



# Financial Literacy Education Initiatives

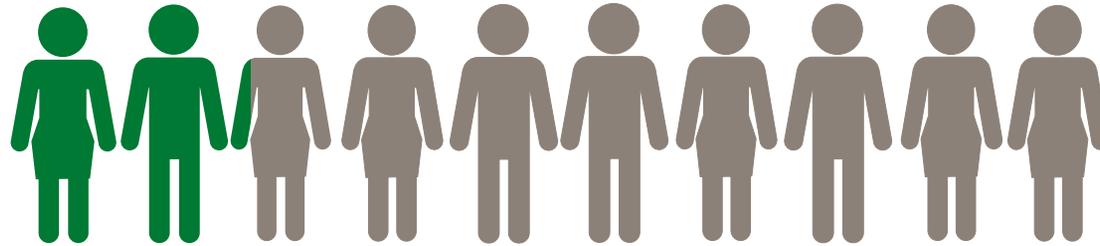
Update to the Advisory Council on Child Poverty and Strengthening Families  
September 26, 2019

# VERMONT'S FOCUS ON FINANCIAL LITERACY

- "Financial literacy" means the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being.
- Since 2007, the Treasurer's Office has worked to provide Vermonters with tools to improve their financial capability. Our efforts have been directed in three areas:
  1. **ADVOCACY** – promote financial literacy for Vermonters and raise awareness
  2. **COLLABORATION** – work with local, state and national groups to build support for and participation in financial literacy initiatives
  3. **DEVELOPMENT** – as needed, build new financial literacy activities and educational products for Vermonters
- Vermont is a small state. There are limited resources available for programming and other needs. We've had to form partnerships at the local, state, and national level to deliver financial education to Vermonters. Financial institutions and community organizations have been great partners in this work.

# SNAPSHOT: K-12 FINANCIAL LITERACY

(Adopted from 2018 Vermont Financial Literacy Commission report)



**Only 22%** of Vermonters have participated in financial education in school, college or at work

Vermont earned a **D grade** for its modest State personal finance education graduation standards



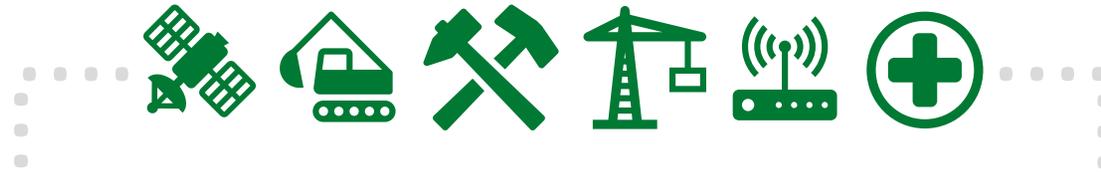
Vermont ranks in the **bottom 3<sup>rd</sup>** of states in terms of offering personal finance education



Half of Vermont high school seniors did not file a FAFSA form, causing them to miss out on **\$5.5 million** in free federal aid (approximately **\$3,546 per eligible student**)

# SNAPSHOT: YOUNG ADULT FINANCIAL LITERACY

(Adopted from 2018 Vermont Financial Literacy Commission report)



Of the 11.6 million jobs created since the Great Recession **all but 100,000** went to workers who had at least some college education



**Just 35%** of Vermont parents have set aside any funds for their child's college education



**65%** of Vermont graduates have student loan debt that average **\$29,000**

The U.S. Census Bureau finds that many students fail to consider the earning potential of a particular course of study



# SNAPSHOT: ADULT FINANCIAL LITERACY

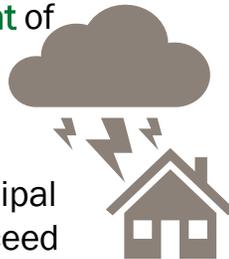
(Adopted from 2018 Vermont Financial Literacy Commission report)



A 2015 survey found that **59%** of Vermonters haven't assessed their retirement savings needs, while half of Vermonters do not have an emergency fund

Another study found that 104,000 of Vermont's private-sector workers (**45%**) do not have access to an employer-sponsored retirement plan, preventing savings opportunities

