How to Use AFI Toolkits in Your Financial Education Class
Thursday, March 29, 2012

Coordinator: Welcome and thank you for standing by. All lines will be open for today's conference call. We do ask that you utilize your mute button or press star 6 to mute, star 6 to unmute unless you're going to speak. We will take questions, therefore, all throughout the call. So when you feel that you have a question, I'm sure you would be welcome to state it at that time. Today's call is being recorded. If anyone has any objections, they may disconnect at this time. And I'd like to introduce your host for today's call, Ms. Inger Giuffrida. You may begin.

Inger Giuffrida: Great. Thank you so much. Welcome everybody on this Thursday afternoon. We're actually going to be talking about the AFI Financial Education toolkits today, which is actually a repeat of a Webinar that we did in February of 2011. So hopefully, none of you participated in that Webinar. I'm sure you did not, otherwise you wouldn't be here today.

So we're actually going to talk about the AFI toolkits through this entire Webinar, and what we really want to do is provide you with an overview of this product that was developed by the Financial Literacy Enhancement Initiative, and they're called the AFI toolkits for short.

We're going to talk about why the toolkits were developed and how to use them to supplement enhance - and enhance specifically the FDIC Money Smart curriculum as well as any financial education efforts that you might be engaged in for AFI participants as well as other target populations you may be serving with your financial education efforts. As was already stated, please feel free to chime in at any point with questions as well as comments throughout this entire Webinar.

Like with all training, we want to start this Webinar with what our specific objectives are, specifically what we plan to cover. So by the end of this Webinar, we hope that you will be able to explain the rationale for the development of these toolkits in particular, including the target audiences that the materials were designed to reach specifically.

We also hope that you'll be able to describe how these materials are to be used in conjunction with the FDIC Money Smart curriculum, how the two kind of complement each other, the toolkits and the FDIC Money Smart curriculum. We also hope that you'll be able to explain the general organization of the AFI toolkit modules, and then finally use specific activities from the AFI toolkit with the FDIC Money curriculum or Money Smart curriculum or independently of.

So we want to start - before actually going into the actual toolkits, we wanted to share a little bit about the rationalization for creating these toolkits. Why was this project sort of undertaken. As many of you know, the money - the FDIC Money Smart curriculum is one of the most widely used financial education curricula today, and there are many, many good reasons for this, which we're going to talk about in a little bit some of the advantages of the FDIC Money Smart curriculum.

But one of the things we found when sort of looking at this curriculum is that there were some differences between sort of what we were trying to do with financial education in the context of AFI Projects and what the FDIC Money Smart curriculum was specifically designed to do. So I'm going to go through four different points that sort of service the foundation for the rationalization for the creation of the toolkits.

And the first has to do with the difference of the purposes of the two of the Money Smart curriculum versus what we're trying to do in AFI Projects. So specifically, the purpose - and that is a typo, and I apologize for that - on the slide. The original purpose of the Money Smart curriculum is twofold. One, it's to help adults, and it's just sort of adults generally, enhance their money management skills, understand basic financial services offered by the financial mainstream, and builds financial confidence specifically to use banking services effectively.

A lot of times when you hear folks from the FDIC talk about the target population, they'll also use terms like "unbanked" or "underbanked" or "formerly banked." That's really the end user that they're hoping to help with the Money Smart curriculum.

They also have another target population, which are financial institutions. So they wanted to be able to provide the financial institutions that they serve with the tools to assist in their community outreach and economic development efforts. So that's really the target population, who the Money Smart curriculum was designed to serve.

When we contrast that with sort of financial education in the context of an AFI Project, you can start to see some of the difference and part of our rationalization for creating these toolkits. In an AFI Project, financial education is really provided to, first and foremost, help the people who are being served five money - find money to save regularly for their IDA through the budgeting process. I mean that's sort of essential to the whole IDA process.

And then secondly, it's to develop financial management skills to get and keep the assets that the participants are working so hard or have worked so hard to get in the AFI Project. There is absolutely no link in the FDIC Money Smart curriculum to IDAs or asset building sort of as we think about it in the context of an IDA program. So that's like the first rationalization for the creation of the toolkits.

The second, we've kind of already talked about, has to do with the different target audiences. So we've already talked about who the target audience is for the FDIC Money Smart curriculum, but who is the target audience for AFI Projects? Well, it's individuals with low-income or limited assets, and that's specifically defined, as you know, for an AFI Project.

