

Government Supports Financial Literacy with Wealth of Resources - Transcript

Please stand by for real-time captions]

We have a terrific webinar, government supports financial literacy with wealth of resources.

My name is Joe PASCASSI. I'm here with support. Our presenter today is Barbara Bobby coffee, and Bobby is a finance research librarian in the research services scholarly collections and research services section of Princeton University libraries. Bobby joined as research librarian in 2017. She has a patch lower of arts, a master overbusiness administration from duke universities, school of business, and a master of information from Rutgers University. Prior to joining Princeton, Bobby worked in finance for 25 years, mostly as an equity research unlimes.

Before we get started, I'm going to walk you through a few of our housekeeping arrangements. If you have any questions or have any technical issues, please feel free to use the chat box. For people on desktop computers or laptops, located in the right-hand bottom corner of your screen. I'll keep track of the questions that come in. At the end of the presentation, I'll read them back to bobble bio, and she'll respond to each of them.

We're also recording today's session, and will e-mail a link to the recording and slides to everyone who registers for the webinar. We'll be sending you a certificate of participation using the e-mail you used to register for today's webinar. .

Include the title of today's webinar along with names and e-mail addresses. For desktop computer or laptop users, zoom in the slides being presented. Click on the full-screen button on the bottom left-side side of your screen. Mouse over the blue bar so that it expands. Click on the return button to get back to the default.

Finally, at the end of the session, we'll be sharing a webinar satisfaction survey. We'll let you know when the survey is available with a URL in the chat box. We appreciate your feed back after the session, including comments on the presentation style and value webinar.

With that I'll hand the virtual microphone over to Bobby. We'll take it from here.

Thank you, Joe. I'm pleased to be here. Princeton University has been working with FDLP since 1884. We have a long-standing commitment to service, and enjoy working with FDLPM. We've done that for clearly a century or more. Princeton has a lot of different locations. I personally work in firestone, and working with our other partners, including the New York public library and Columbia. We have recap where we share materials. .

All right. So a bit of a session overview. We're going to go through what is financial literacy, why does it matter, and what sources does the government have to help you and support you in learning about this, in learning about different tools and calculators, and understanding how the government can help you learn more about financial literacy. .

A quick BIO about me. I was an equity research analyst turned financial librarian. I finished library school in 2016, and joined Princeton in 2017. As Princeton's finance librarian, I helped researchers find the materials they need for their independent work to help researchers by curating resources and finance for Princeton. .

The community I serve is broad. I sever graduate students, undergraduate students, alumny, the college professors, and any other professor that has work that touches on finance. .

Off to the races. What is financial literacy in education? I pulled some information, as you can see, from the citation from the treasury department. Financial literacy describes the skills and knowledge that equip people to make individual financial decisions . The background in many cases is that you learned it at your home and by your parents.

If we're making this a more formal process, financial education is the process where people gain the skills and confidence to make these decisions. It can be through any number of methodologies by which

you learn this information. The goal should be the education enough to create a financial well being for yourself, or give people the information that they can create their own financial well being. .

I ended up getting this information from the consumer finance Web site or a particular article. It's having control over your day-to-day monthly finances, being able to absorb a financial shock. And here I think it's even knowing how to set as well as being on track to meet financial goals, and having the freedom to make choices that let you enjoy your life and then drive in your life. And again, I'm staying with the consumer finance part of the government, and it's -- having financial knowledge means knowing how to find the information, look into the needed information to make financial decisions. Thinking through the jargon and understanding and knowledge to make these decisions, and knowing how to follow through on them. .

Adapting as things change so you can stay on track. From the Federal Reserve, there was a piece that came out quite recently, just in May on the economic well being of U.S. households in 2020. As we all know, 2020 was a really hard year in the U.S. given the pandemic. . We entered a recession. Millions of people lost their jobs. .

So this report was -- I pulled it from the executive summary, and the report was quite detailed. But this sort of gives a snapshot as to what the state of the world was financially well being of U.S. households. . The underlines are my emphasis, not the report. Adults were worse off financially compared to the 12 months, 14% from 2019. .

