



Filling Financial Education Gaps with Free Community-Driven Learning

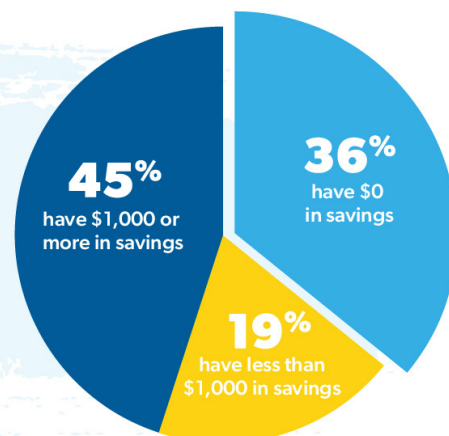
Many individuals in the United States, young and old, lack the basic knowledge required to engage in sound economic decision making, which threatens their prosperity and financial well being. From personal budgeting and taxes to banking and business accounting, financial skills are learned—and not everyone gets to learn them at home or in grade school. Managing money is a challenge for many of the people who most need those skills.

Because so many generations of so many communities haven't been treated fairly when it comes to financial inclusion and opportunity, there's simply no passing-down of knowledge when it comes to opening a bank account or managing a mortgage. It can be a huge mental shift to then engage with traditional banking, even when clients understand the basic value of saving money, setting a budget, and achieving financial stability.

What's more, not everything requires an expert to deal with, or an expensive set of services. While recognizing financial education alone cannot overcome the impacts of historic and ongoing disenfranchisement of some communities, everyone needs to understand the basics of what goes on with their personal finances...and what they can do about it.

Nearly Four in Ten Americans report that they have \$0 in savings.

Only 45% of Americans have at least \$1,000 or more in savings.



That's where money school comes in

DCRAC's Money School offers courses on personal finance, banking, budgeting, taxes, and more—at no cost to community members. Each class addresses practical accessible ways to seek sustainable financial stability, including during tenuous moments and major life events, and the institution is now a trusted provider of reliable, timely, and nonjudgmental information and education on money management. Annually, the Money School's volunteer experts teach nearly 360 classes that reach over 3,600 Delawareans.

As a community financial services provider, DCRAC has an important stake in enhancing the financial skills and knowledge of every Delawarean so they can fully participate in our dynamic economy and achieve financial stability. We want to empower community members with the knowledge to take control of their financial lives—and know they can come to us to help figure it all out.

US Financial Literacy at a Glance

25% of Americans say they **don't have anyone they can ask for** trusted financial guidance.



In 2021, Americans reported **losing an average of \$1,389** because of a lack of personal finance knowledge.

60% of non-retirees **didn't think their retirement savings were on track** in 2021.



In 2021, 34% of U.S. adults reported that **"just getting by financially"** describes them completely or very well.

Source: 47+ Fascinating Financial Literacy Statistics in 2022

2021 - 2022 2,388 students attend 312 classes

● Background

In 2003, the federal Fair and Accurate Credit Transactions Act (FACTA) established the Financial Literacy and Education Commission and tasked it with developing a national financial education web site (MyMoney.gov) and a national strategy on financial education. The subsequent strategy detailed the federal government's financial literacy priorities and underscored its plan to collaborate with state, local, and tribal governments and the private sector to strengthen the financial capabilities of all Americans.

The Commission also established five working groups, including one on Basic Financial Capability, currently managed by the Consumer Financial Protection Bureau (CFPB).

Created in 2001 and bolstered by the Commissions work, the Money School recognized early that financial education is key to unlocking the foundations of economic opportunity and powering a strong and resilient economy. Americans must acquire financial skills and knowledge to fully participate in our dynamic economy, and accessible operations like the Money School are essential in making those connections.

Today, DCRAC's Money School works tirelessly at the local and state levels to move the needle on strengthening the opportunities for anyone seeking stronger educational foundations in understanding and managing their financial lives.



Money School: A History

1996

DCRAC launches Money Matters, offering financial education to anyone interested in learning about it.



2001

State Treasurer Jack Markell helps launch the Delaware Financial Literacy Institute with Ronni Cohen as its executive director.



2003

FACTA establishes the Financial Literacy Commission and develops mymoney.gov - a national financial education website.



2004

Money School's From Purses to Portfolios, a statewide Financial Education event focused on women, is a great success for the next 10 years.



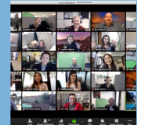
2019

DCRAC takes over the Money School's mission and operations upon Ronni Cohen's retirement.



2020

With the COVID pandemic's onset, the Money School switches to a robust virtual presence.