And secondly, it's individuals who have a specific goal, to get a home, to save for post-secondary education or training, and hopefully that which is career-enhancing, and finally, to start or expand a small business. And within that, there are many, many market segments, and by that I mean sometimes it's we're serving single parents. Sometimes we're serving people who are transitioning from incarceration. Sometimes we're serving survivors of domestic violence.

But irrespective of the market segment, they have - the fact that they are saving for a specific goal and that they have low-income and limited assets or limited resources. So there's a difference between the two target audiences.

Thirdly, and this is probably the most common sort of critique I've heard from AFI sites is that a lot of the information in the FDIC Money Smart curriculum in trying to be very accessible, turns out to be too basic for many of the people in IDA - in AFI Projects or IDA programs generally speaking. So there's sort of an assumption sometimes that people don't have experience with banks or banking products, which if you look at many AFI participants or IDA program participants, they do, in fact, have experience with banks and credit unions.

The credit information, as it says on the slide, is often seen as too simplistic and not deep enough to really help participants, especially when it comes to the specific assets that they're trying to acquire and keep.

The fourth reason for sort of creating these toolkits has to do with the methodology used in the training. One of the things that we've done in the Financial Literacy Enhancement Initiative through the trainings that we've been doing around the country for the past five or six years, is really talk about how to make - if you're going to use training - how to make that training as effective and engaging as possible.

And the methodology used in the Money Smart curriculum tend to be pretty much presentation or facilitated discussion where a question is asked and specific responses are looked for to kind of move the content along. And there are other approaches to use in training. So that's one of the things that we - I believe remedied with the toolkits was making the training a little bit more participatory.

And I always like to share this. One of the things we know is that people do tend to retain, and that means sort of keep the information you learn in an educational context for a lot longer if you're doing more than just listening to information being delivered or just seeing it or even seeing and hearing it together. So we've tried to do a lot more experiential-type methodology or use a lot more experiential methodology in the toolkits to address some of these issues.

But despite these shortcomings, there are many advantages to the Money Smart curriculum. The first is that it's modular. And modular means that sort of each section is self-contained, and they're interchangeable. They can be actually delivered in sort of a flow that makes sense for whoever that you're serving. You don't have to start with their Module 1 for Module 7, for example, to make sense.

And each module actually comes with its own sort of retrospective - or actually pre- and post-test - I should say it that way - so that you can if you want to only do one and four, you can, and you can measure the knowledge difference at the beginning and ending of that session. And that, of course, makes it very flexible.

It's also free, which is a big advantage, and it's also one of the few resources that is available in many languages. It's not just English, and it's not just English and Spanish. I mean it includes Russian and Mandarin Chinese and Vietnamese and the list goes on and on. And there's even a brail edition that I believe the Fed based in Kansas City - not the Fed, excuse me - the FDIC in Kansas City created. So it's available in brail, which is incredible.

And finally, there's computer-based instruction also in CD-ROM format that allows you to work with someone who may not be able to come to your office but has access to a computer and work with them via the phone. So there are a lot of really strong advantages to the Money Smart curriculum, which is why we felt it was important to help extend its utility to AFI grantees.

There's also some evidence that shows that the Money Smart curriculum is really effective, and this is from an evaluation that the FDIC undertook. The first key finding - and we're only going to share two - is that the Money Smart training did positively affect participant's behavior. And that those behavior changes were actually demonstrated many months, and I think it's 3, 6 and 12 months after they had completed the training.

Secondly, that people who had participated and completed the training were more likely to open deposit accounts, which was obviously one of the goals that we talked about of the Money Smart curriculum. They were likely to save money or more likely to save money in mainstream deposit products, use and adhere to a budget and have increased confidence in their financial abilities, 6 to 12 months after completing the FDIC Money Smart curriculum as compared with before the course. So those are really positive results.

So now I'm going to actually turn it over to my colleague, Kimberly Zimmerman Rand who is going to talk about the goals for the IDA training toolkits.

Kimberly Zimmerman Rand: Great. Thanks, Inger, and good afternoon everyone. We are now on Slide Number 13. And these were the goals that we developed for the IDA training toolkits. We really wanted to take this very easy-to-use modular-free system and make it most effective for use with AFI grantees and working with IDA and IDA Savers. In essence, we wanted to take what was existing there and add the depth to the material that already exists.