Adults with a bachelor's degree were more likely to feel okay financially versus those with less than a high school degree. Less than 2/3 of black and Hispanic adults were feeling okay financially compared to 80% of white adults and 84% of Asian adults. And back to the ability to handle a financial challenge, this report says that more than a quarter of adults were unable to pay their monthly bills or were one \$400 set back away from being able to pay. This sort of speaks to -- there's a need for financial education, or we're struggling financially across a number of different contracts. And the last one that I thought was challenging was 14% of adults were laid off at some point in 2020. .

This speaks to the need for understanding finances and being comfortable with them. As I move forward, there was an interesting article that I got from -- a citation was pointing me there from the Federal Reserve site, where it speaks about defined contribution plans and the challenge of financial literacy. And again, the underlining is my emphasis, not the article's, but it says the structure of the U.S. retirement savings has evolved to align critically on active participation and informed choices by participants in employer-sponsored 401K plans. . Now with the shift from pensions and the lake to define contribution plans like 401Ks and 403Bs, instead of the -- instead of a penchant for getting paid, with 401Ks, what you contribute is what's defined. And therefore, individuals have to make up the financial or individual employees become the financial decision makers.

Some of these choices include when and where to contribute, the selection of investments, and the changes in contributions and selections over time. When I was putting this together, what came to mind to me was imagine, as a kid, being given the keys to a gassed-up car and being told to reach a destination a distance away without ever being taught to drive. This would be a problem for anyone. I think the same thing is happening with money, where people are working, putting money aside, and being expected to grow this money into something that they can live on in the future. Basically having it grow to a sizable amount without ever being taught about money. .

Now there's no way we would allow anyone to drive without having some driver's Ed and passing some tests, but we do that constantly in terms of money and financial literacy. We expect people to be able to figure this out on their own without a lot of help, without a lot of formal training.

As mentioned above, financial education powers people to make well informed decisions. What my well informed decisions are that are best for me may not be best for you, but therefore, what's needed is enough material for you to understand or for one to understand what's being presented and be able to sift through and make decisions that are best for you.

So as I'm going through, over time, financial literacy has been added to some school programs. Six states require classes in financial literacy, and this means a class unto itself. And from what I looked at, most of these classes seem to be taught in high school. And those are Alabama, Missouri, North Carolina, Virginia, and Tennessee. Fifteen more states require that some financial literacy concepts be taught as part of other classes.

Again, when I was putting the material together for this, most often, I saw these materials -- or these concepts being baked into math classes or economics classes.

We'll go through this quickly. On your own, take your own notes of how would answer these questions. The questions will be answered at the end. Suppose you have \$100 in a savings account and are earning 2% at interest a year. After 5 years, how much would you have? write down your answers.

Next one, imagine that the interest rate on your savings account is 1% a year, and inflation is 2% a year. After a year, with the money in the account, exactly the same, or less?.

Next question, true or false. A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest over the life of the loan will be less -- will be less, true, false, or don't know?

fifth question. Buying a single company's stock usually provides a safer return than a stock mutual fund, true, false, or don't know.

And the bonus question. Suppose you owe over a thousand dollars on a loan, and its interest rate you're charged is 20% a year compounded annually. If you don't pay anything off, meaning the principal or the interest, how many years would it take for the amount you owe to double? less than 2, two to four, five to nine, ten or more, or don't know?.

The answers are there on the slide. More than 2, false, true, false, two to four. Importantly is the summary results for the national average is only 3 -- people answered three questions correctly, with 1.3 being incorrect, 1.6 being I don't know. .

Let's move forward to the resources. So this piece, consumer.gov is from the federal trade commission site. If you go there, it goes to this center slide, which has information on managing your money, credit loans and debts. . .

It walks you through different items that may be on your first paycheck. What is FICO? what are unemployment? this is a basic site, but goes through a lot of the key elements of trying to learn about your finances and about credit, and about how to set up a checking account. It's a nice, solid place to start.

We go to the consumer financial protection bureau, over here here. There are educational tools that talk about buying a house, getting an auto loan, watching your money grow, navigating -- important things for military families, like the life cycle. And then, if you have specific questions, those are down below, for instance, a debt collection or a pay-day loan. .

Many of the links, you'll go, and it has a depth of material beneath them. This is a more advanced site. As I move forward through another portion of this site, one of their options is get your financial well being score.

No matter how I answer the questions, it seems to have given me the same output of resources to look into.

How to you buy a house? where does your money go? helping with debt. Giving instructions and how to pay student loans back. Then they offer some personalized help, the tips for choosing a credit counselor, and housing counselors, and being able to get more individualized help. .

