Providing Financial Stability to all Americans

Financial Literacy Education Program

AALU
Leadership for Advanced Life Underwriting

LIFE®
A NONPROFIT ORGANIZATION
www.lifehappens.org

MDRT
The Premier Association of Financial Professionals®

NAIFA℠

2010

Featuring FDIC's MoneySmart Program

FDIC
Money Smart

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How to Host a Financial Literacy Class in Your Community

Step 1: Visit the Financial Literacy Resource Center at www.aalu.org/financialliteracy

Step 2: Follow the Community Tab. Read the **Guide to Presenting the Program** and Watch the **Train the Trainer Video** – located on the Community Page.

Step 3: Decide who you would like to teach, adults or teens, and click on the corresponding curriculum. Sign the Engagement Letter and access the curriculum.

Step 4: Decide which module(s) you would like to teach. We suggest starting with one module – each module is estimated to last approximately one hour. The module you teach will depend on your audience. For a more sophisticated crowd, we suggest "Keep It Safe." For young families, "Your Own Home" is a great module. For those who are unaware of basic financial literacy skills, "Borrowing Basics," and for teens, "Paying for College and Cars."

Step 5: Decide where you would like to teach the course. Reach out to your church, school, nonprofit organization, a workplace, or service organization, anywhere you have ties and provide them with the **One Pager** *(included in the Toolkit; page 6)* on the program and ask if you can provide a one hour course. Financial education in the workplace is valuable for employers as well as employees. While many employers provide information on employee benefits, few provide training on core concepts such as budgeting, saving money and credit management that can help employees take advantage of benefits such as matching funds for retirement savings.

Step 6: Work with the location on marketing the class and getting students in the seats. A great way is to offer a free lunch or send out a **Press Release** to your local radio and newspaper stations *(included in the Toolkit; pages 7 & 8)*.

Step 7: Contact your local Congressperson's office to see if they would like to be involved in helping to recruit students or if the Congressperson would like to make an appearance. Provide the Brochure *(included in the Toolkit; pages 3-5).*

Step 8: Reach out to **Jennifer Schimka,** *Media Relations Coordinator*, **(847) 692-6378** to us know you have scheduled a course or if you have any questions. We will track how many lives you touch and track the communities that have benefited.

AALU, LIFE, NAIFA & MDRT Financial Literacy Education Program

PROGRAM OVERVIEW

The current economic environment reflects a pressing need for widespread financial literacy in America. This need is being reiterated by both the public and private sector - Government officials, educators and broadly diverse civic organizations agree on the need to increase the financial literacy of the American public. Ranging from school children to those who have recently retired, Americans need to learn the basics of personal financial planning and management, especially in the areas of budgeting, investing, and managing debt.

These points are supported by startling data:

- For the first time this decade, a majority of non-retired Americans, 52%, doubt they will have enough money to live comfortably once they retire; only 41% say they will. (HSBC Insurance Services Study).
- The Congressional Research Service recently released its report "Retirement Savings and Household Wealth in 2007." According to the report, only half of all workers in the U.S. participate in some kind of employer-sponsored plan, be it a pension or 401(k).
- Only 3 states currently require some sort of financial training as a part of high school curriculum. (JumpStart Coalition).
- Only 39% of Americans have and follow a budget (NFCC).

Now, The Association for Advanced Life Underwriting (AALU), LIFE Foundation, Million Dollar Roundtable (MDRT) and The National Association of Insurance & Financial Advisors (NAIFA) have partnered with the FDIC to provide life insurance producers the chance to be the leaders among the financial services community in promoting and spreading financial literacy across communities. The benefits of participation in this program go far beyond the important social benefits. Participation in a financial literacy endeavor is an important business development tool – a way to create relationships with new clients and strengthen the bond with existing clients. Further, as lawmakers and federal agencies such as the Treasury Department and the Government Accountability Office reiterate the need for private sector involvement in the financial education of the nation, participation in this program can fortify your messaging and give you an edge in your advocacy efforts.