On this slide we see an overview of the toolkit components, and the first three bullets, you see the introduction, the step-by-step overview and the list of instructor aids. These three components already exist in the Money Smart materials. So you, as an instructor, if you were to open up the Money Smart curriculum, that's what you would see. We've repeated them in a condensed format to make it a little bit more easy to use as an instructor and have added those two points at the bottom, the AFI training tools as well as the facilitator guide and the supplemental materials.

Now the target audiences for these toolkits - and this was a point of much discussion among those of us who were developing the toolkits - you'll see on this slide and the next, the four target audiences for the Money Smart toolkits. And the first one was the original intent of the FDIC Money Smart program, which was to target people without formal banking relationships. And for those of you who have used Money Smart, you do see that the goal or the overriding theme of many of the modules are targeted towards people who are not using mainstream financial services.

So with the toolkits, what we have tried to do is to take that existing content and deepen the methodology for that original target audience. As well, we have added activities and material for additional target audiences, the second of which is people with existing banking relationships. So people, many of whom may be in your IDA Programs who have existing banking relationships but need more in-depth information.

The third and fourth target audiences are young people, which we may refer to as people under 18, maybe sometimes people under 23, or our fourth target audience, are new Americans who may be immigrants, refugees, asylees and may be participating in an AFI-IDA Program or maybe a refugee IDA Program. People who have maybe understanding of financial systems but not necessarily the American financial system, and so we try to develop activities to serve that target market as well.

Now the methodology that we've used in the toolkits was really developed - and this is a list citing a number of the different types of activities that we have included in the various modules. We've really tried to embrace that concept that Inger explained just a few minutes ago about if you're able to both listen to material, talk about material, really get involved in a hands-on way with the material, than the adults in the training environment are going to retain that information so much better than just in the simple lecture or facilitated discussion-type of format.

Now how to use the toolkits. First, you know, you'll be working with the Money Smart module. Oh, and I think actually I'm going to hand this back over to Inger to explain.

Inger Giuffrida: Okay. So we basically have three suggestions on how to use these toolkits. And one of the things that we haven't said, but you'll see at the end of the presentation is where these toolkits are available. Well, they're all available online at idaresources.org, and you don't have to write that down, because as I said, it's at the end of the presentation. And we'll explain specifically how to click to it. But all the materials are there, both sort of in html format as well as PDF format. So you can just click on a button and print them out.

So the first is, just as Kimberly said, with the Money Smart module. So for every Money Smart module, there's a toolkit that corresponds with it, and this can either make - help you make the session longer or it can allow you to swap out pieces that you might think are too basic or not engaging enough with other information that's provided or other approaches that are provided in the toolkit.

Secondly, just as I said, instead of section in the Money Smart module, you can keep the session the same length or swap out segments. So those are sort of the two - the only Money Smart-centric ways to use the toolkits.

And then finally, in your own financial education program, so you may have a different curriculum that you use or you may be trying to cobble together your own approach, because you haven't found anything that you think really serves your target audience well.

Well, here are some ready-made for the most part, participatory approaches to covering some topics that are commonly covered and sometimes topics that aren't commonly covered that you can just use as is right off the Web site. And it includes in some cases PowerPoint slides where those are need, worksheets where those are needed, and training props where those are needed. That's all there contained in each toolkit, which hopefully makes them user-friendly.

So the organization of the Money Smart curriculum and it's pretty much stayed the same since its inception in the early 2000s. There are - there were originally ten modules. There is - has recently been added an eleventh module, financial recovery, which was sort of came about following Hurricane Katrina and the efforts around recovering the whole Gulf region recovering from Hurricane Katrina or it's still recovering from Hurricane Katrina.

For that particular module, we do not have a toolkit, because this whole process was started before that was developed and released. But there's a toolkit for Bank on It, Borrowing Basics, Check It Out, et cetera. And so, now we're actually going to go through each one of the toolkits to kind of orient you to the material that's in there.

But before we proceed with that, I just want to pause and see if anyone has any questions they'd like to ask at this point?

Okay. So we'll actually start with Module 1 Bank on It, and Bank on It covers exactly what you would think it covers. It talks about financial institutions. It talks about the major kinds of financial institutions, the reasons to use banks, in particular, how to open up a bank account, banking services that come with deposit accounts and the functions of different staff in most banks. So this is - these are the objectives as have been defined by the Money Smart curriculum.

