

\$OLUTIONS

EMPOWERING PEOPLE OF ALL AGES THROUGH FINANCIAL EDUCATION

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Americans Have Too Much Debt

By Congressman Paul Tonko (D-Adirondack, Capital)



WE CAN EASILY VERIFY THAT statement through a simple Google search—or, for many of us, by simply looking at our own financial statements. This is not surprising or new, but it has become particularly glaring in the wake of the financial crisis that caused the worst recession since the Great Depression. Eight million people lost their jobs, and unfortunately many of them do not have enough long-term

savings in place. Families are losing homes to foreclosure in record numbers.

While we work to strengthen our economic recovery, restore lost jobs, and push for investment in the research and development that will stabilize our job picture for future generations, there is no better time to teach smart money habits to our children and grandchildren. We cannot afford to pass on the modern traditions of carrying loads of credit card debt and failing to save for the future. It is critically important that we improve and expand our efforts to educate our children on money management. Most parents admit their children have not received any financial education, either at home or at school.

That’s why I applaud the education efforts of the New York Credit Union Foundation and its credit union partners to help teachers, students and parents improve the financial literacy of our children. These statewide initiatives complement efforts on the federal level that will help put millions of children across the country on the right path to financial success. The Department of Education, together with the National Credit Union Administration (NCUA) and the Federal Deposit Insurance Corporation (FDIC), is facilitating national partnerships among schools, financial institutions and other stakeholders to provide effective financial education and encourage children to start saving. There’s tremendous potential in these partnerships: teaching young

children how to make smart money decisions and set goals—such as saving for college—will help them build a strong financial future.

Youth financial literacy should not be treated as an elective. We must pass down the lesson we have learned from this painful recession: that serious consequences arise from failing to plan for the future—and buying things we can’t afford with money we don’t have. Let’s make sure our children are prepared for the next rainy day. ♦

NYS Desjardins Youth Financial Education Award

The NYS Desjardins Award is presented to credit unions that demonstrate a significant commitment to youth financial education. This year’s recipients in the Youth Financial Education award category include:

\$50 million in assets and under

1st place Clarence Community & Schools FCU

\$50–\$150 million in assets

1st place CORE FCU

Honorable Mention Buffalo Metropolitan FCU

\$500 million in assets and over

1st place Teachers FCU

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Solutions at Hand

New York Credit Union Foundation

Mission Statement

Serving those who improve the financial literacy and independence of New Yorkers and promote the credit union difference.
Credit Unions • Schools • Community Organizations

NYCUF Viewpoint



What Makes a Credit Union Unique?

WHEN I MEET PEOPLE FOR THE FIRST TIME, they often ask me what makes credit unions unique. I'm always happy to tell the stories of our credit unions, especially stories about the winners of the New York State Desjardins Youth Financial Literacy Education Awards.

These credit unions “get it.” They fully appreciate the importance of financial literacy to our future. More than that, they *do* something about it. They epitomize what credit unions everywhere hold in common: a commitment to our young people unmatched by any other institution in financial services.

This year's winners demonstrate how they fulfill their social mission to provide financial education:

- Besides its successful student-run branch, Clarence Community & Schools FCU has collaborated with a local bookstore to spread the message of financial literacy through storytelling, arts, and crafts.
- The student branch of CORE FCU uses a unique “students as educators” approach, with students delivering after-school presentations and co-facilitating the annual High School Finance Forum for 10 area school districts.
- Teachers FCU delivered a four-part financial literacy presentation to several Suffolk County high schools, while developing another presentation on the difference between credit unions and banks.

- Buffalo Metropolitan FCU taught 33 teens about credit and other topics as part of the Mayor's Summer Youth Program.

Did you notice what else the winning credit unions have in common? Collaboration. These credit unions collaborated with schools to deliver in-class presentations and open in-school branches. They collaborated with local businesses and community groups to reach young people. They collaborated with the New York Credit Union Foundation in offering so many of the programs we provide, like the NEFE® HSFPP and Money & Me.

The best news of all is that the award winners are just a few of the many credit unions dedicated to improving youth financial literacy. I see this same commitment no matter where I go in New York State. In community after community, young people are receiving the personal finance instruction, thanks to the extraordinary efforts of local credit unions. And that holds true from Montauk Point to Niagara Falls.

