Government supports Financial Literacy with Wealth of Resources

Library Research with a Finance Librarian

June 15, 2021

Bobbi Coffey, Princeton University Library
Princeton University has a longstanding commitment to service, reflected in Princeton’s informal motto — Princeton in the nation’s service and the service of humanity — and exemplified by the extraordinary contributions that Princetonians make to society.”

https://www.princeton.edu/meet-princeton/service-humanity
Financial Literacy:

• What is it?

• Why does it matter?

• What information sources does the Federal Government provide?
Bobbi Coffey:

- Equity Research Analyst turned Finance Librarian
- 25+ years Wall Street analyst following technology
- Wrote extensively on changing industries and how industry evolution changed company valuation.
- Quoted as industry expert in New York Times and other print media and appeared on air for Bloomberg radio and TV as well as other venues.
As Princeton’s finance librarian, I help researchers find the resources they need for their independent research and related work. To help researchers, I curate pertinent resources in finance for Princeton University.

Accordingly, to know what the pertinent resources are I stay up to date on the trends in finance and in finance research.
At Princeton University, 2017-present

- Undergraduate & Graduate Students
- Alumni
- College/University Professors
- Librarians
- Post-Docs
- Finance Industry Professionals
- Experienced Library Users that need a refresher
Defining Financial Literacy and Education

Financial literacy describes the skills, knowledge and tools that equip people to make individual financial decisions and actions to attain their goals; this may also be known as financial capability, especially when paired with access to financial products and services.

Financial education is the process by which people gain information, skills, confidence and motivation to act, through various means, including classroom education, one-on-one counseling and coaching, technology-based interventions, and self-study.

A key desired outcome for financial education is sustained financial well-being, in which people can fully meet current and ongoing financial obligations, can feel secure in their financial future, and are able to make choices that allow enjoyment of life.

Defining Financial Well-being

“Our research suggests financial well-being can be defined as a state of being wherein you:

➢ Have control over day-to-day, month-to-month finances;
➢ Have the capacity to absorb a financial shock;
➢ Are on track to meet your financial goals; and
➢ Have the financial freedom to make the choices that allow you to enjoy life.”

Financial Literacy

Defining Financial Knowledge / Ability

‘Our primary hypothesis about the type of knowledge that supports financial well-being is a set of skills we call “financial ability,” which encompasses:

➢ Knowing when and how to find reliable information to make a financial decision;
➢ Knowing how to process financial information to make sound financial decisions; and
➢ Knowing how to execute financial decisions, adapting as necessary to stay on track.’

Financial Literacy – Why Needed?


Some excerpts:

• Nearly one-fourth of adults were worse off financially compared to 12 months earlier, up from 14 percent in 2019.

• Adults with at least a bachelor's degree were much more likely to report doing at least okay financially (89 percent) than those with less than a high school degree (45 percent). This gap increased from 34 percentage points in 2019 to 44 percentage points in 2020.

• Less than two-thirds of Black and Hispanic adults were doing at least okay financially, compared with 80 percent of White adults and 84 percent of Asian adults.

• More than one-fourth of adults were either unable to pay their monthly bills or were one $400 financial setback away from being unable to pay them in full.

• More than 6 in 10 non-retirees with self-directed retirement savings expressed low levels of comfort in making investment decisions with their accounts.

• Unbanked and underbanked rates were higher among adults with lower income, adults with less education, and Black and Hispanic adults. The largest differences were by education and income level.

• Fourteen percent of adults were laid off at some point in 2020.

Financial Literacy – Why needed?

DEFINED CONTRIBUTION PLANS AND THE CHALLENGE OF FINANCIAL ILLITERACY by Jill E. Fisch, Annamaria Lusardi & Andrea Hasler


With defined contribution plans like 401(k) and 403(b), the contributions are what is defined. The individual employee is the financial decision maker. Some of these choices include when and what to contribute, the selection of investments, and the changes in contributions and selection over time.

>Imagine being given the keys to a gassed up car and told to reach a destination hundreds of miles away, without ever being taught to drive. *This would be a recipe for problems.*

>Imagining people given money, expected to be able to grow the money to a sizable amount, without ever being taught about money. *This too is a recipe for problems.*

Financial education empowers people to make well informed decisions.
Over time financial literacy as been being added to the classes offered in school.

➢ Six states require a class in financial literacy:
  Alabama
  Missouri
  Utah
  North Carolina
  Virginia and
  Tennessee

➢ Fifteen more require that financial literacy concepts be taught as part of other classes – often math and/or economics.

