



United Way *Financial Stability Partnership™ FastFacts*

Steps 1-3

Financial Education

What Is It

Financial education provides information and skills that enable individuals and families to manage their financial resources wisely, create positive relationships with financial institutions, and make informed decisions regarding their personal finances. Many individuals and families obtain financial education through local programs geared toward saving, credit management, home ownership, and retirement planning. A component of financial education often includes actions like opening a checking and/or savings account with a mainstream financial institution, signing up for direct deposit, and/or filing for the EITC.

Why Is It Important

The more individuals and families know about credit and banking services, the more likely they are to save, gain assets, and improve their financial health and well-being. For that reason, financial education is a key component of many financial stability strategies, such as Individual Development Account (IDA) programs, which require participants to complete a financial education course in order to purchase an asset. Increasing financial literacy is an integral component of helping individuals and families achieve financial stability and independence.

The Role of United Way

Many United Ways are incorporating financial education into their existing financial stability impact strategies, which include Earned Income Tax Credit (EITC) outreach campaigns, as well as IDA programs, access to public and employer benefits, and workforce development opportunities. United Ways are working with partner organizations to offer financial education workshops to clients at free tax preparation sites.

United Ways are also working with employers to offer on-site financial education classes during the workday. By changing organizational practices to include financial education, local United Ways are increasing the number of lower-income workers that have access to this critical tool that could help them to more effectively manage their finances.

Resources

- US Treasury Office of Financial Education: www.treas.gov/offices/domesticfinance/financialinstitution/fineducation/resources/, National Strategy on Financial Literacy: www.mymoney.gov
- Wells Fargo: www.wellsfargo.com/about/csr/fin_ed/ and Wells Fargo's online financial education program: www.handsonbanking.org/
- FDIC: www.fdic.gov/consumers/consumer/moneysmart/index.html
- National Endowment for Financial Education: www.nefe.org/
- Networks Financial Institution: www.networksfinancialinstitute.org/research.asp
- Council on Consumer Finance: www.mymoneymanagement.net/

For More Information

For more information about United Way's Financial Stability Partnership™, and financial stability strategies, visit the Knowledge Café at <http://online.unitedway.org/café>, join the financial stability listserv or send an email to fsp@uwa.unitedway.org.