



2016 ABA Issue Summary

# Financial Literacy

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## **ABA helps bankers provide financial education programs and resources that make their communities better.**

- More than 225,000 bankers have reached 7.6 million young people through the association's signature initiatives, Teach Children to Save, Get Smart About Credit and Lights, Camera, Save!
- ABA commends banks that maintained their commitment to provide America's youth with financial education as the economy shifted.

## **Bankers understand that an educated consumer is the best customer.**

- Financially savvy customers will use and get the most from banking services and products throughout their lives.
- A good money manager is more likely to purchase a home, save for a college education and invest in a retirement account.
- A college savings account with \$1 or less will increase the likelihood a child will attend college from 45 percent to 71 percent.<sup>1</sup>
- 74 percent of banks report teaching financial education and outreach activities.<sup>2</sup>

## **Financial education is the most important foundation children can build.**

- The economic crisis sent an urgent message that financial education can no longer be an option or a privilege.
- Education and hands-on money experience are critical in building a generation of smart money managers.

## **Background:**

The ABA Foundation sponsors three financial education initiatives. **Teach Children to Save** and **Get Smart About Credit** partner students with bankers for personal finance lessons. In 2010, the ABA launched a new program called **Lights, Camera, Save!**, a national video contest where students illustrate the importance of saving. Combined, more than 225,000 bankers have reached 7.6 million young people through these signature programs.

In 2015, the ABA Foundation partnered with First Book to provide an avenue for banks to donate financial literacy-related books to low-income schools.

## *Sources:*

<sup>1</sup> *US News and World Report "Why a \$1 Savings Account Makes a Child More Likely to Attend College"* (2013). Retrieved from <http://money.usnews.com/money/blogs/my-money/2013/04/24/why-a-1-savings-account-makes-a-child-more-likely-to-attend-college>

<sup>2</sup> *Survey of Banks' Efforts to Serve the Unbanked and Underbanked*, FDIC (2011). Retrieved from <https://www.fdic.gov/unbankedsurveys/2011survey/2011report.pdf>