➢ Twenty nine states have no financial education requirements.
Financial Literacy quick quiz -

https://www.usfinancialcapability.org/quiz.php

Take the Financial Literacy Quiz

Suppose you have $100 in a savings account earning 2 percent interest a year. After five years, how much would you have?

- More than $102
- Exactly $102
- Less than $102
- Don’t Know

Choose
Choose
Choose
Choose
Imagine that the interest rate on your savings account is 1 percent a year and inflation is 2 percent a year. After one year, would the money in the account buy more than it does today, exactly the same or less than today?

- More
- Same
- Less
- Don’t Know

Choose Choose Choose Choose

Go Back Next Question
Financial Literacy quick quiz -

https://www.usfinancialcapability.org/quiz.php
Financial Literacy quick quiz -

https://www.usfinancialcapability.org/quiz.php

Take the Financial Literacy Quiz

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.

True
False
Don't Know

Choose
Choose
Choose

Go Back
Next Question
Financial Literacy quick quiz -

https://www.usfinancialcapability.org/quiz.php

Take the Financial Literacy Quiz

True or false: Buying a single company’s stock usually provides a safer return than a stock mutual fund.

Choose  
Choose  
Choose  

Go Back  
Next Question
Financial Literacy quick quiz -

https://www.usfinancialcapability.org/quiz.php

**BONUS QUESTION:** Suppose you owe $1,000 on a loan and the interest rate you are charged is 20% per year compounded annually. If you didn't pay anything off, at this interest rate, how many years would it take for the amount you owe to double?
Financial Literacy quick quiz -

https://www.usfinancialcapability.org/quiz.php

You got 6 correct answers out of 6

ANSWERS:
1. More than $102
2. Less
3. Fall
4. True
5. False
6. 2-4 Years

Only 50% correct
Resources – For Individuals

https://www.consumer.gov/
Resources – For Individuals

https://www.consumerfinance.gov/consumer-tools/

Educational tools you can use

Guides for financial decisions
Our guides help you understand and plan for big financial goals.

Buying a house
Disasters and emergencies
Getting an auto loan
Helping a loved one manage their money
Money as You Grow

Navigating the military financial lifecycle
Paying for college
Planning for retirement

Find answers to your questions
Browse by money topic to find answers to commonly-asked financial questions. Learn the basics, understand key terms, and find ways to take action when you have an issue.

Browse answers to hundreds of financial questions. Ask CFPB

Auto loans
Bank accounts and services
Credit cards
Credit reports and scores
Debt collection
Fraud and scams
Money transfers
Mortgages

Payday loans
Prepaid cards
Reverse mortgages
Savings
Student loans

Many resources grouped by type of question.
A large range of resources to help the individual learn and manage finances


Resources – For Individuals

Get on track for your financial future

- **Look toward home ownership.** Consult our Buying a House tools and resources.
- **Create an action plan to meet your goals.** Use our worksheet or budgeting tool.
- **Consider the right age for claiming Social Security.** Use our Planning for Retirement tool before you make your decision.
- **Build and maintain your credit record.** Understand credit reports and scores and their effect on your cost of borrowing.

Get control of day-to-day money management

- **Track where your money goes.** Fill out the bill calendar and spending tracker to see and manage your everyday expenses.
- **Get a grip on debt.** Stay on top of what you owe with our debt log and find templates to help you communicate with debt collectors.
- **Repay student loans wisely.** Use our tool to see your choices about how you repay your student debt.

Get personalized help

If you’re looking for a more thorough financial assessment and personalized advice, free and low-cost services may be available. Here are a few ways to get help:

- **A nonprofit credit counselor** can help you set up a reasonable repayment plan for credit cards and other consumer debt. See tips for choosing a credit counselor.
- **A HUD-certified housing counselor** can give advice if you’re having trouble paying your mortgage or help you get ready for homeownership. Find one in your area.
- **A financial coach** can assess your situation and work with you over time to resolve issues and get ahead. Find out about the CFPB coaching initiative.
- **Your local library** can often connect you with organizations and people in your area.

Our researchers developed 10 questions to help you measure where you are financially—without doing math or gathering any account information. Once you answer the questions, you’ll get information and resources to help you with day-to-day money management and long-term goals.

