ASSET Initiative Financial Education

Financial education gives families information and skills to make sound decisions about budgeting, using mainstream financial institutions, saving, managing credit, setting aside funds for emergencies, accessing available tax credits, and more. Families often approach the topic of household finances with previously conceived experiences and beliefs from their own lives. Through financial literacy education, they can gain the knowledge and skills to manage their money effectively and reach their financial goals. A successful financial education program will respect what adult learners bring to the table, while also helping them improve their knowledge.

Financial education is an essential component of family self-sufficiency. Families must understand basic financial concepts in order to set achievable financial goals and to choose wisely from a variety of complex financial tools for borrowing and saving in today's marketplace. Adults with knowledge about financial matters and skills in financial decision-making are more likely to plan for retirement and have an emergency fund, and are less likely to engage in credit card behavior that generates high interest payments and fees.

Programming Ideas

Ways to integrate financial education into your organization's programming include:

- Offering evening classes on family budgeting and money management on your own or through a partnership. The AFI Resource Center Web site has information on how to develop your own financial education program.
- Referring clients to an organization in your community that provides financial education.
- Advising clients on financial education topics—setting up a family budget or finding ways to spend less—as you
 assist them with other issues.
- Contacting local financial institutions for volunteering opportunities related to financial literacy training.

Successful Programs

These programs and others illustrate the value of bringing financial education to families:

AAA Fair Credit Foundation has provided financial education to more than 600 individuals through its AFI-funded programs. AAA offers financial education in communities throughout Utah. The recent launch of online financial education courses and a partnership with Utah's land grant colleges and universities has helped the organization reach even more individuals and families. For more information on AAA Fair Credit Foundation, visit www.faircredit.org.

Lutheran Social Services of Minnesota's (LSS) Financial Counseling Service is one of the largest providers of communitybased financial education in Minnesota. The organization not only provides financial education courses to its financial counseling clients and individual development account savers, but also holds trainings throughout the community at the requests of other community organizations. In addition, LSS holds train-the-trainer sessions in which community leaders from other organizations can learn to lead their own financial education courses. For more information on Lutheran Social Services of Minnesota, visit www.lssmn.org.

The Assets for Independence (AFI) Program, the largest source of Federal funding for IDAs, provides funding for nonprofit organizations, qualified State and local governments, community development credit unions, and other communitybased organizations to provide financial education and individual development accounts for qualified individuals in their area. AFI offers grant funds for asset building programs nationwide that provide low-income individuals and families with tools they need for long-term economic success. Contact the AFI Resource Center for more information on partnering with or becoming an AFI grantee.

Visit the AFI Resource Center Web site at www.IDAresources.org for more information on providing financial education, including financial education toolkits that include exercises, handouts, and tips for supplementing the free Money Smart curriculum. Contact the AFI Resource Center to talk with an asset building specialist about strategies for bringing asset building to the families you serve.



About the ASSET Initiative

Families stand a better chance of escaping poverty if they know how to use their money and resources effectively, and grow their assets over time. The ASSET Initiative, a collaborative effort within the Administration for Children and Families (ACF), brings together ACF offices and their partner agencies and organizations at the State and community levels to extend the benefits of asset building services to more individuals and families across the Nation. The ASSET Initiative highlights the six asset building strategies shown above.

ACF grantees, partners, and staff can incorporate these strategies into their efforts to support individuals and families. The programming ideas suggested here are only examples of how agencies and organizations can incorporate asset building into their work with families to improve their financial stability.

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