Our financial literacy program has three major objectives:

- Mobilize members of AALU, LIFE, NAIFA and MDRT as well as all life insurance producers to instruct Financial Literacy courses within their communities as a Public Service Initiative
- Increase exposure of Americans to Financial Planners so they may take action with their financial knowledge
- Increase the public's confidence and understanding of the Life Insurance and Financial Services Industries

Life insurance producers are uniquely positioned to be on the front lines of the financial literacy effort. The insurance industry is the only one of its kind that helps people effectively manage risk and promote sound, long-term financial security. Over 75 million American families rely on life insurance. $58 billion was paid out in life insurance in 2007 and $70 billion was paid out in annuities. These statistics paint a picture of the life insurance industry as a leader for U.S. economic growth and stability – as the premier individuals in your field, you are acutely responsible for the success of the industry, and the same success can and will occur with a unified financial literacy movement.

PROGRAM STATISTICS

Statistical findings suggest that Money Smart financial education training, covering the basics of checking, saving, budgeting, and credit, can positively change consumer behavior and improve financial confidence. Immediately after completing the course, the results showed a statistically significant improvement in students' knowledge of financial practices.

- 69 percent of respondents reported an increase in their level of savings
- 53 percent reported their debt decreased
- 58 percent stated they were more likely to comparison shop

Nearly 150 advanced producers have signed on to participate in this financial literacy program. As the broader effort to achieve national and global financial literacy continues to build momentum, we hope that this number will continue to grow.

CURRICULUM

There are ten modules associated with the program. Here is a synopsis of each:

- Module 1: Bank on It. Covers available banking services and how to build a positive relationship with a financial institution.
- Module 2: Borrowing Basics. How credit works and how to determine readiness to apply for credit.
- Module 3: Check it Out. How to use a checking account responsibly.
- Module 4: Money Matters. Understand how to manage money by preparing a personal spending plan and identify ways to decrease spending and increase income.
- Module 5: Pay yourself First. Understand ways to save money and savings options to save toward goals.
- Module 6: Keep it Safe. How to protect finances and identity.
- Module 7: To Your Credit. How to read a credit report and how to build and repair a credit history.
- Module 8: Charge it Right. Understand credit cards and how to responsibly use them.
- Module 9: Loan to Own. General information on installment loans, including car loans and home equity loans.
- Module 10: Your Own Home. Information on the steps involved in buying a house.

Each of the 10 modules is structured in an identical manner and includes a comprehensive, fully scripted guide for instructors. The guide includes everything necessary to start teaching the program, including easy to follow cues, script, power points, and interactive class exercises.

A Take-home guide and other handouts are provided for participants. The take-home guide features resources the participants can use, such as sample budgets and loan shopping worksheets. Other handouts are available as well, such as separate resource sheets for hot topics like predatory lending or elder financial abuse. These handouts improve retention and students' understanding of these key areas.

Please log onto www.aalu.org/financialliteracy and follow the Contact Us tab.

***The three pages that follow are intended for distribution by either the host organization or participating life insurance professional. These include:**

a) Host Organization One-Pager
b) Press Release for the Financial Literacy Education Program
c) Press Release for the Life Insurance Professional

Vision: To Elevate Awareness of Financial Literacy in Communities Across America and Assist the Government in Promoting Financial Independence

Why

Statistics show the vast majority of Americans do not have basic financial literacy skills necessary to build wealth. 29% of Americans do not know the interest rate on the credit card they use most, only 39% of Americans have and follow a budget, and only 50% actively seek professional retirement help (NFCC). Furthermore, only 3 states – Utah, Missouri, and Tennessee – currently require one semester of financial education as a part of high school curriculum. (JumpStart Coalition)

Who

The Association for Advanced Life Underwriting (AALU), LIFE Foundation, Million Dollar Roundtable (MDRT) and The National Association of Insurance & Financial Advisors (NAIFA), four associations comprised of life insurance professionals have partnered to sponsor the FDIC government approved curriculum Money Smart and to deliver the curriculum for free in communities nationwide.