2022


The Money School reopens in-person classes and maintains a virtual presence for those that need or prefer it.



2023 +

Rebuilding our content (basic to advanced) and classrooms (in-person, virtual, and technology) to ensure every Delawarean can fully participate in the state's dynamic economy.



 Learn more at www.dcrac.org

Money \$marts: Fundamentals of Money Management

The Best Thing Money Can Buy is Financial Independence is a course designed to help the student think of money as a powerful tool that can shape one's financial destiny, not just something to help them get by.

There's a Hole in My Pocket explores numerous ways to consider balancing a budget while building liquidity for the short-term, emergency funds for when the unexpected happens, and investments to enjoy golden years.

Got Me Going to the Bank encourages using insured depository institutions and their full capabilities, including internet banking.

Till Debt Do Us Part focuses on smart borrowing and disclosures —especially through understanding Truth-in-Lending Act and debt-to-income ratios.

Crack the Credit Code is all about credit reports and credit scores, and it encourages students to shape their financial future with this powerful wealth-building tool.

An Ounce of Prevention speaks to scams and fraud in the marketplace as well as predatory practices that can stymie any wealth-building efforts.

Protect What You Build is primarily focused on insurance, and students also learn about estate planning, mortgage refinance, and reverse mortgage.

Money Doesn't Grow on Trees, But Investments May If You Let Them provides basic investment concepts and examines opportunities available to first-time, small-dollar investors.


Homeownership Is How We Build Wealth is a refresher on all basic money-management principals as they apply to the home buying and borrowing processes.

Cheers! To Your Golden Years celebrates course graduates' accomplishments and guides students to kick off their next year of financial planning for success.



Taught by DCRAC Staff online at 6 pm on the second Monday
Checkout www.demoneyschool.org for details


Lunch and Learn Wednesdays



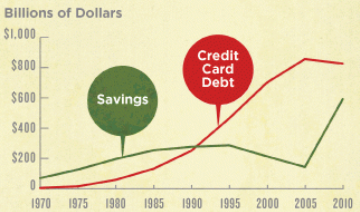
FINANCIAL LITERACY PAYS OFF

With nearly 20 percent of Americans living beyond their means, education about personal finance is critical. Research indicates that teaching finance to students yields greater money-management skills that carry well into adulthood.

AMERICAN SPENDING HABITS



1 OUT OF 5 AMERICANS lives beyond his or her means




Billions of Dollars


1970 1975 1980 1985 1990 1995 2000 2005 2010

HALF OF AMERICANS do not maintain a budget

YOUTH SPENDING


TEENS spent more than **\$75 BILLION** in 2011





35% of HIGH SCHOOL SENIORS use credit cards


One in nine PEOPLE ages 18-24 uses more than 40% of his or her income to pay off debt



FINANCIAL LITERACY CAN HELP!


HIGH SCHOOL STUDENTS who received personal financial education are able to:

MANAGE THEIR MONEY BETTER because they



- have fewer maxed out credit cards
- have higher savings
- do more comparison shopping
- pay debts on time

BETWEEN AGES 30-49, achieve significantly higher savings and net worth



SOURCES: Federal Reserve Board, Survey of Consumer Finances 2007 • Bernheim, Garrett, & Maki 1997 • National Foundation for Credit Counseling's Consumer Financial Literacy Survey 2011 • Teen Research Unlimited (TRU) 2012 • JumpStart Coalition Survey of High School Seniors and College Students 2008 • Demos & Young Invincibles, The State of Young America 2011 • Gutter, Copur, & Garrison 2010 • Danes, Huddleston-Casas, & Boyce 1999 • Varcoe, Martin, Devitto, & Go 2005.

edutopia

Lunch and Learn Wednesdays focus on relevant and timely information, to help families prepare for, respond to, and recover from unexpected events, such as:

Accessing Economic Impact Payments and unemployment insurance (UI) benefits;

Managing finances and identifying new opportunities in the event of job loss or change;

Making sound choices about health insurance, including understanding coverage and coverage options;

Effectively managing debt during hardship, including mortgages, credit cards, car loans, and student loans;

Starting or maintaining insured bank or credit union accounts;

Planning for the future and weathering volatility in long-term savings and investments, such as retirement savings;

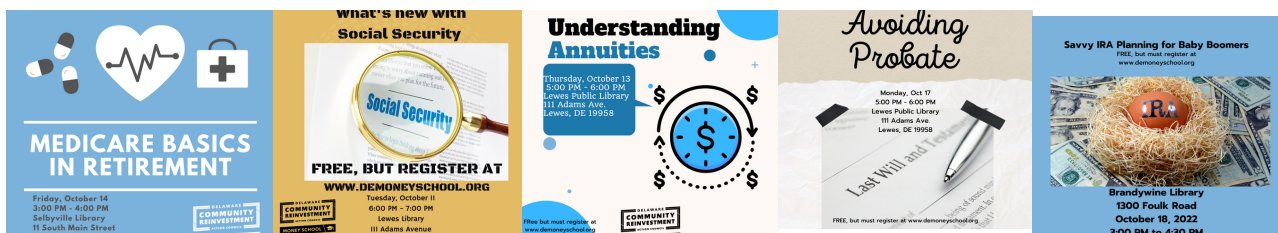
Avoiding frauds and scams, and reporting them when they occur; and

Effectively making and documenting charitable contributions.

