



The Power of Financial Education

BRIAN SULLIVAN: Welcome back to the FDIC podcast, a place where we talk about the world of banking and the people who actually *use* our banks and even those who don't. I'm Brian Sullivan with the Federal Deposit Insurance Corporation. In this episode will be exploring the growing demand for financial education.

I think a good case can be made that with all the choices that consumers have today, all the products and services that are out there, that there has never been a greater need to understand it all. Well, helping us to understand it all are two folks who help lead the FDIC's consumer education work.

Peggi Gill and Ken Worthey helped to run the [FDIC Money Smart Financial Education Program](#), which for the past, well more than 20 years, have been helping people of all ages to enhance their financial skills so that they can participate more fully in the financial system in this country. Peggi, Ken...thank you for being with us.

Thank you, Brian. Good to be here.

PEGGI GILL/KEN WORTHEY: Thank you, Brian.

BRIAN SULLIVAN: So, Peggi, would you agree that we need financial education out there now more than ever?

PEGGI GILL: Yes, absolutely. Financial strategies have become more complicated than ever. Lots of different ways to invest your money...deposit. We really encourage people to deposit their money into an FDIC-insured bank. But we're learning a lot about the different opportunities out there and educating people as we've become more digital...the hacks and the scams have become more complex. We want you to understand how those work and really grow your money. It's yours.

BRIAN SULLIVAN: Right. Now Ken, it's all about choice out there so people can make any choice they want to. Do they understand those choices from where you sit?

KEN WORTHEY: Well, Brian, that's exactly what financial education seeks to help address. Financial education really lays the foundation for people and communities to be able to enjoy the benefits of the banking system, including making informed decisions about ways to build savings, spend money and use credit wisely, or pay down debt. Ultimately gaining financial knowledge and skills, particularly at an early age, is key to navigating our increasingly complex financial world.

One of the things that's most important about *Money Smart* materials is that we educate and inform consumers about what it means to have a federally insured bank account. The benefits that come with that account and the protections. So that's where we really start in the Money Smart Financial Education program...is to understand how to identify what a bank is, how it can serve the needs of communities and consumers. And we also obviously provide a variety of resources on FDIC.gov for consumers to be able to understand if their accounts are federally insured. There are a lot of options out there in the marketplace and it's important to understand fundamentally that bank accounts provide protections.

BRIAN SULLIVAN: Peggi. You know, as I mentioned, the Money Smart program has been around for now more than 20 years. You have a lot of partners across the country. Who are they?

PEGGI GILL: We do. We work with a lot of banks. They really are working with their communities and sharing that financial education with them. We also work with nonprofits and we have a Money Smart Alliance group, about a thousand members, which are made up of banks and nonprofits and teachers. You know, we're really relying on our teachers to share that information with their students. Also in some of the work that we have done, we've worked with some community colleges and those students who learned at a young age how to handle money have been much more successful when they went out on their own than those who were never taught and learning at a later age. So, we know how important it is.

BRIAN SULLIVAN: Okay. Well, we might be having a banker or another examiner listening in right now, but they may be parents. When do they start talking about money with their kids?

PEGGI GILL: Our Money Smart curriculum starts with pre-K. So, we have a program that's pre-K through to second grade. Just really explain the basics of it. You know, what does it mean to save money and where is it safe? That's a big deal. But we go all the way through older adults. So older adults is a different audience. They've had their money, they've had their careers, they've got money in the bank. Hopefully a retirement account. But they are very vulnerable to scams, right? And so we try and educate them on that, what to look for, how to prepare for that. You know, what to do if something happens.

KEN WORTHEY: ...and we have resources available to address any questions or concerns we have. In fact, a [National Center for Depositor and Consumer Assistance](#) that's available. We have a 1-800 number and a website that consumers can go to at any time if they have a question about deposit insurance. And we have frequently asked questions as well on our website.

BRIAN SULLIVAN: And what kind of questions do people ask of the FDIC?

KEN WORTHEY: Generally, people want to make sure that the funds that they have available are structured in a way that provides them the deposit insurance protection. And so there's an online calculator called [EDIE](#)...that's the Electronic Deposit Insurance Calculator on our website...that anyone can go to and access directly, put in how they have their savings structured and it outputs a report on whether their funds are insured.

