Advancing Financial Capability in Your State Using Hands on Banking®

Money skills you need for life

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Key Takeaways

• The current reality for many consumers highlights the need for increased financial capability

• Different audiences have different financial capability needs

• Hands on Banking® is a highly flexible financial capability program that can be integrated into existing programs

• Opportunities exist in your state to advance financial capability
Agenda

• The Current Reality for Consumers
• What is Hands on Banking
• How is Hands on Banking Used
• Opportunities for States
Understanding the need for financial capability

Complex financial marketplace

Substantial costs associated with reaching many significant life goals

Consumers are increasingly responsible for saving for and managing funds for retirement

Not having the skills to make sound financial decisions can have severe consequences for individuals’ abilities to reach their life goals

Consumer Financial Protection Bureau (2016)
The current reality for many consumers

**Spending and Saving Challenges**
- Consumers are not prepared for financial shocks/emergencies
  - 46% could not cover a $400 emergency
  - 31% of non-retired adults have no retirement savings or pension
  - 19% spend in excess of income
  - 48% living paycheck to paycheck
  - 60% do not have a budget

**Increasing Levels of Financial Exploitation**
- Informed consumers can protect against fraud and theft

**Day to Day Expenses and Debt Challenges**
- Debt presents obstacles for reaching financial goals
  - 26% used non-bank borrowing
  - 35% carry credit card debt month to month
  - 26% have past due medical bills
  - 84% of prospective borrowers concerned about paying back student loans

Sources: ¹Federal Reserve System (2016); ²FINRA (2016); ³NEFE (2016); ⁴NFCC/Harris Poll (2016); ⁵True Link Report on Elder Financial Abuse (2015); ⁶College Savings Foundation (2015); ⁷ITRC (2016); ⁸FTC
Financial capability needs vary by audience

**Children**
Elementary through High School (3-18 years old)

**Economically Vulnerable Consumers**
Limited income, People with disabilities, New immigrants, Foster care, Former inmates

**Working Adults**
Ages 30-70 that manage/handle financial responsibilities

**Young Adults**
Ages 19-29 with postsecondary or work experience

**Military Personnel**
Most challenging experiences often related to deployment

**Investors**
Limited and weak grasp of elementary financial concepts
What if...

- Children learned personal finance concepts in school
- Summer youth workforce programs included banking basics concepts
- People with disabilities understood the opportunities ABLE accounts offer
- Social service recipients gained relevant financial knowledge while receiving services
- College scholarship recipients learned budgeting skills
- Parents learned about saving for college when opening 529 accounts
- First time homebuyers received homeownership education with down payment assistance
- State employees received investing for retirement training when enrolling in defined contribution plan
Could we build a better reality for consumers?

<table>
<thead>
<tr>
<th>Improved</th>
<th>Reduced</th>
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<tbody>
<tr>
<td>• Savings</td>
<td>• Debt</td>
</tr>
<tr>
<td>• Ability to withstand an emergency or financial shock</td>
<td>• Student loan defaults</td>
</tr>
<tr>
<td>• Credit scores</td>
<td>• Foreclosures</td>
</tr>
<tr>
<td>• Budgeting</td>
<td>• Living paycheck to paycheck</td>
</tr>
<tr>
<td>• Use of beneficial financial products</td>
<td>• Fraud</td>
</tr>
<tr>
<td></td>
<td>• Use of costly alternative financial services</td>
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</tbody>
</table>

Hands on Banking® can help!
What is Hands on Banking®
Hands On Banking

A comprehensive suite of financial education articles, courses and tools designed for self-paced or group learning

- Award winning, free financial education
- Available in English and Spanish
- No commercial content, no product ties
- Widely used in schools and by non-profits for nearly 15 years
- Extensive age-specific (children through senior adults) and custom audience (entrepreneurs, military) curriculum
- Flexible Web-based and traditional instruction delivery channels

https://handsonbanking.org  https://elfuturoentusmanos.org
Audiences we serve

WF Team members
Individuals
Educators
Workplaces
Non-profits
Government entities
Articles section provides information on popular topics

Courses section provides full curriculum by age group or segment

Featured content section highlights new resources

Community education section shares resources for workplaces and non-profits to get started
Make teaching money management skills as simple as 1-2-3.

