

Easier access to credit and increased instances of predatory lending have created a greater need to educate the public about financial services. To meet this need, the Community Affairs Department at the Philadelphia Fed has expanded its programs in economic education and financial literacy. The department's economic education specialist, Andrew Hill, described some of the new ventures.

Financial literacy is an important topic these days. The headlines tell the story: Americans hold more debt than ever before, personal bankruptcies are at an all-time high, and people continue to fall victim to financial scams and predatory lenders.

TEACHING THE TEACHERS

In our economic education program, we want to make people aware of the Federal Reserve System and the workings of the economy in general. We're also developing financial literacy programs that target both young people and low- and moderate-income adults. We want to keep young people from getting into financial trouble and help adults find their way out of it. So we teach them about credit, bank services, and saving. Also, we introduce such economic concepts as the allocation of scarce resources and the idea that a choice they make today may mean giving up something later.

Some states mandate economic education at the high school level; other states voluntarily

CHANGING TIMES mean a greater

The proliferation of check cashing outlets has had an effect. In many low- and moderate-income neighborhoods, these outlets offer convenient locations and hours. People use them in spite of the very high fees they charge. Also, many people in our society have no regular relationship with a financial institution. Consequently, the people who can least afford it are being hit with high fees, and sometimes high interest rates, from tax preparers, check cashing facilities, payday lenders, and rent-to-own furniture stores.

As these problems have become more prevalent, there has been a push to do something about them. In response, the Community Affairs Department has renewed its commitment to increasing financial literacy and has created some new initiatives in economic education.

include it in their curricula. But, unfortunately, many high school teachers are ill-equipped to teach economics and finance. That's where we hope to have an impact. We're following a train-the-trainer model. Rather than being directly involved with students, we're providing significant training to teachers so they can get the message across.

OUR SUCCESSES

To date, our biggest success has been in Delaware, where a financial literacy program introduced in one high school has now spread to seven other schools. Fortunately, we've built strong partnerships with the Delaware Bankers Association, the Consumer Credit Counseling Services of Maryland and Delaware, and the University of

Delaware's Center for Economic Education and Entrepreneurship. Although we lit the fire, our partners did 95 percent of the work.

We're hoping to replicate our Delaware success in Pennsylvania and New Jersey. To that end, we're building relationships with state councils on economic education and with economic education centers at colleges and universities.

COURSES AND OTHER PLANS

This summer, we'll offer teachers a graduate-level course on money and banking. We'll also participate with the University of Delaware and Millersville University in a separate graduate course for teachers.

Other plans include holding workshops and

conferences. In fact, we've already hosted several events. Last summer, the department presented day-long programs to students in the Pennsylvania Governor's School for Entrepreneurship and to teachers as part of the Summer Institute of the South Jersey Chamber of Commerce. In October, teachers from Philadelphia and its suburbs came to the Bank for a seminar called "Hot Topics in Economics."

Thus far, our programs have been well received by Third District teachers and consumers. Our efforts also support the Bank's goal of making the Philadelphia Fed known as a center of central bank knowledge and capability. ■

need for economic education



Andrew Hill, economic education specialist, Federal Reserve Bank of Philadelphia, talks to a group of teachers about the importance of economic education.