FACILITATOR'S GUIDE INTRODUCTION

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PROGRAM OVERVIEW

Consider the following financial literacy quotes and statistics:

In a nation where nearly a third of high school seniors already use a credit card, a higher proportion have an ATM card, and 1.5 million families filed for personal bankruptcy in 2001, the need for personal financial literacy is apparent.

—Jump$tart Coalition for Personal Financial Literacy, *2002 Personal Financial Survey of High School Seniors*

In considering means to improve the financial status of families, education can play a critical role by equipping consumers with the knowledge required to make wise decisions when choosing among a myriad of financial products and providers. This is especially the case for populations that have traditionally been underserved by our financial system.

—Alan Greenspan, Testimony on Financial Literacy Before the Committee on Banking, Housing, and Urban Affairs, U. S. Senate, February 5, 2002

In 2000, a small pilot study undertaken for NIACE revealed that nearly 30% of those over the age of 50 experience some or extreme difficulty understanding their finances: 31% experienced some level of difficulty with banking; 38% with credit cards; 26% with shopping, and 29% with gas bills.

—National Institute of Adult Continuing Education Briefing Sheet, *Financial Literacy and Older People—Moving On*

For Latinos, financial education and improvements in literacy are especially important to begin the process of purchasing and accumulating assets… for most Latino families, most of whom are native-born, low participation in financial markets can be largely attributed to a lack of familiarity with financial institutions and the process of building wealth.

—Raul Yzaguirre, President of the National Council of La Raza, Testimony on Financial Literacy Before the Committee on Banking, Housing, and Urban Affairs, U. S. Senate, February 6, 2002

PROGRAM OVERVIEW

Everyone must make financial decisions—and lots of these decisions. Do you have the knowledge to make wise financial decisions? It is easy to spot those people who have the financial skills to make smart money decisions in their personal and professional lives. Our goal is to connect all individuals to this collection of valuable information.

The presentation units in this program include the following areas:

Introduction to Financial Services

This introductory unit is critical and should not be overlooked. For some participants in this program, this will be their first exposure to banks. Therefore, it is critical to begin by talking about both the importance of banks and the stability and reliability of banks in the United States.

Basic Banking Services

Banks are constantly evolving as financial institutions within a community. Today there are many additional outreach opportunities for banks to work with individuals. This unit of activities will take the participant through an array of financial services provided by banks today, while providing opportunity for personal connection to and assessment of these services.

Saving and Investing

Saving is the process of setting aside money until a future date instead of spending it today. Saving provides funds for emergencies, short-term goals, and investments. Investing, on the other hand, is setting money aside to increase wealth over time and accumulate funds for long-term financial goals such as retirement. In the activities on saving, topics range from why a person should save to places to consider when saving. In the activities on investing, the emphasis moves to a higher level, with decision-making opportunities about investments and an overview of the advantages and disadvantages of different places to invest.

Credit

Credit generally refers to the qualifications of a person to borrow money as well as the arrangements for repaying the loan. Credit can be a valuable financial tool, but like many privileges, it comes with responsibilities. With discipline and wise decision making, credit can be a strong personal financial asset. In this unit of activities, topics will range from the basics of what credit is and how one knows one has credit, to hands-on activities dealing with credit cards, credit reports, and managing debt.

NATIONAL STANDARDS IN PERSONAL FINANCE

A note from Jump$tart: "The *National Standards in Personal Finance* identify what K-12 students should know and be able to do in personal finance. The National Jump$tart Coalition for Personal Financial Literacy asserts that all young people graduating from the nation's high schools should have sufficient knowledge and skill to enable each student to take individual responsibility for personal economic well-being."

The use of these *Standards* with out-of-school adults is certainly appropriate and fundamental. The *Standards* have four major categories of personal finance: Income, Money Management, Spending and Credit, and Saving and Investing. Within each category, there are benchmark skills and concepts. Each unit in the program will correlate its activities to appropriate standards from these four categories.

Please note that these activities are not designed to facilitate complete mastery of these skills in the time allotted. Instead, the skills identified with an activity are introduced and should be improved as a result of completing the activity.

INCOME

Students will be able to:

1. Identify sources of income.
2. Analyze how career choice, education, skills, and economic conditions affect income.
3. Explain how taxes, government transfer payments, and employee benefits relate to disposable income.