I'm particularly mindful of investing information, and investor.gov is a site done by the SEC, and goes through some of the basic information that one should be mindful of when they're starting to look at information about how to invest and take care of this portion of one's financial well being. And this is a very detailed site as the others seem to be as well. And it goes through links on the different kinds of investment products there are. It describes what the sort -- what are stocks, what are bonds. What are

the risks. Stocks are more risky than bonds. It goes through investing basics. . It gives information on how the markets operate. The goal of it SEC and providing and making sure that the markets are fair and orderly. This is a very in factive and in-depth site. As I move forward -- and frankly, if you keep scrolling down, you'll end up on the retirement plans portion of the investor.gov site. And this speaks to some of the questions people may have about the different kinds of plans there are, what to do when you're changing jobs. And some of the basic questions about retirement and social security. Gives you links to the social security sites. There's a wealth of information off the securities and exchange commission site.

They have the investor.gov site also has a site that -- for librarians that talks to specific information to help answer patrons' questions. . There are financial tools and calculators.

There's lot of material off the SEC site that helps people or line yardians, how to help people look at things. And tools and checklists and fact sheets so people can -- so in this case, line yardians can help patrons do some research about investing. .

These include things that might be valuable to anyone, but they are targeted at the youth. And the path to saving and investing for students. . Each of has to pages has a wealth of information. But it's here to teach financial literacy. Similarly, you can see the calculator, compound interest calculator, tools and gains. These are here to engage and let people start using what can be very difficult or challenging information to consume by putting them in cools and calculators and these kinds of things. It helps people embrace what's going on and better understand their own financial state.

The literacy and education commission has a Web site called mymoney.gov. This is made up of -- there are 20 different federal agencies that are all collaborating and coordinating, putting information together to strengthen the country's financial capabilities. I just did a screen grab. It's a fairly straightforward design. So gown this community, I assume the researchers can help themselves a bit more. I'll walk through the material that they lay out for teachers and educators.

These are all government resources that are highlighted here, and again, it's information from the Federal Reserve systems. Their information -- materials for classrooms. There's a teachers' old online resources from the FDIC, which is the banking organization. . There are videos. It's tons of material.

There's a curriculum for young adults, for instance. There's information -- everything from coin collecting as a hobby to learning more about taxes. There is a ton of information here, and as I said, this is pulled together from 20 different federal organizations. .

So mymoney.gov has those resources for teachers and youth. They have something called life events.

They point out, there are many life events they highlight. The three I can click on to the page with higher education, and training in life partners. And they categorize these, because as you have different life events, your financial issues may change to help you walk through some of these issues and give you resources to try to figure out what's best for you. , to help people in your life get your hands around these topics. The FDIC is an agency to maintain the stability and public confidence in the financial system. They, too, have financial education programs. Theirs is often a money smart program. And they have T-20, more money, and my money. As we'll go through these, these two start with, you know, different buckets for different age groups.

And they give you resources, a better understanding of everyone's financial well being. There are guides, and what do you do for young adults, and the basics of personal finance. This has a ton of resources, and points you to other resources that in some cases are curriculum, in some cases are calculators. Here are savings-related resources.

So as I said, each one of these points you to a huge depth of information on better understanding answering your questions, putting you into a place where, depending on your age group and situation, the resources are targeted to what you may specifically need at any specific point in your life:

Understand learning about this key part of everyone's life. That's rarely taught in schools, or taught in some way, shape, or form in schools. .

This was a surprise as I was browsing through resources by the federal government for understanding financial literacy and how to teach it and what's out there. . This pulls together so much of what I've been comerring about for the past 22 minutes. They put this together for a wide range of users. It's for organizations, bankers, consumers of all ages. I thought this was -- as I said, this was a positive surprise when I was pulling all this together. . They have basic financial availability. They'll send you to the consumer protection board, consumer protection regarding credit cards. So I was very pleased to find this site. You don't have three million resource references, and that these touch on many of the key things that people have questions about, because -- financial literacy includes so much. It can include basic budgeting to housing issues to retirement to how do you pay back student loans, how do you deal with -- one of them had the information about identity theft. .