Success

Money Smart teaches the basics of budgeting, credit, owning a home, and being wise with money. Money Smart has reached over 2.5 million consumers and after completing the course, 69 % of Americans reported an increase in their level of savings, 53% reported their debt decreased, and 58% stated they were more likely to comparison shop.

Your Involvement

The life insurance professional will teach a course at your location. You will be responsible for helping to market the class and to get the people in the seats.

For More Information

Please log onto www.aalu.org/financialliteracy and follow the Contact Us tab.

Life Insurance Industry To Teach Americans How To Save
Free Financial Literacy Classes will Help Americans Build Wealth

WASHINGTON, DC (July 22, 2009) – Members of the Association for Advanced Life Underwriting (AALU), LIFE Foundation, Million Dollar Roundtable (MDRT) and The National Association of Insurance & Financial Advisors (NAIFA) are providing free financial literacy classes in an effort to elevate financial literacy. AALU and MDRT are delivering the government approved Money Smart curriculum, developed by the Federal Deposit Insurance Corporation (FDIC), to communities across the nation.

"Statistics show the vast majority of Americans do not have basic financial literacy skills necessary to build wealth," said AALU CEO David J. Stertzer, FLMI. "People are spending more than they earn. These classes will teach basic skills such as how to balance a budget, build credit, and save for retirement."

The financial literacy campaign is an important social outreach project. "There are several initiatives by the public sector, and certainly financial education is a priority for government officials, but they have been largely unsuccessful due to the lack of delivery," said MDRT President Guy Baker, CLU, ChFC. "Life insurance agents have answered the call to duty and will actively roll out these curriculums in communities all across America."

"Less than half (49%) of Americans check their credit report regularly, only 39% have and follow a budget, and 29% do not know the interest rate on the credit card they use most," said Bob Carter, AALU President. "The time is now to help Americans navigate the current crisis and build the next generation of individuals who understand the basics of financial literacy," added MDRT CEO John Prast.

About AALU:
Founded in 1957, the Association for Advanced Life Underwriting (AALU) is a professional trade association representing 2,000 life insurance agents and financial advisors nationwide. Most members are engaged in complex uses of life insurance such as in business continuation planning, estate planning, charitable planning, retirement planning, deferred compensation and employee benefit planning. The mission of AALU is to promote, preserve and protect advanced life insurance planning for the benefit of its members, their clients, the industry and the general public. AALU's website can be accessed at www.aalu.org.

About MDRT:
The Million Dollar Round Table (MDRT), The Premier Association of Financial Professionals, is an international, independent association of more than 31,000 members, or less than 1 percent, of the world's most successful life insurance and financial services professionals from 476 companies in 80 nations and territories. MDRT members demonstrate exceptional professional knowledge, strict ethical conduct and outstanding client service. MDRT membership is recognized internationally as the standard of sales excellence in the life insurance and financial services business. www.mdrt.org.

The following is a press release template that can be tailored to your specifications and disseminated to local news publications as well as industry and employer publications.

Vail Consultant to Teach Financial Literacy Class
Courses Will Be Held at Colorado Mountain College's Vail Valley Campus

Vail, CO (August 12, 2009) – Financial consultant John Doe of Vail will hold a five-week seminar, "Financial Literacy 101," at Colorado Mountain College's Edwards campus, starting Thursday, August 20 through September 17. The sessions run from 6 to 8 p.m.

Thompson notes that the average American earns over $1 million in a lifetime and retains next to none of it out of lack of knowledge about basic financial concepts. He aims to change that in his 10-hour course. His motivation is: "Come find out if money controls you or you control it."

The course is part of a community service campaign by the life insurance industry and open to anyone interested in seeing how much of that million they might be able to hold onto.

To learn more visit www.aalu.org/finacnialliteracy, email Doe at doe@financialadvisors.com, or call Colorado Mountain College, 970-569-2900.

Financial Literacy Resource Center

AALU, LIFE Foundation, MDRT & NAIFA Online: Financial Literacy Resource Center

Visit http://aalu.org/financialliteracy to access comprehensive information regarding the nature of the financial literacy education program, our participating partners, and the latest legislation and industry activity in the area of financial literacy education.