MONEY MANAGEMENT

Students will be able to:

1. Explain how limited personal financial resources affect the choices people make.
2. Identify the opportunity cost of financial decisions.
3. Discuss the importance of taking responsibility for personal financial decisions.
4. Apply a decision-making process to personal financial choices.
5. Explain how inflation affects spending and investing decisions.
6. Describe how insurance and other risk management strategies protect against financial loss.
7. Design a plan for earning, spending, saving, and investing.
8. Explain how to use money management tools available from financial institutions.

NATIONAL STANDARDS IN PERSONAL FINANCE

SPENDING and CREDIT

Students will be able to:

1. Compare the benefits and costs of spending decisions.
2. Evaluate information about products and services.
3. Compare the advantages and disadvantages of different payment methods.
4. Analyze the benefits and costs of consumer credit.
5. Compare sources of consumer credit.
6. Explain factors that affect creditworthiness and the purpose of credit records.
7. Identify ways to avoid or correct credit problems.
8. Describe rights and responsibilities of buyers and sellers under consumer protection laws.

SAVING and INVESTING

Students will be able to:

1. Explain the relationship between saving and investing.
2. Describe reasons for saving and reasons for investing.
3. Compare the risk, return, and liquidity of investment alternatives.
4. Describe how to buy and sell investments.
5. Explain how different factors affect the rate of return on investments.
6. Evaluate sources of investment information.
7. Explain how agencies that regulate financial markets protect investors.

NATIONAL STANDARDS IN ECONOMIC EDUCATION

The National Council on Economic Education (NCEE) — in partnership with the National Association of Economic Educators and the Foundation for Teaching Economics — has produced a set of curriculum standards based on the essential principles of economics. In total, a panel of economists and economics educators developed 20 standards, and of these, many apply to personal financial literacy. Like the Jump$tart Coalition Standards, the NCEE Standards are appropriate to use with out-of-school adults.

What follows is a list of those NCEE Standards that correlate to activities found in this program. Please note that these activities are not designed to facilitate complete mastery of the skills and concepts referenced in the standards. Instead, the skills and concepts identified with an activity are introduced and should be improved as a result of completing the activity.

1. Productive resources are limited. Therefore, people cannot have all the goods and services they want; as a result, they must choose some things and give up others.

2. Effective decision making requires comparing the additional costs of alternatives with the additional benefits. Most choices involve doing a little more or a little less of something: few choices are "all or nothing" decisions.

3. Different methods can be used to allocate goods and services. People acting individually, or collectively through government, must choose which methods to use to allocate different kinds of goods and services.

5. Voluntary exchange occurs only when all participating parties expect to gain. This is true for trade among individuals or organizations within a nation, and usually among individuals or organizations in different nations.

10. Institutions evolve in market economies to help individuals and groups accomplish their goals. Banks, labor unions, corporations, legal systems, and not-for-profit organizations are examples of important institutions.

11. Money makes it easier to trade, borrow, save, invest, and compare the value of goods and services.

16. There is an economic role for government in a market economy whenever the benefits of a government policy outweigh its costs.

INTRODUCTION TO THE FACILITATOR'S GUIDE

Components

The *Facilitator's Guide* contains the information needed to present the activities. For more background, consult *Appendix 4: Resources*. The *Guide* is designed to minimize preparation time and help you feel more confident teaching the lessons.

Each presentation section contains the following organizational structure:

Introduction

- **Section Overview**
  Background content for use by the facilitator in preparing and delivering the section.
- **Section Goal**
  Financial literacy purpose of the section.
- **Section Activities at a Glance**
  List of the activities in the section with their corresponding objectives. This format is an excellent tool for the facilitator to use in reviewing the material and selecting activities appropriate to the audience and occasion.
- **Personal Financial Literacy Standards Correlation**
  Correlation chart illustrating the connections between *National Standards in Personal Finance* and the activities.
- **National Council on Economic Education Correlation**
  Correlation chart illustrating the connections between the National Council on Economic Education standards and the activities

Activities

Each activity has a standardized presentation format. This format allows the facilitator to not only prepare but also present the information efficiently. Each activity is designed to be completed within 50 to 60 minutes. Knowing your audience is the best way to determine time needed.

- **Objectives**
  Learning goals for the activity.
- **Materials Needed**
  List of materials, supplies, and equipment needed to deliver the activity.
- **Advance Preparation Notes**
  Targeted recommendations to use in preparing for the activity.

Continued on next page.

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- **Delivery Notes**
  Brief semi-scripted notes guide the facilitator through presentation of the activity—coordinated with any provided handouts, overheads, etc. Facilitators are encouraged to add personal notes and references, enrichment comments, and spontaneity and informality to the delivery notes.
- **Handouts and Overheads**
  To ensure a user-friendly connection between the content and the participants, numerous hands-on, supplemental materials are part of this program. It is critical to have sufficient copies of each handout and wise to have extras.

