

Financial Literacy: Skills For the 21st Century



Harold McGraw III, Chairman, President and CEO of The McGraw-Hill Companies joins winners of the Harold W. McGraw Jr. Prize in Education in ringing the New York Stock Exchange's (NYSE) opening bell.

Consumer credit card debt now exceeds more than \$750 billion

(The Federal Reserve)

An estimated 28 million Americans are "unbanked"; 44.7 million more are "underbanked" (FDIC's Alliance for Economic Inclusion Website)

The President's Advisory Council on Financial Literacy's 2008 Annual Report identifies financial illiteracy as among the causes for the financial and credit crisis.

Demand for financial literacy help is on the rise; more than a third of The New York Public Library (NYPL) patrons who were surveyed in 2009 said they'd like to see more financial literacy classes and increasingly NYPL branch librarians are being asked for information, advice and materials about financial literacy fundamentals. (NYPL)

Financial Literacy Now: New York

We have learned many lessons from the current economic crisis. But none is more important than this: financial literacy is critical to our economic well being, and, unfortunately, we are not making the grade.

Every American's ability to provide for our families, achieve financial security and contribute to the growth of the broader economy is dependent on our ability to understand how money works. But according to the Jump\$tart Coalition, high school students scored only 48.3% in a recent financial literacy test. And while college students scored better, 62.2%, there still is room for significant improvement. That's why we need to redouble our efforts to educate Americans of all ages about mortgage terms and conditions, as well as such con-

cepts as the impact of compound interest rates on credit card debt, diversification in investing, and the value of saving, just to name a few.

At The McGraw-Hill Companies, our mission is to provide essential information and insight that help individuals, markets and societies perform to their potential. That's why we are excited to partner with several nonprofit organizations on a new campaign, **Financial Literacy Now: New York**, designed to better prepare all New Yorkers to make informed decisions about their finances.

This initiative will focus on three priorities:

- Raising awareness of the importance of financial literacy so we can effect real change in people's knowledge and behaviors.

- Providing greater access to the training, services and information people need to develop these essential skills.

- Enhancing professional development opportunities for teachers so they are equipped to teach financial literacy to students of all ages.

Ours is a local initiative, but clearly this is a national issue. That's why we need public and private support for regional and national programs designed to increase financial literacy for all Americans. This includes supporting educational standards that incorporate basic economics in curricula beginning in the earliest grades. If we put the same emphasis on our children's financial literacy that we do on their ability to read and write, we will go a long way toward helping them realize their dreams, enjoy higher standards of living and achieve a secure financial future for generations to come.



Harold McGraw III, Chairman, President and CEO, The McGraw-Hill Companies

Bringing Financial Literacy to Those Who Need It Most

At the heart of The New York Public Library's mission to inspire lifelong learning, advance knowledge and strengthen communities is the clear goal of improving the lives of New Yorkers. And, promoting the financial literacy of the most underserved populations in this City is paramount.

In 2009, the Library launched Job-Search@NYPL in response to the loss of hundreds of thousands of jobs in New York City. The impact has been tremendous and one that the Library hopes to replicate with this Financial Literacy Now campaign. For Zvi Blech who visited the Library this spring, the job search resources and staff are vital: "They are very flexible. They work



with you." Mr. Blech says that he tells everyone about NYPL's "phenomenal" free classes and services.

As essential as it is to help New Yorkers re-enter the workforce, promoting financial literacy once they're employed is a crucial next step. The Library offers a wealth of financial resources, from electronic databases to printed materials, and an expert staff to guide users seeking to educate themselves in financial matters. The Library conducts more than 100 classes with staff who are ex-

tremely knowledgeable about resources relating to finance and investments. Volunteer financial experts deployed throughout the Library's 87 branches will broaden the general public's access to free money management resources and tools.

The New York Public Library is poised to expand this new Financial Literacy Now campaign in libraries across the Bronx, Manhattan and Staten Island. For more information about The New York Public Library please visit www.nypl.org

Empowering the Next Generation Through Economic **Education**

In the coming years, young people will face unprecedented economic opportunities and challenges. Will they be ready to meet them head on? The answer is yes: provided they understand the "economic way of thinking."

The Council for Economic Education (CEE) is committed to empowerment and opportunity through economic and financial literacy. CEE envisions a world in which young people are prepared to make informed and responsible economic and financial

choices throughout their lives. It works to achieve this goal by focusing its efforts on teachers, the key to students' success.

