Make [leadership] count

We believe that having a strong foundation in financial literacy allows our next generation of leaders to make informed and effective decisions. This is one way we make responsibility count.

To learn more, visit www.pwc.com/us/corporateresponsibility

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The need for financial education really isn’t new. In fact, financial literacy and the importance of saving money itself isn’t new—although early 20th century families may have had more insight in their financial planning. However, in today’s economy and financial services industry crisis, many Americans have a renewed interest in improving their knowledge of personal finance and their ability to manage their own money well—the information and skills necessary to be financially literate or financially capable.

A failing grade

Unfortunately, despite an increased need to understand financial concepts, as well as growing attention to the matter, the financial literacy levels of American consumers remain disappointing low. The 2009 National Poll on Personal Finance by the FINRA Investor Education Foundation found “a troubling picture of the financial literacy of the U.S. adult population.” In the national survey, respondents were asked if they could define an annuity and if not, if they could explain it, almost half of the respondents said no. While 49% of respondents agreed that they need to understand financial concepts, only 27% felt comfortable giving advice to a family member on personal finance.

Financial literacy and family empowerment

The unambiguous need to educate American children and, especially, parents of young children, reach them earlier, and provide them with the information necessary to be financially literate or financially capable.

I’m often dismayed when I hear debates about whether financial education in the classroom is the responsibility of parents or whether it belongs in the classroom.

How—why—would anyone make this an either/or proposition? Financial education for young people can and should take place in school, after school, and at home.

But it is important to remember that many parents aren’t knowledgeable or adequately prepared to help their children make financial decisions. Learning how to manage your money at home is a standards-based financial education help to ensure that all students can be financially literate and prepared to make smart financial decisions throughout their lives.

Financial literacy in the classroom

To learn more, visit getSMART.at.com. Financial management skills, available free from the First Command Educational Foundation.

Money Matters is a Texas State Board of Education-approved course in financial literacy for grades 9-12.

First Command Educational Foundation is a 501(c)(3) public charity promoting financial literacy and college scholarships.

Prepare your child for the financial challenges of tomorrow today.

Give the gift of knowledge and money-management skills for a lifetime. Ask your school to organize an empowerson session.

LAURA LEVINE

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Learning about money doesn’t have to be serious

Discover FamilyFinancialHub.com, where talking about financial concepts is made easy and fun!

Video tips on how to talk to your kids about money and real-life financial lessons from parents

The Great Piggy Bank Adventure® online game designed to teach kids about goal setting, saving, and investing

A free financial activity book, featuring puzzles, games, and challenges

Explore saving and spending wisely further with your family. Visit your local T. Rowe Price Investor Center and pick up a free Financial Adventure Bag. It’s all part of our commitment to making financial concepts more engaging for kids and families.

Visit the mobile website
Download a free QR code reader and scan this code.

“If you think education is expensive... try ignorance.”

Are you ready?
To support financial literacy and economic education in your schools.

Visit our website to find out
How you can help your children get smarter about money.
How you can get involved in your community.

We’re Making an Impact on Their Future

The Actuarial Foundation has joined the fight against teen financial illiteracy with its Building Your Future curriculum. This engaging and informative resource helps teachers educate their students how to master the foundational elements of personal finance, practice core skills and prepare for life on their own.

This award-winning resource has been delivered to thousands of teachers nationwide. Teachers, use this opportunity to receive your own free set of Building Your Future. Go to www.actuarialfoundation.org/byf.

“During these challenging economic times, it is invaluable to have organizations such as yours invest in the education of our students.”
—Teacher, San Francisco, CA

Building Your Future is made possible thanks to the generosity of actuaries and corporations within the actuarial profession.

www.councilforeconed.org

The Great Piggy Bank Adventure® is an online game and interactive exhibit at INNOVENTIONS at Epcot® at the Walt Disney World® Resort in Florida that is a fun way for families to learn about financial literacy together.

T. Rowe Price and Disney Enterprises, Inc., are not affiliated companies.
FINANCIAL BUILDING BLOCKS FOR THE FUTURE

**TRICKY CHALLENGES**

**FOR THE FUTURE**

**FINANCIAL**

26, AUGUST 2011 • USA TODAY 26, AUGUST 2011 • USA TODAY

Helping children, you know how impossible it is to get to the store without having to go to the store without a list. Take a toy, video game, etc. Children are constantly exposed to material goods and do not engage in financial transactions without any explanation of the value of money or how to use it. That’s why it’s never “too soon” to teach your kids money management.

**Ages two to four**

- Small children are capable of absorbing lots of information. Take advantage of their curiosity to instil basic financial concepts.
- Help your child sort coins and explain the concept of equivalence.
- Use a clear jar instead of a piggy bank, so he or she can see money accumulate and insert/withdraw.
- Play “store” with your child, using change from his or her jar, or your own wallet. Play the part of a customer while your child is in the cashier, then switch roles.