But this very nicely -- I put it at the end, because I like how it pulls everything together here. But it goes through -- if you click through these, it goes through many of the key areas that are related to financial literacy. . I happen to talk fast. We can go back, and I can take some questions, because I did go through a lot of this quickly. Everything up to now has been -- yes, I believe everything so far has been a GOV site. I think FDUC is one as well. My apologies for not knowing that. And the only other resource that I put in here that is not a dot GOV site was a financial literacy site that was put together by the American institute of CPAs, and they have a couple things. First of all, they have calculators, but they also have a program, and they have 20 or so different life goals. You can click on three, and they'll put together materials for you based on their materials, and again help you with the educational basic learning of these topics. Whether it's through something like the American institute of PAs or whether or not it's through things like the resources presented here by the offense of the comptroller, and most of the resources pulled together by here are dot GOV things. It allows for several things. It allows for a self-teaching program as someone might want to school themselves on any one of these topics, or they hit a wall on one of these topics, and they want to figure out how to get themselves out of problems. Or it could be for youth programs or any of these.

Or you could be a caretaker or someone who's older and need to manage some of their issues. A lot of these materials are covered in depth in a nonjudgment way to address these issues. I'm pleased that 21 states have some kind of financial literacy, because as I mentioned, most times, financial literacy comes through one's family. And if it's not through that, unfortunately many times, the financial literacy is being taught by places that want to have a financial relationship with you. And it's tough to it's important to get information on things like investments and learn how to do your own research so you are empowered to make the decisions to support your own decisions in your life, and with the financial well being that you want to have.

I realized I've talked a little fast, but again, we went through what financial literacy is. I showed you some of those very sad data points about the state of the world in 2020 that was pulled together by the Federal Reserve. And I gave you a ton of information here on what resources the government has to help you on you're financial journey.

And again, no one's is going to be the same as anyone else's. And it's a lot of -- there's a lot of work to learn about this stuff, and not all of it is easy, but I found it positive to see so many well written, solid materials on financial literacy and what does it mean and how to do these things, and information that people cancel if-serve and help themselves. .

So does anyone have questions?

thank you, Bobby. Fantastic presentation. I'm going to immediately grab the slide deck when it's available . Any questions for Bobby? oh, lot.

Christine -- oh, mark put in a link, investor.gov, additional resources. Check the chat for that.

Christine says, "How do you get to that page, librarian's page for the investor.gov?" .

Any other questions for Bobby? Elizabeth says, "Able to go down, to jot down several sites to share with someone." so that's terrific.

Thank you. .

Barbara says, "Are there good resources that provide a single good overview of things important to learn about financial matters; IE a bird." I don't know what that means, brawn. I don't know if there's one -- we have a number of good ones.

For instance, if you know that your questions tend to be more informs. Related, I would lead toward investor.gov. If you believe there was a financial problem, like identity theft, I would lean toward the consumer protection board. If it's just basic information, I kind of like the federal trade -- consumer.gov. Why are all these people taking chunks out of my basic? that's a very basic one. To some degree, don't I wish there was a single overview site, and I didn't find one. The closest I came was the office of the comptroller, which had a directory of many good sites. Similarly, there were many good sites pointed to -- off the consumer financial protection board site. .

There's a lovely tree structure that will point you to what you need and at the right education level. I just don't think there is one.

I see my good friend, Ken McDonald, from the CFBB is in the audience. And his leagues have done very many programs for us. He says a good source is CFBB's ask CFBB.

Thank you.

Give that a look. .

"there are some great booklets as well. I'm looking for titles right now." .

And Ken's got a link in the chat to some you mentioned, a CFBB Web site. .

Members of ALA look to RUSSA financial literacy interest group, R,SA. I didn't know of that group. .

A few weeks ago, in the Sunday "new York Times" magazine, they had a great article, what we spent in a month, and they took six families, and they showed their budgets, and it was really fascinating to see how other people spent their money: and you look at it, and say, "GEE, you compare yourself to them, you know, and it was mostly -- maybe middle class, mostly middle-class, lower middle class. It was a fascinating article. I pulled it up on the Web site a few minutes ago, so you can get there. .

There are -- as I said there are many -- like, I was surprised to find a CPA site just put together. And I liked -- there were so many. It wasn't that I wanted to leave any out. The social security site has information on retirement, actuary elementary school table. You put in your current birthday, and it tells you how long they expect you to live. . At some degree you have to be interested to start doing your own research.