Start the questionnaire
https://www.investor.gov - This site is done by the Securities and Exchange Commission
Introduction to Investing

Many people just like you turn to the markets to help buy a home, send children to college, or build a retirement nest egg. But unlike the banking world, where deposits are guaranteed by federal deposit insurance, the value of stocks, bonds, and other securities fluctuates with market conditions. No one can guarantee that you’ll make money from your investments, and they may lose value.

The U.S. Securities and Exchange Commission enforces the laws on how investments are offered and sold to you. Protecting investors is an important part of our mission. We cannot tell you what investments to make, but this website provides unbiased information to help you evaluate your choices and protect yourself against fraud.

Resources on the different types of Investment products.

Investing basics

Material on how the financial markets operate
For many the reason to invest is for retirement. Accordingly the SEC’s investor.gov site has retirement resources.
Resources – For Librarians

https://www.investor.gov - Librarian resources

To help answer Patron’s questions

Reference Tools for Patrons

• Fast Answers
  • Check the Background of Your Financial Professional
  • Top Tips for Selecting a Financial Professional
  • Five Questions to Ask Before You Invest
  • Investment Products
  • Questions You Should Ask About Your Investments
  • Researching Investments Using EDGAR and Other Tutorials
  • Financial Planning Tools and Calculators
  • Investor Alerts and Bulletins
  • Contact the SEC with Questions or Comments
  • Researching the Federal Securities Laws Through the SEC Website
  • An Introduction to the U.S. SEC – Rulemaking and Laws

U.S. Securities and Exchange Commission Documents and Reports

• Press Releases
• Rulemaking
• Enforcement actions, opinions, briefs, trading suspensions, investors claims funds
• SEC Spotlight on Topics of Current Interest at the SEC

Free Publications You Can Order for Your Library

• A Guide for Seniors: Protect Yourself Against Investment Fraud
• Mutual Funds and ETFs: A Guide for Investors
• CFPB’s Library Resources Page

PRINCETON UNIVERSITY
Resources – For Teachers

https://www.investor.gov

Youth resources

To teach the investing part of financial literacy
Federal Financial Literacy and Education Commission (FLEC) is made up of more than 20 Federal entities that are coordinating and collaborating to strengthen financial capability and increase access to financial services for all Americans.

From MyMoney.gov

For Researchers
Clearinghouse of federally-funded research reports, articles and datasets on financial capability and related topics.

For Teachers & Educators
Curricula, lesson plans, tip sheets, guidance and helpful tools for teaching financial capability.

For Youth
Information, games and fun facts about money, saving and planning for the future.
FLEC – Resources MyMoney.gov

SPOTLIGHT RESOURCES

- **Federal Reserve System's Resources for Educators** -- A comprehensive collection of curricula, guides, publications, classroom activities and adult learning materials covering such topics as credit, consumer resources, money, and banking.
- **In the Classroom Materials** -- Information from the Securities and Exchange Commission including classroom resources, information on special professional development opportunities and workshops for teachers, and a “Just for Teachers” section to help teachers better plan their own financial futures.
- **Teacher Online Resource Center** -- This site offers teachers resources from the FDIC and CFPB to help teach children from pre-K through age 20 about money or other financial topics. It includes the FDIC’s Money Smart for Young People series that consists of four free curriculums available for immediate download.
- **Money Smart Train-the-Trainer Videos** -- On-line video-based training for educators on using the Money Smart curriculum. The videos are available in English and Spanish.
- **Understanding Taxes for Teachers** -- Special website from the IRS for teachers. This site presents detailed lesson plans, downloadable activities, simulations, and resources for teachers and students.
- **High School Fed Challenge** -- A national academic competition that provides students grades 9-12 the opportunity to study the U.S. economy through the lens of the U.S. central bank. The program encourages students to learn more about economics and about the Federal Reserve System’s Federal Open Market Committee, which is the policymaking group that makes interest rate decisions to foster economic strength and stability. From credit card interest rates to the price of a loaf of bread, the effects of monetary policy, set by the Federal Reserve System, are felt in many aspects of our daily lives. This site includes information for students as well as Teacher’s guide.

Special Note: In addition to the resources highlighted above, please review the Spotlight Resources shown on the “Youth” section of the MyMoney.gov site. Several of the highlighted resources are activities and games that would be suitable for use in the classroom. A number of them include guidance and instructions for teachers.

LEARN MORE

Read more Federal information, guides and helpful tools for teachers and educators.
Resources for Youth

Use this area of MyMoney.gov to find games, fun activities, websites, video games, and information about money for kids and youth. You will find links to information on how to save money, what to think about when shopping and buying, and how to a budget or a plan so you’ll have enough money when you need it.

