
Section, FDIC**

Washington, DC

FDIC *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**



Thank you!

youthsavings@fdic.gov

www.fdic.gov/youthsavings