Education, collaboration, a commitment to our communities and our future: *these* are the qualities that make credit unions unique. They are the qualities that make me so proud to be part of the movement. ♦

— Diane LaVigna-Wixted
Executive Director
New York Credit Union Foundation



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Solutions For High School Students

How Am I Going to Pay for College?

College president's interactive workshop will help financial educators supply the answers



IF ANYONE KNOWS THE KEYS TO FINANCIAL literacy, it is Karen Gross. That's doubly true of paying for college. This summer, she will share her expertise at the New York Credit Union Foundation's Financial Education Summer Training (FEST 2011).

The eighth president of Southern Vermont College will present the interactive workshop "Making Higher Education Possible: Financing Tips and Strategies for Students and Their Families." A Distinguished Visiting Professor of Law at New York Law School, Gross has academic expertise in consumer finance, over-indebtedness and community economic development. While holding a tenured law professorship for more than two decades, she also led an educational nonprofit that designs, implements, and studies programs to provide sumers with financial empowerment skills.

We caught up with Gross recently to get her thoughts on college and financial literacy.

Solutions: Why did you accept the invitation to speak at FEST 2011?

Karen Gross: I want to ensure that the next generation makes wise financial choices and does not get taken advantage of in the consumer financial markets. Unwise choices can haunt students' college experiences and post-college prospects. Money stresses can impact their learning. And students who don't complete college, whether for financial or other reasons, have the worst of all worlds: they have debt without diploma. Anything I can do to help students avoid these pitfalls is well worth doing.

S: What is the "best-kept secret" about college financial planning—the truth that most people do not know but should?

KG: Here's the fact that drives what I do: underserved communities overestimate the cost of higher education and underestimate the availability of aid. There is money out there to help families finance college, whether through quality grants or loans. But that is a secret to many. I want

What's Happening at FEST 2011

Coordinated by the New York Credit Union Foundation and Cornell University Cooperative Extension, this year's Financial Education Summer Training (FEST 2011) features a wealth of expert speakers and invaluable strategies to bring back to the classroom.

August 3, 2011 • Holiday Inn, 205 Wolf Road, Albany, NY

- Choose a National Endowment for Financial Education® (NEFE®) High School Financial Planning Program® track that works for you:
 - HSFP I: Introduction and Overview
 - HSFP II: Get Students College and Career Ready
- Learn what's next for the HSFP from Susan Sharkey, the new NEFE HSFP Executive Director
- Participate in a teacher track panel discussion featuring:
 - WISE Financial Literacy Certification Program
 - FoolProof's "Burning Money"
 - Teaching Financial Education with Visual Tools
 - Junior Achievement's Personal Finance3
- Or, participate in a session specifically designed for credit unions:
 - Teaching 101: Everything you need to know before you go into the classroom
- Listen to stimulating keynote presentations:
 - *Pass It On: Achieve Real Wealth on Your Own Terms*

Keynote Speaker, Farnoosh Torabi, author, Psych Yourself Rich

The personal finance expert and best-selling author will discuss how to define wealth, develop a stronger relationship with money and make smarter financial choices.

- *Making Higher Education Possible: Financing Tips and Strategies for Students and Their Families*

Keynote Speaker, Karen Gross, President, Southern Vermont College

Learn about the financing options available to students, why many families overestimate the cost of higher education, concrete strategies and tips for obtaining quality funding and more.

Registration fee: \$25

For detailed information or to register, visit http://www.nycuf.org/financial_education/summertraining.php

LifeSmarts

the Ultimate Consumer Challenge

Pittsford Mendon Wins Trip in LifeSmarts Thriller

WHEN ASKED ABOUT HIS FAVORITE PART OF LIFESMARTS, DENVER Rawlins didn't hesitate. "Winning," he said with a chuckle.

As it turned out, he did plenty of that at the latest New York State LifeSmarts Championship.

Rawlins' team, from Pittsford Mendon High School, barely edged Smithtown High School West in a thrilling final round that wasn't decided until the last three questions. The victory sent Pittsford Mendon to the national LifeSmarts championships in Universal City, California.