So what have we added to try to bridge those issues that we raised up in the rationalization? Well, first we've added a whole piece about IDAs, and this obviously, just provides an overview of IDAs to help connect the Money Smart materials to those people who are saving in IDAs. The IDAs are - is introduced as a financial product also available at participating financial institutions. So it just makes it more relevant to the people that you're trying to serve in an AFI Project or an IDA Program.

Secondly, banking services and your goals. One of the things that - while the Money Smart curriculum does a great job of talking about a lot of the different products, it doesn't really talk about the why behind using them, especially as it relates to your goals. So, for example, in this particular toolkit, there is an exercise called a carousel, where people get up in teams and they brainstorm together on different flipcharts that are setup around the room. So they're sort of moving in a circle like the carousel.

And they're answering questions like, "What - how can financial institutions -" and we use the term financial institution more broadly not just bank, but, "How does the term - how do financial institutions help you manage your money? How can financial institutions help you save money," et cetera. So that's sort of a way to get up out of your seat and cover some of this information.

There's another section that is about - that's more about financial institutions, how they work and the reasons they're safe. So this goes more in depth, again, for people that have existing banking relationships or might be new to this country who really need assurance that our banking system is solid, about why banks are safe, and how it is that they work, and we approach this using a skit as well as large group facilitation to sort of process the skit.

And before I go to the next slide, I just want to talk a little bit about the numbering, and it's obviously it's probably pretty obvious, the 1 means that it goes at the first - the first number in this case, 1, means that it goes with Module 1. The second number, the .1 is the number in the toolkit. And so you'll see some have four different sort of sections in them. Some, I think, go all the way up to 8. It just really depends on the topic.

There's another thing - there's another tool in the toolkit. Using fringe banking services, a closer look. We tried to take a sort of a middle-of-the-road view and not call fringe, alternative banking services predatory and help people through hopefully self-discovery see that sometimes these really aren't the best deal. And so this one starts off with just a large facilitated discussion, what is a check-cashing service? You know, and sort of pulling that from the group's knowledge.

And then just this discussion hopefully a sort of non-judgmentally based discussion like, "Well, why do people choose to use check-cashing services?" And then, "What are other examples of businesses that aren't banks or credit unions that provide financial services? And through that, the generation of a list of many alternative financial service providers.

And then participants are asked to actually indicate using like a stick or which of these services they themselves have used, and that's called nominal group technique. So they go up and they put stickies next to it, and then there's a discussion around, "Well, what was your experience in using, you know, a payday lender or a pawnshop or having a car title loan, et cetera?"

And then there's just a little bit of a presentation about sort of, you know, what makes an alternative financial service provider alternative and not quote unquote "mainstream?" And then the whole sort of module wraps up with an exercise that helps people identify alternatives to using some of the alternative providers.

So, for example, the situation, you need to furnish your new apartment. One approach would be going to a rent-to-own store. What would be an alternative? Another example is you need a loan to fix your automobile. One place that you could go is a payday loan, and here would be the terms, generally speaking. Are there any alternatives to the payday loan?

So to help people think through some of the common situations, somewhere one might sort of quickly turn to an alternative financial service provider and then what might be some other alternatives? So again, it's sort of more of a self-discovery as opposed to the don't ever use these businesses approach.

And then there's a section on just understanding interest, where participants actually go through and look at not only interest terminology but how to calculate - how to calculate interest.

The next module is Borrowing Basics, which is also the second module in the Money Smart curriculum, and this talks about credit as well as secured and unsecured loans and also covers some of the alternative service providers. So the module that I just talked through, which is 1.4 is also repeated in the toolkit here kind of where it makes sense, where it kind of fits in the flow.

So some of the tools in this toolkit - so there's just a little bit more about credit. One of the things I sort of shared in the rationalization is that people sometimes feel that the Money Smart curriculum is a little too basic, especially in the area of credit, and we tried to go a little bit more in depth on credit and actually look at the difference between secured and unsecured credit or secured and unsecured - and the secured and unsecured depth that it creates and the connections to net worth in particular.

The next is installment versus revolving credit, and there's actually an exercise that people do to sort of understand the difference and how the payments are made. The third is understanding interest and fees, and this goes more in depth to interest from the previous module and also talks about the different fees that one can sort of incur around - given different kinds of credit.

The next is, what I told you was the repeat from the module before, and then there's a role-play on how credit decisions are made, and in this particular section of the module or the toolkit, participants are put into groups, and they're called the credit committee, and they're to come up with all the questions that they would want to have answered by me, the facilitator or whoever's being the facilitator, in order to lend money to me.