Tips for Effective Use of the Facilitator's Guide

IDENTIFY THE AUDIENCE.
–
ASSESS THE AUDIENCE'S NEED.
–
REVIEW THE AVAILABLE MATERIALS.
–
CUSTOMIZE THE DELIVERY.

The program design is flexible. Once the audience is **identified**, meet with the teacher or program facilitator and **assess** the needs of the audience based on topics of interest and delivery time available. When possible, a focus group with representative members of the audience is an effective way of assessing audience needs in terms of content, delivery methods, session timing, and other factors. Review the *Facilitator's Guide*, **select** the most appropriate activities, and **customize** the program to fit the needs of the audience, available resources, and other opportunities and constraints.

This program is designed to meet the needs of multiple audiences. It should be considered as an introductory step—providing basic financial literacy content and skills. Throughout the program are opportunities to extend the learning process by connecting with other financial resources. Because the activities are modular, they can be used alone or in connection with other activities. Thus, the facilitator can combine the activities in various ways to meet participants' needs. Some activities are designed to present conceptual information while others target an action, such as writing a check or reading a credit report. To add variety, enhance sessions with events such as visiting a local bank or hosting guest speakers from the banking community.

INTRODUCTION TO THE FACILITATOR'S GUIDE

Several presentation techniques are included within the activities. These techniques vary from problem solving to working in groups (varying sizes), making checklists, having discussions, taking polls, role playing, and brainstorming. Change the technique to support the comfort level of the participants and the facilitator's delivery experience. The most effective presentation uses a variety of techniques and encourages active audience involvement.

Facilitators will be most successful when they value differences and recognize unique characteristics of each individual participating in the program, no matter his or her age or background. One group may respond better to a "Q and A" technique, while others may prefer group discussion. The important consideration is to provide a variety of techniques and find a way to challenge and reach each participant. It will be helpful to learn as much as you can about your audience beforehand.

MAKING THE CONNECTION BETWEEN THE AUDIENCE AND THE PROGRAM

Making the Connection between the Audience and the Program

Providing instruction related to current social, economic, and personal problems and concerns is a challenge. While there are some specific suggestions below, the facilitator would do well to remember the following points.

- **Remember the goal of this program**—to provide financial literacy instruction in a nonthreatening format to a variety of audiences.
- **Remember the audience**. There is always the temptation to "get on a personal soapbox" that is important to the facilitator but confusing to the participants.
- **Remember the presentation**. Avoid the use of scare tactics or horror. Such techniques are usually self-defeating. The vast array of available current events to use as possible supplemental materials can be overwhelming. When selecting current events or real-life experiences to incorporate into an activity, consider the four-step test:
    1. **Value:** Will this event or experience add to or detract from the content of the presentation?
    2. **Appropriateness:** Is the event or experience appropriate given the specific audience?
    3. **Relevance:** Is the event or experience related to the point being made?
    4. **Reliability:** Is the event or experience objective and from a reliable source?
- **Remember your limits.** Facilitators are not expected to know everything about financial literacy. If you don't know the answer to a question be honest, and if you say you will find the answer, be sure to follow up. Don't hesitate to ask a qualified investment advisor or local bank representative, and encourage participants to do the same.

As facilitator, you have primary responsibility for presenting the activity. However, it is critical to connect with the classroom teacher or program coordinator to be sensitive to participants' needs. Such a crucial first step will help ensure the success of the program. The following suggestions provide steps to consider when working with this program.

MAKING THE CONNECTION BETWEEN THE AUDIENCE AND THE PROGRAM

Before the Presentation

- **Request a participant list** to become familiar with names and correct pronunciation.
- **Become familiar** with the participants' cultural, economic, and educational backgrounds.
- **Be sensitive to any presentation style or activity you plan to use**. Some participants may be sensitive to speaking in public.
- **Be aware of the number of participants in the session.** Have extra copies of handouts. Think about how the number of participants will affect any interactivity you may plan.
- **Check the physical facility.** If you will be using visuals, will there be appropriate equipment available or will you be expected to provide that equipment? If you will be using visuals, will there be a place to display them?
- **Be aware of time limitations.** The audience will appreciate starting on time, finishing on time, and effectively managing time during the presentation.
- **Be prepared!** Practice the presentation until you feel comfortable with the materials and the activities.