Volunteer-Led

Specialized money topics, taught by experts, enable students to plan for a stronger financial future:

- Investment advisors teach about investments, retirement planning, social security, and similar topics.
- Attorneys teach about probate, estate planning, taxes, and tangled titles.
- Health administrators teach about Medicare and other healthcare system basics.
- Realtors, lenders, and other experts teach about buying a home, obtaining a mortgage, and other asset-building measures.
- Experts on other specialized topics teach about: small business, dealing with the IRS, nonprofit organizations, credit-builder programs, scams, couples and money, downsizing, and more.



Presented by experts in their field
at a local library near you

If you are able to consider volunteering your time and talents to teach on a financial education topic in English or Spanish, please consider the Money School. Thank you.

Special thanks to our partners at the Delaware Libraries, who provide free and safe meetings spaces for our volunteers and students.



Funding and Evaluation

While education has become widely recognized as an important tool for building and maintaining financially independent individuals, families, and communities, we have a long way to go. The Money School provides critical financial education and information on a modest \$250,000 annual budget which mainly covers operations costs. However small, that funding translates into financial education for more than 3,600 individuals—about \$70 per person served.

Because the Money School does not charge tuition, it cannot generate revenue, DCRAC sustains the program through diversified funding sources that include state and federal government, corporate and foundation sponsors, and individual donors. With technological enhancements and the efficiencies they bring, as well as continued support from our funder network, the Money School plans to gradually reduce program costs to just \$25 per person by 2030—a scaling that would allow us to reach as many as 10,000 Delawareans annually.

This is essential work: we believe that when we do well, Delawareans succeed—and the First State can lead in financial capability. To that end, we regularly evaluate our programs' attendance, content, and reach.

Looking ahead, the Financial Literacy and Education Commission is currently identifying key outcome measures, including short-term performance metrics and intermediate-term indicators, that demonstrate the impact of federal activities (directly or indirectly) on improvements to Americans' financial status. Such measures will help us refine and expand our own outcome measures in the future here at the state level.

We also anticipate that, as the relatively young Financial Literacy and Education Commission matures, there will be traction to ensure further funding and sustainability of organizations like ours that work toward building financially resilient communities.

DCRAC'S MONEY SCHOOL BUDGET

| | |
|---|-------------------|
| Wages & Benefits—includes volunteer match | 138,500.00 |
| <i>(manage & support program, students, volunteers, and partners)</i> | |
| Occupancy and Operations | 20,000.00 |
| <i>(supplies, prof. dev, rent, utilities, etc.)</i> | |
| Communications and Marketing | 25,000.00 |
| <i>(technology, printing, postage, advertising, etc.)</i> | |
| Professional Expenses | 66,500.00 |
| <i>(insurance, compliance, technology, consulting, etc.)</i> | |
| Grand Total | 250,000.00 |

DELAWARE COMMUNITY REINVESTMENT ACTION COUNCIL



DCRAC was founded to realize the promise of an accessible, community-centric financial system. We provide low- and no-cost services—including banking and legal— that empower folks statewide to take charge of their financial lives. From wraparound, customized services to education and advocacy efforts, we've built the state's leading community institutions dedicated to addressing the racial wealth gap. Recognizing that low-wealth households face complex and often interconnected financial and legal matters, DCRAC is also the only organization in the First State offering the unique mix of legal and financial services community members need to achieve financial security and success.

Chartered in 2011, the Stepping Stones Community Federal Credit Union addresses a growing need for financial inclusion--the widespread access to and sound use of, safe, affordable, and sustainable products and services, especially from insured depository institutions, including to traditionally underserved consumers and communities.

The Money School and Stepping Stones work together to encourage and promote the 52-week savings challenge to support financial resilience, preparedness, and recovery.



Money \$marts

Cohort model on the fundamentals of money management



Lunch and Learns

Topical, timely, and informational presentations on personal finances



Volunteer Led

When expertise is needed, we turn to our volunteer corps of experts

Contact Now



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www.dcrac.org