So, you know, they basically brainstorm lists, and the lists are generally very long. And then they share those lists to me, like what it is that they want to find out from me. And the facilitator then organizes those into categories that have to do with capacity, character or capital/collateral as the group is sort of sharing these. And that obviously gets to those sort of key fees, capacity character collateral and capital that are used to evaluate credit applications. Now this is not where we go to credit score. This is sort of the background before you get to credit scoring, for lack of a better way of saying it.

And then we talk about where - and so after that's done - then as a group, they with all of the - with all of the contributions from the credit committees listed on a - on the flipchart in those categories, you identify whether or not that - where that information is found. So is that piece of information found on the credit report or is it found on the credit application in the personal financial statement that's part of the credit application?

But people can see sort of objectively where that information is found or is that piece of information not really a part of the credit decision at all, which many of those things are also offered up.

So that's just a - sort of more in-depth discussion about a couple of the tools in the first two toolkits that are offered. So now I'm going to actually turn it over to Kimberly to talk about the next two toolkits.

Kimberly Zimmerman Rand: Thanks, Inger. So now we're onto Module Number 3, which is titled Check It Out, and this module goes deeper into the topic of checking accounts. As we mentioned before, Money Smart was originally developed for an audience with limited experience with mainstream banking, and so this module tries to explain in more detail the benefits and the ends and outs of checking accounts.

And so what we have added for the toolkit is, first of all, some additional key terms and definitions that are important for people who are interacting with these mainstream financial institutions and opening and managing their checking accounts.

And then we also have an activity called Types of Endorsements, which explains the types - the methods for endorsing and the pros and cons of each method. And so this gives people who don't have as much of a history or experience with mainstream financial institutions actual hands-on experience in endorsing a check, talking about the different types of endorsements and the pros and cons of each one.

Moving into Module 3.3, we are - now we're going to talk about how to manage your money safely without a checking account. So this kind of builds on some of the activities we've done in previous modules and acknowledges that some of the participants in your financial education course may - you know, with all this information still not be comfortable using mainstream financial institutions.

And so it's a candid discussion about what are the pros and cons of managing your money without using a checking account, which I think it a very important thing to do to acknowledge that some people, even with the education are going to make choices to work outside of mainstream financial institutions.

Moving into Module Number 4. Module Number 4 is entitled Money Matters, and what Money Matters talks about is budgeting and using a budget in order to help manage household finances. And what we have learned, those of us who have run IDA Programs, is that it is crucial when talking about budgeting to preface that conversation with a in-depth look at acknowledging participants' values and goals.

And what we have done with Module Number 4 is - in 4.1 - to have a connection and to discuss that connection between participants' value systems, their personal beliefs, and their goals for the future, and how values and goals then work into a budget and the way people manage their money and save in their IDA.

We then move into hands-on exercise, a tracking daily spending using different types of tools depending on people's comfort level with technology or not. And then also talking about ways to monitor a budget. 4.4 is actually looking at the various types of technology that are out there, the software programs, various ways to use Microsoft Office, to manage your budget depending on the comfort level of the participant - the individual participant.

Now I'm going to hand it back over to Inger to look at Module 5.

Inger Giuffrida: Thanks, Kimberly. So Module 5 is Pay Yourself First, which is obviously going to be all about saving. And there are five different things that we've added to this one. The first if finding money to save, and that's just a more participatory way to look at the concept of not only where to save your money but how to find that money to save, which is relevant, we think, to sort of all of the different target audiences.

The second is turning goals into savings targets. We feel that often if the concept of goals is talked about either around budgeting or saving, how to actually turn that into a savings target is often missed. And so this particular section of the toolkit starts off with a sort of a demonstration using a map. And basically each participant or pairs of participants are given a map, and they're given a starting point, and then they're given a set of directions. But they're never given an ending point, and usually about a minute into it or even sooner than that, people get frustrated, because it's obvious, but they don't know if you say make a right and then left.

It's hard to end up, you know, in a particular place, because you don't know where you're headed. And that is sort of used then as a metaphor for how goals are related to not only budgeting but saving in particular, that saving without a specific goal is like following instructions without a - on a map without a specific definition. And that just a set of instructions - even if they're very specific, they're not going to be helpful if you don't really know where you're going.