The Hands on Banking courses include free instructor guides with classroom lessons and activities that will help you guide students through real-life scenarios and group discussions to teach valuable financial skills. And all without any endorsements or advertising.

Courses and lesson plans

Whether you are teaching young children, teenagers, or adults, Hands on Banking has courses for all of them. Help instill knowledge about money and how to protect and grow it from an early age. Teach them how banks work, how to write and deposit checks, how to make and stick to a budget, and how to create a financial plan for whatever your students' life goals might be.

Our instructor guides can help you prepare, extend, or modify lessons, and assess each participant's progress. Each guide may be used alone or as a supplement to the online program. Common Core State Standards alignment can be found in the Appendix of the Instructor guide, where available.

The Common Core State Standards Initiative is an educational initiative in the United States that details what K-12 students should know in English language arts and mathematics at the end of each grade.

Kids

Help them start out strong—help kids learn all about money—where it comes from, how to earn it and use it, and how to keep it safe. And help them figure out the difference between “need” and “want.”

Instructor guides

Kids Instructor Guide.pdf

LESSONS

Introduction

Meet Zing and Zivy

Course overview

You & Your Money

You and Your Money

Where money comes from

Jobs and earning money

The cycle of money

What banks do

CCSS.MATH.CONTENT.A.AND.A.2

Use four operations to solve word problems involving money.
Earning Power Worksheet

Name ___________________________

1. If Zing wants to wash cars to earn gas money, how many cars must he wash to make at least $26?

2. If Zing runs errands 3 times and walks the dogs 3 times, will he make the $26 he needs to fill his tank?

3. If Zing earns $21.75 by running an errand 3 times and walking the dog 3 times, how many more times must he walk the dogs to earn $26 and fill his tank?

4. How much will Zing have earned if he has $21.75 and walks the dogs 2 more times?

5. If Zing babysits ($5.00) and washes 2 cars ($15), how many dogs must he walk to earn $26?

6. If Zing finds a $5.00 bill, and he washes a car and babysits 2 times, how much money will Zing now have?
Courses provide practical guidance...

What is a Spending Plan?

A spending plan is a simple strategy for making the most of your money and reaching your financial goals.

How do you create a spending plan? On a simple, one-page form you write down the money you have coming in and what you spend in an average month. Putting it down on paper helps you see where you can improve and make better money decisions.

Some people call this making a “budget.” But we happen to like the term “spending plan” a lot better. Because it’s a good reminder that how you spend, and how much you spend, is really up to you.

A spending plan can help you live within your means. That means living a lifestyle that you can afford: not spending money faster than you earn it and not borrowing more money than you can afford to repay.

The right spending plan can help you set aside enough to pay your bills, have some savings for emergencies, and some money left over in your pocket every month.

In this lesson, we’ll introduce you to the key concepts of a spending plan. After that, you’ll have the opportunity to create a spending plan of your own. Let’s get started!

Key points about Spending Plans
...and tools

Topic 2 — Money Management Tools

Spending Plan Activity (Instructor Copy)

Instructor note:
Photocopy the activity handout on the following page. Instruct your participants to fill in the blank boxes with the correct category.

Instructions:
This is a sample spending plan. Have your participants write the correct category name in each blank field on the spending plan.

Categories:
Salary from Job 1
Car Insurance
Utilities
Rent

Spending Plan Worksheet

<table>
<thead>
<tr>
<th>MONTHLY INCOME</th>
<th>Estimate/Goal</th>
<th>Actual Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary from Job 1</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Salary/Wages from Job 2</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Other income</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total Monthly Income</td>
<td>$</td>
<td>$</td>
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</tbody>
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<td>Fixed Expenses</td>
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<td></td>
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<tr>
<td>Rent</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Car loan payments</td>
<td>$</td>
<td>$</td>
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<tr>
<td>Car insurance</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Other debt payments  (credit cards/loans)</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
<td>$</td>
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</tbody>
</table>

| Flexible Expenses    |               |              |
| Groceries            | $             | $             |
| Gas                  | $             | $             |
| Telephone (cell phones too) | $ | $ |
| Utilities            | $             | $             |
| Household items      | $             | $             |
| Other                | $             | $             |

| Discretionary Expenses |         |              |
| Clothing              | $         | $           |
| Dining out            | $         | $           |
| Entertainment         | $         | $           |
| Gifts                 | $         | $           |
| Savings               | $         | $           |
| Other                 | $         | $           |

| Total Monthly Expenses | $       | $            |

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| Savings               | $         | $           |
| Other                 | $         | $           |

| Total Monthly Expenses | $       | $            |
Helping parents compare college savings programs

Compare savings programs

With an Education Savings Account, $2,000 can be contributed each year until the student turns 18.