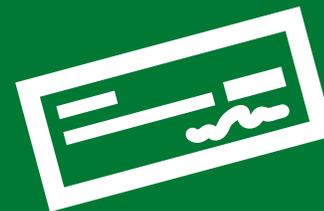
Almost **35 percent** of Vermonters carry home mortgage payments with outstanding principal balances that exceed **30 percent** of their income



**40 percent** of Vermonters carry vehicle debt and an alarmingly high number of Vermonters (**29 percent**) make just minimum monthly payments on their credit cards



**TOO MANY  
VERMONTERS  
(14.3%)  
ARE EITHER  
UNBANKED  
OR  
UNDERBANKED**



## ***PAST FINANCIAL LITERACY INITIATIVES***

- MoneySmart Child Initiative
- National Guard Preparedness programming
- Vermont Treasury Cup Challenge
- Be Money Wi\$e Financial Literacy Poster Contest
- Outreach events and training seminars
- Numerous other partnerships and events
- Vermont Financial Literacy Task Force
- Financial Literacy Commission

# YOUTH FINANCIAL LITERACY PROGRAMS

- The Treasurer's Office annually develops original curriculum and content for schools so students can learn concepts like entrepreneurship, budgeting, saving, investing, and more.
- School-based programming is delivered collaboratively with educators and is marketed as a voluntary offering – not mandated.
- Up until very recently, Vermont lacked robust personal finance graduation standards.
  - In February 2018, the Vermont State Board of Education adopted the [Jump\\$tart Coalition's National Standards](#) in K-12 Personal Finance Education.
  - The [Vermont Agency of Education is partnering with Champlain College's Center for Financial Literacy and Vermont educators](#) to develop tools and resources as schools work to bring the standards into the classroom.
- With Vermont's adoption of the Jump\$tart Financial Literacy Standards, the Treasurer's Office has assessed its personal finance education offerings to improve delivery of voluntary programs.  
Programs.

# *K-6 FINANCIAL EDUCATION*

- Reading is an Investment Program
  - K-6 classroom-based personal reading program that challenges students to read books about money.
  - Annually delivered free-of-charge through the Financial Literacy Trust Fund.
  - Curriculum built around three children's books that explore financial subjects.
  - School library personnel most often deliver the program – differs by school.
  - Students must complete reading assignments, recording their progress in a reading log, to qualify for a prize drawing of twenty \$250 college savings accounts.

## *K-6 FINANCIAL EDUCATION* (CONT.)

- Reading is an Investment Results
  - Since the 2010-2011 school year, 37,889 students have submitted reading logs, certifying their completion of the program requirements.
  - 2018-2019 school year: 5,688 student reading logs were submitted, representing 75 Vermont schools.
  - 2019-2020 program distributed to 142 Vermont schools, with a reported enrollment of 26,837 students.

# AFTERSCHOOL FINANCIAL EDUCATION

## ■ VerMoney Program

- Given the changes in Vermont's education landscape, the Treasurer's Office began exploring opportunities to provide financial education in an afterschool setting.
- In 2018, the Treasurer's Office formed a partnership with Vermont Afterschool Inc. to develop a financial literacy education program.
- Curriculum aligned with financial education standards.
- Eight flexible lesson plans focusing on core areas: Saving; *wants and needs; budgeting; scarcity & choices; goods & services; marketing; and starting a business.*
- Mini-grants and materials made available through competitive selection process.

# **AFTERSCHOOL FINANCIAL EDUCATION** (CONT.)

## ■ VerMoney Results

- 12 programs selected to participate.
- All program directors participated in training.
- 12 programs encompassing 25 sites around the state participated in winter/spring 2019.
- Strong demand for 2020 program.
- Plans currently underway to launch program winter/spring 2020. Goal to double pilot programs to 24 total, doubled from 2019.

## ***FINANCIAL LITERACY WORKING GROUP***

- Financial Literacy Working Group convened by Treasurer and Department of Financial Regulation in November 2017, following recommendation by the Vermont Financial Literacy Commission.
- Summer 2018: Interviews held with executive branch agencies, departments, and offices. Results of discussions compiled to create an inventory of state government financial literacy resources, outreach efforts, educational activities, printed literature, and electronic materials.
- Fall 2018: Group meetings of the Financial Literacy Working Group held to develop report recommendations
- January 2019: Financial Literacy Working Group [report issued](#).
- 2019/2020: Continued collaboration and launch of a financial literacy resource website.



**QUESTIONS?**