And so it's just one of those sort of tactile, memorable things that sort of connects two concepts. There are other ways to get to that exact sort of concept, but this is the one that we chose to put into this toolkit.

And then there's a facilitated discussion that goes through an example of how to turn a savings goal into an actual savings target, a monetary amount that you can put in your budget on a daily, weekly, monthly, yearly basis. And then, there's finally, the application to the self. There's an individual exercise that follows the same process that the facilitator would use in the sort of example that she goes through with the group. So kind of brings that whole thing full circle.

There's also an exercise or more information on Are My Deposits Safe? And this is, you know, most clearly targeted to new Americans but also other target populations. Again, more information as to why money kept in a bank or a credit union, a federally insured financial institution is safe. I mean just the knowledge that not a single depositor who has had money in an FDIC-insured financial institution has lost $1 of their deposit as long as they've obviously stayed within the limits that are insured since the Great Depression, and that's, you know, a pretty remarkable achievement.

5.4 is check systems, a potential obstacle to opening up a savings account, and the opening activity used in this particular section actually is not only used for this but the next section also. And so the opening activity is very participatory. It's something I call create a picture. And participants are given a flipchart that has a person at one end and something that represents a goal at the other. And they together in small groups brainstorm all the obstacles that someone would encounter as they're trying to save or open a savings account.

And usually tech systems doesn't come out, but it - but sometimes it does. Like they're not allowed to open an account. But what it doesn't - but this exercise does is it sort of gets up all the obstacles that people might be thinking about for themselves or may have seen other people encounter when they're trying to save. And then - so for the first part, for 5.4, the facilitator then sort of pulls on the thread of check systems and talks about check systems specifically.

For some people, this is brand new information. They may have no idea that there is a database that's sort of kind of like a credit report but it's not and it tracks whether or not they've had trouble with deposit accounts, whether or not they owe money to a bank, whether that has actually tracked in the banking system that they did something fraudulent in the past, and that can actually prevent them from opening up something as sort of seemingly simple as a savings account.

And then that map has - or that sort of picture that created is continued in - or used in anticipating other obstacles to savings where small groups take specific obstacles off of the map, and they identify alternatives to dealing with those obstacles. So it's that contingency planning skill that's sort of really focused on in this particular part of the toolkit in a very, obviously, participatory and visual way.

Module 6 is Keep it Safe, and this is about the laws primarily that - and regulations that protect deposits. And the first talks about the reason for consumer protection laws, and this is really a discussion, a small group brainstorm where people talk about why consumer protection laws exist. And there's a format that's provided.

There's also a discussion about the current depository protection limits, both provided not only for banks but credit unions. Again, we look at both. That's one of the - another one of the ways that we sort of extend the Money Smart curriculum.

And then there's sort of a game, for lack of a better way of saying it, called Regulator Soup. And this - basically in this game everyone's given a card like, for example, one person may have SEC. Another person may have a card that says, Securities and Exchange, and a third person would have a card that has the definition or explanation of what the (FEC) - SEC is to protect - which is to protect investors and to maintain a fair, orderly and efficient market and to help companies create capital.

And they have to find each other and sort of make like a chain, SEC equals Securities and Exchange Commission, and this is what it is. And then they sort of present sort of themselves to the rest of the group and also explain why they think it's important that they know about this particular regulator, that it exists and why it's important to know what that regulator does. So that's sort of the, you know, why does this matter to them piece, because a lot of these - a lot of these acronyms people hear but they don't know.

And then the - there's a part in the module that looks at recognizing predatory banking practices. So this is the first time we actually use the term predatory. And this is actually done where the group is given almost a score sheet, for lack of a better way of saying it, that has different predatory practices listed on it. And it starts with sort of an explanation of what these different predatory practices are.

Then there's a role-play, and the participants watch the role-play, and they take note of when a specific predatory practice is being used. So they're identifying by observing sort of a natural discussion between a potential borrower and a predatory lender and where the predatory practices are actually being used. So it's a fun way to sort of get at something that's not very fun.

And then the last thing is an overview of the Credit Card Act of 2009, which a lot of people now do know about, but when we created these modules, this was, you know, brand new information. So this is just an overview of the Credit Card Act.

And then Module 7 is To Your Credit, and this looks specifically at the credit report. It does not cover credit scoring. It looks specifically at the credit report, which obviously is very important. And there are many different augmentations to this. 7.1 is sort of missing from your materials, but this is key terms and definitions for credit and credit building. So other terms that may not be used in the Money Smart curriculum, but, you know, are important to this concept.