On the other hand, a 529 Plan allows an adult to either prepay, or contribute, to a student’s education expenses. There are two basic types of 529 Plans. Review this chart to compare them.

As you do, keep in mind that both Education Savings Accounts and State-sponsored College Savings Plans are different than regular savings accounts because the account holder is actually placing money into investments that they select. Instead of earning interest on their deposits, they make a profit if their investments go up in value.

There’s no quick answer as to which of these three programs may be right for you. It may depend on where you live and what school your child attends.

Review this chart to learn some basics. Then ask at your bank to help decide which program is best for you.

College Savings Programs

<table>
<thead>
<tr>
<th>Education Savings Account</th>
<th>529 Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>State-sponsored college savings plan</td>
</tr>
<tr>
<td></td>
<td>For postsecondary education. Large dollar amounts can be contributed. Features may vary from state to state. Offers in-state tax benefits on some plans. Savings are placed in investments, such as mutual funds, selected by the state. May involve fees and risk</td>
</tr>
</tbody>
</table>

Save $2,000 per year until age 18. Use the money for student’s qualified educational expenses at almost any accredited school until student turns 20. Expenses can include purchase of education-related computer technology and Internet access. Savings are placed in investments, such as stocks and bonds. Account holder generally does not pay income tax on
And young adults make a strong start in their financial lives.
Hands on Banking articles help navigate life’s challenges and celebrations

Life events
So many of life’s moments can have an effect on your finances. Learn how to navigate life’s challenges, celebrations and changes and keep your finances on track through them all.

LIFE EVENTS ARTICLES

A car
- Vehicle leasing tips from the FTC
- Used car purchasing tips
- Smart car shopping

Funding school
- Student aid for graduate students
- Prepare for school
- Money tips for students
- Managing your financial aid
- How to postpone student loan payments
- How to apply for financial aid
- How much do I need to

Health
- Managing health care costs
- Protecting a loved one living with a disability with a Special Needs Trust
- Health Insurance

Home
- Buying a house: The costs
- Types of mortgages
- Renting an apartment
- Protect your investment
- Preparing for closing
- Managing home expenses
- Homeowners and renters insurance
Specialized topics address military and entrepreneur needs and opportunities.
How Hands on Banking® is used
Integrating Financial Education into American Job Centers

• Toolkit provides overview of why integrating financial education is important and provides 6 steps on how to integrate financial education

• An estimated 23,000 people served to date

• ABLE Supplement Guide coming in 2017
NFCC
Begin a brighter financial future today.

Providing Financial Education and Counseling to Military, Veterans and Families

Four Step Program

- **Stress Test:** MyMoneyCheckUp® at www.SharpenToday.org
- **Financial Review:** 1-on-1 session with a NFCC Certified Financial Professional
- **Targeted Education:** Hands on Banking for Military Workshops and online financial program
- **eCoaching:** Ongoing coaching with automated email and text reminders

Program Impact

- 65,000+ people helped since launch in 2013
- 67% say the program helped them better manage their money*
- 68% say it helped them set financial goals*
- 70% improved their overall financial confidence*
- 73% are paying their debt more consistently*
- Average total debt decreased by $17,000 over 18 months*
- Credit scores improved from 586 to 601 over 18 months*

*Study conducted by The Ohio State University
Boys and Girls Clubs of Colorado
Developing the financial capability of youth

**Opportunity:** Site leaders to deliver 10 financial literacy sessions to children, ages 5-19

**Approach:** Provide 10 Hands on Banking lesson plans per age group; Hands on Banking team trains the site leaders to deliver sessions and measure impact

**Reach:** 55 sites, 1500+ children and their families

**Measurement:** Knowledge, attitudes, behaviors over long-term relationship with children
Providing Entrepreneurship financial education to future business owners

Developed a series of six Hands on Banking webinars on starting, managing and growing a business.