**Ages five to seven**

As your children approach school age, let them handle money regularly so they become comfortable with cash. An allowance is a good idea, but be consistent and set some ground rules.
- Use allowance as a tool to teach money management, not as a method of punishment or reward.
- Share your past spending mistakes with your child, show your teen to get a job, grow a savings account, and invest. Explore fun ways to talk to kids about money

**T. Rowe Price and Disney Enterprises, Inc., are not affiliated companies.**
Parents: Their future is in your hands

Parents understand the importance of talking to kids about the dangers of sex, drinking and drugs, but they don’t routinely discuss money. We now have evidence as to why it’s essential for parents to break through this communication barrier.

In 2007, my colleagues and I began following more than 2,000 college students at the University of Arizona, tracking their financial knowledge, attitudes and behaviors from when they were freshmen until they graduated. What we identified in some young people manage money well, but nearly 75 percent of students had resolved to at least one “vain” financial behavior, such as maxing out credit cards or not paying bills on time. We learned that these behaviors lead to declining financial confidence, which spills over into illness, depression and other problems. We are witnessing the making of the typical American consumer—living beyond our means, not saving and borrowing atore with every dollar.

But where do these financial behaviors come from? How can we change them? The study provided a silver lining, proving that parents have the most influence over how their children will develop healthy financial habits. The students who were raised by parents who discussed financial matters intentionally and regularly saw their parents as role models. The students who were raised by parents who did not discuss financial matters disqualify them as positive influences. What we identified is some young people can develop their own financial sense with respect and dignity.

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When should I start saving for my child's college tuition?

Question: When should I start saving for my child’s college tuition? Answer: As early as possible—the first financial contribution you make toward your child’s future should be a college savings fund.
We talk with parents all the time who tell us that despite the abundance of information and guidance—online, from professionals, and in publications like this one—they don’t feel confident in their ability to teach their own kids good money management skills. When it comes to teaching kids about money, though, there are many things that parents and other family members can do, without doing the teaching themselves. As a good parent, you’re already engaged in your child’s education. You know the teachers and school administrators. You attend “Back to School Night,” parent-teacher conferences, and other events. When you have a question, concern, or idea, you speak up. Parents and guardians are in a great position to suggest financial literacy programs for their children and schools. There is something you can and should do, even if you’re not among those already teaching your kids about money at home.

Think outside the box
Money management can be taught effectively in non-financial organizations. For example, if your kids are running money for their sports team, drama club, or youth group, suggest having them learn how to deposit, invest, account for and budget that money. If neither you nor the program is in a position to do the teaching, recruit local bankers, accountants, financial advisors and others. They’re often happy to help you.

And speaking of financial professionals, parents, as consumers, can encourage their financial service providers to support local financial literacy programs and activities.

What more can parents do?

Question 1: How can I turn a top-down lecture about money with my children into a conversation with them?

First, recognize you don’t need to know a ton of complex numbers or critical building blocks to make sound financial decisions. Instead, focus on teaching fundamental concepts and selecting the right vehicles to track and manage your income to achieve those goals.

Also, learn from other parents. T. Rowe Price hosts a Family Center Web site with real-life stories from parents about financial lessons.

Question 2: What are the three most important financial concepts my children should understand by the time they graduate high school?

We have learned from many of the community organizations working in this area that teaching, engaging, and hands-on experience can help turn financial concepts into meaningful lessons that can actually influence the future financial behavior and decision-making of young people. For example, they use online games to teach basic concepts, like the difference between needs and wants, to help children understand how to spend wisely.

Question 3: As a parent, what steps can I take to become more financially literate?

As a good parent, you’re already a financial literacy expert in your own right. Your children look to you for advice on everything from what to wear to where to go on vacation. So don’t think you have to be some kind of expert in P/E ratios or central banking to make good financial decisions. Combining innovative financial education with real experiences and access to basic banking products, for example, can make financial lessons a fun and meaningful way for them to start understanding how to save and spend wisely toward those goals.

We all require ongoing financial training and coaching, as we navigate everyday needs, goals and economic situations change or are challenged. Around the country, Citi supports programs with many local community organizations that provide free, convenient financial literacy education and assistance to low-income families. Financial education experts work with youth, parents and teachers to help change the way financial concepts are taught and can even provide training and coaching, as our financial needs, goals and economic situations change or are challenged. Around the country, Citi supports programs with many local community organizations that provide free, convenient financial literacy education and assistance to low-income families.

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What if I dispute the accuracy of the debt?

• What if I dispute the accuracy of the debt?

• What should I do if contacted by a debt collector?

• Is debt collection regulated by law?

• What do I do if I am being contacted by a debt collector?

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By 2012, every kindergartener in San Francisco public schools will have his or her own Kindergarten to College savings account. This universal program combines public and private resources to give students both financial education and savings incentives that support their goal of attending college.

Working with the City and County of San Francisco, Citi is expanding financial inclusion to enable families to save steady and dream huge.

For more information visit www.citicommunitydevelopment.com