The second is about building strong credit histories. Why strong credit history is sort of a key to being able to build and keep assets. And then there's a really good exercise - actually it's an excellent exercise on paying off debt while saving in a 90A. A lot of times, you know, people question, should I be saving if I still have debt, and this is an exercise that participants really get into using a hypothetical person helping her figure out how do you save in an IDA while continuing to maintain debt payments. And so being an exercise, it's very hands-on, and I think, useful to participants.

There are two more parts to this module. One is Credit History and Hotspots and Behavior Change, and this looks kind of in a funny way at different kinds of -

different kinds of behaviors, for lack of a better way of saying it, around credit and making recommendations to change some of those behaviors. And then Credit Timeline looks at different borrowing actions and the impact on credit scores. So this is where credit scores is introduced, and it's based on an example that was created by the Consumer Federation of America and Fair Isaac Corporation or FICO.

Oops sorry. And then there's the five Cs of credit, which is very similar to the credit role-play, that you looked - that we looked at in one of the earlier modules. And then finally, there's a really good case study in here that looks at debt-to-income ratios for a family that's getting ready to buy a home and how to actually calculate a debt-to-income ratio and what it means using a case study.

Kimberly, would you like to continue with Module 8?

Kimberly Zimmerman Rand: Sure. We're now in the homestretch, and we'll be going over Modules 8, 9 and 10. And Module 8 is called Charge It Right, and whereas Module 7 talked about credit reports, Module 8 really focuses on the use, the acquisition, all things about using credit cards in society.

For - we start off our activity for Module 8 with some key terms and definitions around credit card use. We all know about that fine print on the back of statements, so we want to kind of magnify that and talk about those key terms.

The second activity is called Building Something from Nothing, quote - "a credit history." And this is really geared toward those target markets of new Americans and young Americans. Trying - talking about the ways in which we can build a credit history from not having had one or maybe rebuilding a credit history after something goes awry.

On 8.3, we have something fun called Credit Card Personality Types, and this is an examination and gives kind of a case study perspective with different scenarios, different fictionalized people and how they approach their use of credit cards. And that is designed to spur a conversation about what people who have certain tendencies and certain money personalities can do to use their credit cards responsibly.

Number 8-4 is called Cosigning, the Skit, and this is another one of those hands-on activities where participants in the room volunteer to be either the credit card owner or a potential cosigner, and the skit is arranged in a way such that one person asks the other one to cosign for them.

The second person is forced into a defensive position where they have to defend themselves and turn down the solicitation to be a cosigner and engages the entire room in a conversation about, "Well, has this happened to you? And what can we do in these scenarios? And how do we protect our credit cards and our credit histories in those types of scenarios throughout our friends and families and people that we come into contact for?"

8.5 is called Cash or Credit - It's Your Choice, and this is an exercise that guides people through various scenarios about whether or not they should use cash for a purchase or use a credit card for a purchase. It talks about the pros and cons of each method since there are certain times where consumer protections are put in place if a credit card is used, whereas in other scenarios, where it might just be just as well to use cash for a certain type of purchase.

Module 9 is called Loan to Own, and while Module 8 talked about credit card usage, Module 9 is focused on installment loans. So installment loans meaning student loans or car loans, maybe rent-to-own loans as well as ultimately mortgage loans.

In Module 9, we start with again, with some key terms to set the stage. 9.2 talks about installment loans versus revolving credit and discusses what is the difference between the two, when is one advantageous over the other.

And Financial Terminology Bingo, again, another fun activity that means to drive home these vocabulary words that are thrown around with regards to lending and borrowing that our participants may or may not always understand. And so through a fun activity like bingo, the words are used. They're reinforced. They're defined and people are more comfortable with the lingo, the terminology after the activity has ended.

On 9-4, we're talking about whether or not to consolidate debt and provides pros and cons, and this is presented through the presentation. There's a small group case study, and then brings it out into a larger group discussion to talk about when that scenario is the right one for a consumer.

Module Number 10 is the tenth one for which we have a toolkit. And Module Number 10 is talking about owning your own home. And for those of you who have taught from Money Smart, you know that these tend to be 90- or 120-minute modules, and I see this as more of a precursor or a preliminary discussion around home ownership, whereas your AFI participants may then go into a more formalized home buyer education course. And the toolkit here, once again, starts with the key terms and definitions and then talks to more of an individual exercise on should I rent or should I own.