Hands on Banking provided train the trainer workshops and subject matter expertise.

Wells Fargo team members volunteered to deliver and participate in the webinars.

National Council for Negro Women works to provide Black women with the tools that they need to improve their financial well-being.
Developing the financial capability of youth through Twitter

NAACP #HandsOnBanking Pre-Twitter Chat Survey:

I have used the following methods to pay for or get money to pay for personal expenses during the past two months: *

<table>
<thead>
<tr>
<th>Method</th>
<th>Often</th>
<th>Sometimes</th>
<th>Rarely</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debit Card (for a direct purchase, not to obtain cash)</td>
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<td></td>
<td></td>
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<tr>
<td>Credit card</td>
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<tr>
<td>Prepaid card</td>
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<tr>
<td>Personal check</td>
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<tr>
<td>Money order</td>
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<tr>
<td>Electronic, online, mobile (e.g., Apple or Samsung Pay) or automatic transfer of funds</td>
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<tr>
<td>Payday lenders</td>
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<td></td>
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<tr>
<td>Pawnshops</td>
<td></td>
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<tr>
<td>Check cashing services</td>
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</tbody>
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- Pete Greenley @PeteGreenleyWF · May 10
  Who’s got debt? Take part in a #HandsOnBanking @NAACP Wells Fargo Twitter Chat 5/10 | 5 pm EDT to learn good financial habits.

- Tom Unger, APR, ABC @TomUngerPDX · May 10
  Got college loan debt? Take part in a #HandsOnBanking @NAACP @WellsFargo Twitter Chat at 3 p.m. today to learn good financial habits.

- Daniel Brown @ServerBeS · May 10
  WellsFargo: RT NAACP: Who’s got debt? Take part in a #HandsOnBanking NAACP Wells Fargo Twitter Chat 5/10 | 5 pm EDT to learn good financial...

- NAACP @NAACP · May 10
  Who’s got debt? Take part in a #HandsOnBanking @NAACP Wells Fargo Twitter Chat 5/10 | 5 pm EDT to learn good financial habits.

- ((Cornell Brooks))) @CornellWBrooks · May 10
  RT @naacp: Today at 5pm ET we’re holding a chat on economic empowerment for young adults. Take part! #HandsOnBanking
Opportunities for States
Building better communities
Opportunities to Work Together to Increase Financial Capability and Increase Participation

1. State administered 529 College Savings Plans
2. State employee retirement planning education
3. State sponsored college scholarships and grants
4. State sponsored homebuyer programs
5. State administered ABLE accounts
Building more capable college students

Example: Creating a custom program to support students

State sponsored college scholarships and grants

Young Adult Curriculum

- Leverage the “School and $” content to help young people manage finances responsibly
- **Flexible Delivery** – Instructor-led or Self-paced online learning
- **Multiple Integration Points** – Part of the application process or educational support for grantees
- **Low Touch or High Touch**
  - Twitter Chats
  - Guest speakers
  - Family seminar events
  - “First Generation” movie screening
- **Incentives** to drive participation

Custom Hands On Banking Program for Your State
Building a better life for people with disabilities

Example: Creating a custom program to support ABLE account adoption

State administered ABLE accounts

ABLE Supplement Guide

Custom Hands On Banking Program for Your State

- **Leverage the ABLE Supplement Guide** to help people with disabilities understand the opportunity

- **Multiple Integration Points** – Part of broader financial education program or stand-alone

- **Low Touch or High Touch**
  - Link to handsonbanking.org ABLE content from your state program site
  - Market resource availability to financial educators
  - Host webinars and seminar events

- **Incentives** to drive participation
Summary

• The current reality for many consumers highlights the need for increased financial capability

• Different audiences have different financial capability needs

• Hands on Banking® is a highly flexible financial capability program that can be integrated into existing programs

• Opportunities exist in your state to advance financial capability

• Contact us to get started!
Thank you

For additional information visit:

https://handsonbanking.org
https://elfuturoentusmanos.org

or email us at hobinfo@wellsfargo.com