Do any of the sites actually -- do any of the sites say you should go into this, do that kind of thing?

no, I don't think -- the minute you get into giving specific financial information, one needs to be registered. So to get specific personalized financial information, especially about investing, there's a whole registration so that somebody who is appropriate. So that is often -- so people can give you general things. Like once it gets specific, it starts being investment advice for something. So it gets a little trick year once you get into a one on one.

Yeah, I can imagine that.

Also with the housing market, I mean -- housing is such a big issue.

Yes.

How can you afford it? can you sell? when you do sell, what to do.

Yes. And I believe it was -- I believe it was of course I can't find it when I look quickly. But there's information on trying to buy a house, like buying a house comes from the consumer financial site. What do you need to know. How do you handle disasters. I haven't yet seen it.

You know, Bobby and I talked about that. I want that for an upcoming webinar, criptoe current say one on one. We talk to Bobby about it. I see my friend Ken out there. If there's any government people that want to talk from a government information perspective on criptoe currency, bitcoin. I think it's called SPAX, which I don't know much if anything about any of these topics, but I keep hearing about them all the time. Yes, I wanted to do that. If there's a qualified, Bobby or someone else, please step forward.

What I really put together -- hopefully there's enough to least start you to help the people that maybe asking you for some help.

These are excellent resources. We should -- maybe we've already done it -- turn it into -- we have a bunch of DOCS. It would make a great foundation, great resources. .

Any other questions? Ken put a bunch of links in the chat. So check those out when you get a chance.

Let's see. Any other questions? okay. Any other questions? getting a nice shout. "excellent presentation." I agree with that. That was fantastic. .

This was really great.

Yes.

Tons of information. .

I'm sorry. Next time we'll talk longer. .

This is fun. You put out so much great information. .

Thank you, Ashley.

There's a satisfaction survey. Please fill that out, and -- oh, yeah. Yes, we did. I learned about many. The slide deck is going to be invaluable. .

Keep those questions coming. We've got time. Let me talk about the future a little bit. First I'd like to thank Bobby. Fantastic webinar. Hopefully she'll come down and present it for us. Of course we'd love to have her come back.

Don't forget our upcoming web, NARS. We have four more scheduled for June, and Bobby's good friend is presenting a couple of days on Thursday, June 17th. . THAT SHOULD BE A GREAT ONE, TOO. AND YOU CAN FIND OUT ABOUT ALL OF OUR WEBINARS WHEN THEY'RE ANNOUNCED IN OUR EVENT E-MAIL SERVICE.

AND FROM THIS FPL WEB PAGE LINKED TO THE BOTTOM OF THE HOME PAGE, A CALENDAR OF UPCOMING WEBINARS. ACCESS PAST WEBINARS, AND LINK TO A WEB FORM TO VOLUNTEER TO PRESENT A WEBINAR. THINK ABOUT THAT. THINK ABOUT VOLUNTEERING TO PRESENT A WEBINAR. ANY GOVERNMENT INFORMATION FBLE RELATED WE'D LOVE TO HAVE YOU DO IT. LET'S SEE IF THERE ARE ANY MORE QUESTIONS. LET'S SEE. .

THAT WILL BE AVAILABLE TODAY -- NO, TOMORROW OR PERHAPS THE NEXT DAY. BUT YEAH, IT WILL BE UP ON CLOSED CAPTIONING TRANSCRIPT WILL BE THERE, slide deck, recording. It will all be there.

.

Okay. Ashley says -- hopefully tomorrow. .

All right. Looks good.

Please check out that. I'm telling you, should give a link here. It is called what do we spend in a month. Unbelievable. Really fascinating.

And you can go to the library. I think it was in the magazine section.

Yes, it was in the magazine section. They don't date. . That was terrific.

And there were a couple of them from San Francisco. Their budget was 11,000 a month, and they have them. She was paying off a law school debt, pretty hefty. .

Any last questions? you put out so much information. No other questions? I think you covered everything. Fantastic job. Let's close out a few minutes early. .

Last chance: okay. Many, many shout outs.

All right. Well, like to thank you one last time, Bobby. Fantastic webENAR. Please come back for more great topics. Come on back.

Thank you.

Thank you, audience. Come back to academy. Dock back February Bobby's Princeton colleague. .

Have a great rest of the day.

[Event Concluded] [Event Concluded]