The CEE develops and offers teaching resources and training programs for K-12 teachers in standards-based economic and financial education, so they can

teach these vital skills to young people. By giving teachers the tools they need to teach with confidence, millions of K-12 students - nationwide and around the world - will leave school with the knowledge they need to make sound economic and financial decisions later in life.

One recent CEE teacher is Lucia, who took part in a training workshop to help her teach basic financial concepts to her class of at-risk high school students: "I was really impressed with the quality of CEE's program. I can hardly wait to use what I have learned in my own classroom. Most of my students haven't had any exposure to good financial skills. The hands-on activities are just what they need. I want to do a good job and the CEE has made that much easier!" Please visit www.councilforeconed.org



Financial Literacy Podcasts

Talking Financial Literacy Podcast, or “Talking Fin Lit” as its many listeners have come to know it, gets our nation’s educators quickly up to speed on financial literacy, an essential dimension of what kids should learn at school. The show is uniquely equipped to do this through its appealing, entertaining talk show format and its free and user friendly, Internet-based distribution.

Early in the series, teachers in a Texas focus group shared their desires for new financial literacy curricu-

lum, resources, and practices with the show’s two producers, Dr. Kathy King and Mark Gura. Both are affiliated with Fordham University’s Graduate School of Education and bring a special blend of expertise to the project. As a former head of Math, Science, and Technology professional development for New York City public school teachers, Gura packaged important new ideas for teacher application. King is an internationally recognized expert on professional development and distance learning. To-

gether, they present relevant, feasible approaches to financial literacy instruction with the show’s first series of 24 episodes. These explore the current state of financial literacy, presenting important insights, free resources, and suggestions on classroom implementation. The upcoming second series will explore further resources and practices and interview important experts in the field of financial literacy education.



The show will provide a public voice to important facets of the Financial Literacy Now campaign, highlighting opportunities for its combined audience. The show is easily accessed at its website, www.talkingfinlit.org.

Understanding Money and How it Works – for Adults

Literacy Partners, Inc., a not-for-profit organization, provides free community-based adult and family literacy programs that help adults fully realize their potential as individuals, parents and citizens. As the only nationally accredited adult literacy program in

New York City, Literacy Partners has taught more than 25,000 adults the basics of reading, writing, mathematics, financial and health literacy through high-quality classes and programs offered at no cost to them or their family members. Through participation in financial

literacy programs, previously unbanked adults gain an understanding of money and how it works in today’s world. Classroom activities encourage students to actively think through the mathematics and financial skills needed to accomplish larger tasks and translate these skills to daily financial decision making. Financial literacy classes empower students with the necessary information and education to effectively manage their finances and secure fair banking services so that students do not fall prey to risky, deceptive and often fraudulent financial services. Mary S., a Literacy Partners student notes that, “before I started taking classes at Literacy Partners, I cashed my paycheck at a check cashing place. My teacher taught me how to open an account. Now my check is deposited into my own bank account. I also have a savings account and learned how to use the computer to pay my bills.”

Effective management of financial resources is crucial to increasing family stability and developing good consumer habits. For more than 35 years Literacy Partners has delivered quality programs throughout New York City. Please visit us at www.literacypartners.org



Financial Literacy Now: New York

Campaign for Financial Literacy

Financial Literacy Now: New York is a project of The McGraw-Hill Companies in partnership with The New York Public Library (NYPL) and several other nonprofit organizations, to raise awareness about the critical importance of financial literacy and provide greater access to training, services and information.

CAMPAIGN HIGHLIGHTS:

- ✓ Financial and economic literacy educational materials accessible online and through workshops and seminars
- ✓ Easy-access financial literacy resources at select library branch locations
- ✓ Financial and economic literacy training for teachers through workshops, podcasts and other online resources
- ✓ Financial literacy instruction through adult basic reading classes
- ✓ Teacher and student access to business and economic experts bringing real-world economic and personal finance issues to the classroom



www.nypl.org/financialliteracynow

CAMPAIGN LEAD PARTNERS:

**The New York
Public Library**



- Council for Economic Education
www.councilforeconed.org
- Literacy Partners, Inc.
www.literacypartners.org
- The McGraw-Hill Companies
www.mcgraw-hill.com
- The New York Public Library
www.nypl.org
- Talking Fin Lit
www.talkingfinlit.org
- Working in Support of Education W!SE
www.wise-ny.org