SPOTLIGHT RESOURCES

Kids

- H.I.P. Pocket Change Coin Collecting as a Hobby -- Activities and guides for turning coin collecting into a hobby.

Information for parents and kids

- Information about Social Security -- Here you will find what every kid and parent should know about Social Security. This site provides materials for children and parents to learn about Social Security and why it is important for families.

High School Youth

- Learn More about Taxes -- Whether you’re "on assignment" or just browsing the Web, this set of 38 Understanding Taxes student lessons has something for everyone. Divided into two content areas — the Hows of Taxes and the Why of Taxes — The Hows of Taxes shows you how to apply tax principles, while the Whys of Taxes explains tax history and theory.

- MoneySmart Curriculum for Young Adults -- A comprehensive financial education curriculum to teach people ages 12-20 the basics of handling their money and finances, including how to create positive relationships with financial institutions.

LEARN MORE

Read more Federal information, guides and helpful tools for youth.
Financial resources for different life moments

More on following page
Tools

This page can help you locate and use online calculators, budget worksheets, planning checklists and other helpful resources from the federal government for making financial decisions.

Select the category from the list below to locate the right resource for your needs. The site will display a list of federal resources in the category, along with brief descriptions and links for each.

If the type of resource you need is not covered in our tools categories, please use the search box on the navigation bar to locate the right information. Simply type in the word or phrase that describes the resource you need, and the site will do the searching for you.

Calculators
This section includes tools to help you plan your finances.

Budgeting Worksheets
This section includes interactive worksheets on budgeting, retirement planning, savings and other topics.

Checklists
This section includes checklists that will help you manage your finances.
The Federal Deposit Insurance Corporation (FDIC) is an independent agency created by the Congress to maintain stability and public confidence in the nation’s financial system. Education is key to understanding. The FDIC's Money Smart financial education program can help people of all ages enhance their financial skills and create positive banking relationships. First released in 2001 and regularly updated since then, Money Smart has a long track record of success.

Money Smart Program
Explore Money Smart tools and strategies to engage others, as well as tools to learn on your own.
The Federal Deposit Insurance Corporation (FDIC) is an independent agency created by the Congress to maintain stability and public confidence in the nation’s financial system.

What products does Money Smart include?

- **Money Smart for Young People** - This set of four grade-specific curriculums includes lesson plans and Parent/Caregiver Guides to help educators deliver basic financial concepts to students in kindergarten through 12th grade. We developed these materials with the Consumer Financial Protection Bureau (CFPB).

- **Money Smart for Young Adults** (catalog.fdic.gov) - Each of the eight modules includes a fully scripted instructor guide that bankers and others without teaching experience can easily use to help young people ages 12-20 learn the basics of personal finance. Money Smart for Young Adults is currently being revised and is scheduled to be released in 2022.

- **Money Smart for Adults** - Completely updated in 2018, this 14-module curriculum can be used to provide training for adults in many different life stages and financial situations. That includes adults new to this country, adults with disabilities, adults starting or changing careers, and adults going through significant life events such as expanding their families or purchasing or renting their first homes.

- **Money Smart for Older Adults** - This curriculum focuses on preventing elder financial exploitation. We also developed these materials in collaboration with the CFPB.

- **Money Smart for Small Business** - This curriculum provides information related to starting and managing a business. We developed these materials with the U.S. Small Business Administration.
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**Resources for parents**

**Parent/Caregiver Guides**

You can positively shape your child’s financial development even if you are not an expert on financial concepts. Money Smart Parent/Caregiver also offer practical activities and conversation starters on common financial topics.

- Grades Pre-K-2
- Grades 3-5
- Grade 6-8
- Grades 9-12
Office of the Comptroller of the Currency (OCC) is an independent bureau of the U.S. Department of the Treasury.

Financial Literacy Resource Directory

This directory provides information on financial literacy resources, issues and events that are useful to bankers, organizations, and consumers of all ages.

The directory includes descriptions and contact information for a sampling of government programs and organizations that undertake financial literacy and education initiatives as a primary mission, including fact sheets, newsletters, conference materials, publications, and links to websites.

This directory pulls together many government resources.
Have financial questions but don't know where to start? Make a plan today!

Just choose your top 3 life goals and we'll create a FREE plan personalized to your financial needs.

Get Started

https://www.360financialliteracy.org/
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Thank you!
Questions?

Princeton University Library
https://library.princeton.edu/

Bendheim Center for Finance https://bcf.princeton.edu/