During the Presentation

- **Be sensitive to classroom or organization operating guidelines**.
- **Arrive in time** to organize for the presentation. Running in at the last minute might give the impression you have not given priority to this program.
- **Be friendly, and be yourself.** Consider meeting participants at the door.
- **Start on time. End on time**. Whether the presentation is in a classroom or a community center, time is valuable and limited. Keep in mind for evening presentations that most participants have already had a full day of work and have personal and family responsibilities.
- **Start each session with a focused attention getter**. Begin with something simple that will make the participants alert and eager to participate in the session. You could throw out a key word from the topic at hand and ask what participants first think of when they hear this word. Keeping an eye out for cartoons and related news in newspapers or magazines or on television can also lead to interesting teasers to begin the session. Questions can also be good attention getters, especially if you ask something that you've learned your participants are interested in.

MAKING THE CONNECTION BETWEEN THE AUDIENCE AND THE PROGRAM

- **Use language, both tone and body, appropriate for the audience**. Don't lecture. The main objective of this program is to make the participants eager to strengthen their financial literacy, not to put them to sleep or make them run in the opposite direction. Because of the nature of this program's content, be very careful of terms and concepts that might be technical, figurative, have multiple meanings, or be similar to other words in written or spoken format. And of course, be sure to explain abbreviations and acronyms.
- **Don't be embarrassed if you mispronounce a person's name.** It shows your human side.
- **Invite ownership in the session and the content.** Encourage participants to share their questions and concerns about the subject. Involve as many as possible throughout the presentation. Encourage discussion and questions as a way to evaluate participants' comprehension. Participants should be empowered to seek answers for themselves.
- Conversely, **don't allow the discussion to "roam" unnecessarily.** Look for a positive opportunity to return to the topic under discussion.
- **Have fun!** Financial literacy is a positive opportunity for participants to secure both short- and long-term financial success for themselves.

After the Presentation

- **Reflect on the session.** Make notes on how to strengthen your presentation skills. Which techniques were successful and which did not work as well? What areas need to be enhanced? What questions did the group ask that you want to do more research on? Did you offer to bring specific information back to the next session?
- **Make notes** about the participants to use in the following session. Asking about the status of a previous discussion at the following session shows you care.
- **Make notes on the activity design.** Consider completing the evaluation form located in the Appendix. Try to help the next presenter to be more successful.

MAKING THE CONNECTION BETWEEN THE AUDIENCE AND THE PROGRAM

A Quick Personal Checkup

Ready to go? Take this last-minute check-up as you walk out the door.

✓	ACTIVITY
	1. I have a list of the participants' names. I have reviewed the pronunciation of their names.
	2. I know something about the participants' backgrounds.
	3. I have all of the materials and equipment I need: • Overhead projector, computer, lightware, etc. • Screen • Extra light bulbs for the projection equipment • Extension cord
	4. I have extra handouts.
	5. I have a backup plan in case my equipment does not work.
	6. I am prepared! I feel confident and excited about the program.

ASSESSMENT

Evaluation is important in all phases of education programming. Throughout the presentation units, informal opportunities to evaluate will be recommended. These opportunities may include having participants keep anecdotal records or checking their own work as part of the activity.

There will also be the opportunity to compare the participants' knowledge based on a national survey of financial literacy. The Jump$tart Coalition for Personal Financial Literacy conducts biennial national surveys. The national survey of 4,024 12th graders, conducted in 2002, found an average score of just 50.2 % on a practical 31-question multiple-choice examination designed by a team of educators. This was down from 51.9 % in 2000 and 57.3 % in 1997. However, be sensitive if you use comparisons to these scores. Telling adults they did worse than high school students may alienate the audience.

Each unit incorporates appropriate questions from the national Jump$tart survey in *Appendix 3*. As a facilitator, consider the following options for use with the survey questions.

1. Use the questions as a pre- and post-test for the individual unit. Since the answers are provided along with the percentages of individuals who answered the question correctly, there are options for extended class or group discussion.
2. Select one of the pertinent questions within the grouping as an introductory point to start the class session, with discussion to follow.
3. Distribute the unit questionnaire as advance homework, allowing the participants to identify the answers prior to the class when the topic will be discussed.
4. Use the questionnaire as closure for the session, allowing the participants to apply the content from the session.
5. Encourage small groups to work together on answering the question(s). This will help "break the ice" and promote class discussion.

These materials and scenarios throughout the program are provided for educational and illustrative purposes only; individual circumstances may vary.

Throughout this guide the survey is reprinted with permission from the National Jump$tart Coalition for Personal Financial Literacy, Washington, D.C.