BRIAN SULLIVAN: Well, following last year's bank failures, the FDIC embarked upon a public awareness campaign focused on educating consumers about deposit insurance...what it is, what it isn't. Peggi, tell us about this campaign and what it sets out to do.

PEGGI GILL: Well, we started this campaign about a year ago now—[Know Your Risk. Protect Your Money](#).— because people didn't understand that, you know, covering hacks or, you know, different things like that. We cover people's money if a bank fails. And that's indeed what happened. But I would also like to tell you, Brian, that we have a great group of specialists on deposit insurance that you can call if you're not sure and you want to talk to someone about it. We have [BankFind](#), which is available online. So, if you want to understand your bank, they can find that make sure that that you are indeed dealing with a bank.

BRIAN SULLIVAN: Yeah. Do you find that with a little education, people are more accepting of the banking system?

PEGGI GILL: I think it's less scary, right? So, what our materials try to provide is really the explanation...how it works...why it's important to have that banking relationship...why it's important to have your money in an insured account and really helping you *grow* your account, right, build that wealth. It seems it seems really tough, but you start with a little bit and you go through our materials. We even have an online game and resources called [How Money Smart Are You?](#) So if you're hesitant maybe to work with a teacher on it or someone, you can go into this...How Money Smart Are You? game online at FDIC.gov... and it will walk you through all these different complexities and really test you on your knowledge of these different areas. But again, we're available so that you could reach out to us and answer any questions you might have. And we have [Consumer News](#) articles that come out every single month and talk about all these different topics. And we provide resources to other things, you know, like if we aren't the person or the agency that has the best answers on it, we provide links to places that do have more information on these different topics.

BRIAN SULLIVAN: Well, now you've made a couple of references to some resources where people can go and get more information. Obviously, the Money Smart program for teachers out there or other stakeholders who want to adopt our curriculum for their programs out there. They can find it there. They can always call us. You made mention of a toll-free number?

PEGGI GILL: ...they would call 877-ASK-FDIC and our public call center would direct your call to the right place.

KEN WORTHEY: ... and Brian, just a couple of other things about our *Money Smart* financial education program in our *Consumer News* resources, which have been around for decades, as you mentioned. They're free. They're not copyrighted. They're developed as high-quality financial education information. And we have, as Peggi mentioned, resources for all ages, as well as small businesses. So that's something that folks don't really realize. We have our Money Smart for small business product as well that helps aspiring entrepreneurs understand the fundamentals of starting a small business.

BRIAN SULLIVAN: Have you found that the public school systems out there are starting to embrace financial education?

PEGGI GILL: We know that there are over 25 states in the United States who are now requiring financial education again. Some schools, you know, have it early on in the elementary schools, some have it later in high school, and some are implanting it, if you will, into algebra or math classes, some in social studies, right? So it's kind of everywhere. What we're finding is that, you know, teachers are being asked to teach it because it's a requirement. And they don't know that the FDIC already has the curriculum built for them and it's free. It's no cost to them. They download it. They can tailor it the way they want as Ken mentioned, you know, it's not copyrighted so if there's certain areas they want to focus on, they can certainly do that. And we encourage them to do that. And then we have train-the-trainer, which is like we hold webinars and teach people how to teach it best, right? To make it as easy as we possibly can for you to share financial education.

KEN WORTHEY: And Brian, one other thing to mention is that we want *Money Smart* to be as accessible as possible so our *Money Smart* materials, are also available in multiple languages, braille, and large print.

BRIAN SULLIVAN: Wow. Well, okay, Ken, I'll give you the final word. If anybody needs to know more about the financial world that they live in.

KEN WORTHEY: Yes. Take a look at our *Money Smart* and *Consumer News* products. I'll highlight again, how *Money Smart are You?* which is a suite of 14 games and related resources about everyday financial topics. Brian, we have nearly a hundred thousand players using that program and one of the things that's really great as organizations like banks and schools can set up an organization account and track their player's progress when they link to their “How Money Smart Are You” organization account? So, for everyone out there, if you're interested, you may contact us at consumereducation@FDIC.gov. If you want to send our team an email or visit our website at FDIC.gov/education.

BRIAN SULLIVAN: Well, Peggi Gill and Ken Worthey, two very Money Smart people. Thank you so much for joining us on the FDIC podcast.

PEGGI GILL AND KEN WORTHEY: Thanks, Brian. Thank you.