And this activity also challenges the whole concept of the American dream of home ownership being for everyone and forces people to look at certain components of their lifestyle and where they are in their life cycle and asks them to make certain decisions and puts it all together and gives the participant a greater idea of maybe this is a good time in my life that I should be renting or maybe this is a good time in my life when I should actually go ahead and purchase a home.

10-3 has to do with what you need versus what you want in a home, and this similarly to 10-2 is also a challenge to the HDTV watchers of the world who are...

Inger Giuffrida: Yes.

Kimberly Zimmerman Rand: ...looking at the bonus room and the 3000-square-foot home and the 2-car garage, and again, asks the AFI participants, "Well, what is it that you really need that is best going to best serve the needs of you and the people in your household and make your buying decisions around your needs versus, you know, keeping up with the Joneses."

10-4 has to do with house-rich but cash-poor, and this is a guided discussion on throwing all of your financial resources into home ownership and being left with very little to live on from month to month and talking about the balancing act of using enough of your financial resources to support a home but then having other financial resources at the ready for the emergency fund, for the rainy-day fund, and for future investment goals.

And then 10-5 is called Fair Housing, the Skit, and in this scenario, we are introducing people to the fair lending laws that protect consumers around mortgage lending as a - as well as around home purchasing and gives opportunity for participants to volunteer to play one role or another in a skit and hits home the topics around fair housing and discrimination.

Finally, 10-6 is a pre-qualification worksheet, and whereas many Web sites nowadays do have pre-qualification calculators, in the training environment, this is an opportunity for you to be working with your participants pen to paper and doing a pre-qualification for them individually within the training room and then can lead to discussions or can lead to further one-on-one meetings after the training has concluded.

That wraps up Module Number 10. So we've just gone through the Money Smart Toolkit Modules 1 through 10. And now we'd like to once again, open it up to any questions that you have about Money Smart, about the toolkits or about your financial education efforts in general.

Inger, do you have any questions?

Inger Giuffrida: I don't have any. I don't even have any comments, except for, do we want to maybe talk about where the toolkits are located specifically?

Kimberly Zimmerman Rand: Sure.

Inger Giuffrida: Would you like for me to do that or...

Kimberly Zimmerman Rand: Why don't you do that since I just lost my screen for the moment.

Inger Giuffrida: Okay. So I think that if you go to the last slide where IDA Resources is listed. If you go to IDA Resources on your own, you'll come to a page that has now 15 boxes. If you click on what's basically the second row down, first box it says Financial Education, when you click on that, you're taken to the Financial Education page.

And you have to scroll down a little bit and you'll see basically it says, "Toolkits Using the Money Smart Curriculum in Your IDA Program." And all of the modules that we just talked through or all the toolkit pieces that we talked through are there in the order that we talked through them, and there's also an introduction to the Money Smart Toolkit Series there as well. So that's where that information can be found.

And again, it's available both in PDF format as well as html format, so you can either look at it online or you can print it out and look at it on paper, depending on what your preference is.

Kimberly Zimmerman Rand: Thank you, Inger. And if there are no other questions, I'll just give a few commercials about upcoming opportunities that we have for you. We'll have

Webinars again on May 3rd, and our Webinar on May 3rd will have to do with various certifications for financial educators. We also have an upcoming Webinar on online tools, and so be sure to check back to the idaresources.org Web site calendar for the date on the Online Tools Webinar.

As well, in April, we have 2 Level-2 Financial Education Academies coming up. In the third week of April, we'll be conducting a Level-2 training in Philadelphia. In the fourth week of April, we'll be conducting a Level-2 training in Santa Fe, New Mexico. So if you are interested in either of those, you can as well go on the idaresources.org Web site to register for either one of those.

Finally, we're in the process of developing what we're calling our Level-3 training, and this training will be most likely a 1-day event, and it will focus primarily on preparing for higher education for your IDA participants. And so, as well, keep watch on the IDA Resources Web site as well as the e-newsletters that go out through the AFI Resource Center to look for when we will be offering a Level-3 training in your geographic area.

And with that, this concludes this Webinar. Thank you so much for participating, and if you have any follow-up questions, be sure to contact your (ARC) or the AFI Resource Center for any more information or assistance. And thank you so much and have a great afternoon.

Coordinator: Thank you for your participation. Your call has concluded. You may disconnect at this time.

END