

The State of Rhode Island Financial Literacy Conference

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Financial Literacy Facts

Q: Which statement is not true?

- The national savings rate was recently negative.
- Over 25% of households have had zero net worth.
- Over 5 billion credit cards were solicited in 2001.
- The top 10% of households in earning have owned over 71% of all the private wealth.

Financial Literacy Facts

Q: Which statement is not true?

They're all TRUE!

Financial Literacy Facts

Q: Minimum wage in 2002 was what percent of the living wage:

- 59%
 - 121%
 - 2%
 - 77%
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Financial Literacy Facts

Q: Minimum wage was what percent of the living wage:

A: 59%.

In 2002, the living wage was \$8.70 an hour, and the minimum wage was \$5.15 an hour.

Source: Living wage determined by dividing \$18,100 ([HHS poverty level](#) for family of four) by 2080 hours (52 weeks X 40 hours).

Financial Literacy Facts

Q: The 2002 average amount of credit card debt carried by households that do not pay off the balance was:

- \$8,387
 - \$1,216
 - \$4,097
 - \$15,123
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Financial Literacy Facts

The 2002 average amount of credit card debt carried by households that do not pay off the balance was:

- \$8,387 (*source: 2002, Trans Union LLC, TrenData Report*)
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Financial Literacy Facts

Q. If you buy a pizza on a credit card with a balance, how much more do you pay for it than with cash?

- No more
 - \$10.54
 - \$32.40
 - \$5.03
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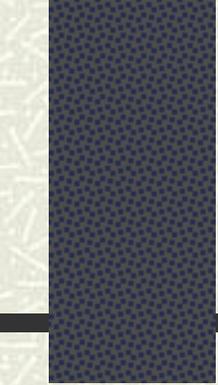
Financial Literacy Facts

Q: If you buy a pizza on a credit card with a balance, how much more do you pay for it than with cash?

A: \$32.40

Financial Literacy Facts

Payment Methods	Terms	Cost to Consumer
Cash	Pay now	\$10
Credit Card with Balance	Pay off over 18 months with 18% interest	\$42.40



Need for Increased Financial Literacy

- Changes in Personal Finances
 - Increase in Consumer Responsibility
 - Changes in Demographics
 - Market Innovation
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Financial Literacy Initiatives

- The Unbanked Community
 - Savings Initiatives
 - Home Buyer Education
 - Workplace Programs
 - Faith-Based Initiatives
 - Youth Education
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The Unbanked Community

- Market Characteristics
 - Reasons for Being Unbanked
 - Financial Education Needs
 - Case Study
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Savings Initiatives

- National Consumer Saving Initiatives
 - Individual Development Accounts
 - Earned Income Tax Credit
 - Case Study
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Home Buyer Education

- Pre-purchase Education
 - Combating Predatory Lending
 - Foreclosure Prevention
 - Case Study
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Financial Literacy

Workplace Programs

- Demand for Workplace Education
 - Employer Partnerships
 - Benefits of Workplace Programs
 - Case Study
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Faith-Based Initiatives

- Historical Role of Faith Based Institutions
- Rationale for Financial Literacy
- Case Study

Youth Initiatives

- Need for Youth Financial Education
 - Venues to Reach Youth
 - Case Study
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Evaluation

- Explosive Growth of Programs
 - Evaluation Challenges
 - Key Research Questions
 - Case Study
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Developing a Financial Education Program

- Assessing organizational capacity
 - Researching target population and local financial education needs
 - Selecting program goals, objectives, and curriculum
 - Developing partnerships
 - Marketing your program
 - Program implementation
 - Evaluation
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Elements of Effective Programs

- Clear mission and purpose
 - Targeted outreach
 - Program accessibility
 - Relevant curriculum
 - Dynamic partnering
 - Adequate resources
 - Evaluation and follow-up
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