Competition was fast and furious during the daylong event, which pitted the state's top 10 LifeSmarts teams against one another in seven intense rounds. Drawing on the five LifeSmarts categories—personal finance, health and safety, the environment, technology and consumer rights and responsibilities—the questions covered

everything from insurance premiums to the value of paying cash to the U.S. government agency responsible for investigating mail fraud (the U.S. Postal Inspection Service).

In many ways, the two lecture halls at Schenectady County Community College looked just like the arena for any athletic event. Coaches gave last-minute instructions to young people wearing team colors. Some students looked over their notes just before competing; others were joking, laughing, clearly relaxed. Scores were projected on a screen to keep the crowd in the game.

But this was no Vince Lombardi "winning isn't everything; it's the only thing" type of competition. The rewards for all teams were much greater.

"We're learning key facts of life—what every person should know," said Kurt Wilson, captain of the team from Saranac Lake High School. "Now's the time when our minds are developing, so it's better to be taught this now and have it imprinted in our brains than to try learning it as an adult."

For some students, that knowledge is coming in handy now. "I have a job, and I learned so much about things like taxes and exemptions, all by competing in LifeSmarts," said Jazael Gonzalez, a senior on the Brentwood High School team. "It's like, 'Oh, I can use that now! I can actually get more money back when I do my taxes!'"

Former local newscaster Jack Aernecke stepped in as question master for the semifinals, which featured Pittsford Mendon against Cairo-Durham High School and Smithtown West taking on its crosstown rival, Smithtown East. The finals featured an eye-opening Challenge Tossup in which one team had to identify safe cooking temperatures for various meats, while the other deciphered a long list of personal finance acronyms—all at top speed.

Credit unions and regional chapters of the Credit Union Association

of New York sponsored the state finalists, and it's easy to understand why. "I think financial education is very important for every age group—in youth and beyond—but specifically for high schoolers, because not every school system is focused on this topic," said Jessica Herishko, a loan officer at Columbia-Greene FCU, which sponsored the Cairo-Durham team. "Credit unions are the best source for providing this. We teach people about personal finance every day."

In the end, Pittsford Mendon may have punched its ticket for California, but every team—to use the old but true cliché—came away a winner. At least one student in particular is coming away with something invaluable: hope. "Our previous generation obviously didn't get enough personal finance education, if you look at where the economy is now," said Michael Nichols of Saranac Lake. "So maybe we can help right it. If people keep learning about finance, perhaps we won't have as many recessions." ♦



Diane LaVigna-Wixted, executive director of the New York Credit Union Foundation (left) and featured quiz master for the final rounds, former WRGB-TV anchor Jack Aernecke, present the members of Pittsford Mendon High School's LifeSmarts team with their first place trophy. (students, l-r): Kylie Ryan, Denver Rawlins, Allison Hallock, Team Captain Stefan Styk and Steven Pan. The team came out on top after fielding questions about real-life marketplace issues and a final match that went down to the wire.

“Every time we sit down to review information, everyone finds out something they didn’t know before. It’s been a lot of fun for them to bounce things off one another and challenge each other with the things they’ve learned. They all learned something new—about finance and about themselves.”



“Preparing for LifeSmarts gives students a really good step in the right direction in being on their own and taking care of their adult life, which is coming up for a lot of them very soon.”

~ Tricia Preston, coach, Saranac Lake High School



Smithtown East High School students John Vincente, Alex Barnes, Team Captain Nick Ambery and Ryan Lanzetta work hard on the team activity question in the semi-final round of the competition.

2011 National LifeSmarts:
Pittsford Mendon finished 16 out of 33 teams.

“Any opportunity we can get for students to be practicing and learning personal finance is a good thing, and LifeSmarts is a big part of that.”

~ Louis DiCesare,
coach, Irondequoit
High School



“One of the LifeSmarts questions asked, ‘How do young people of today learn about finance?’ and the answer was ‘trial and error.’ If we avoid the trial-and-error aspect and learn about it, we’d avoid losing money.”

~ Muhammad Zahid,
captain, Irondequoit
High School



“Even for when you’re older, LifeSmarts gives you general knowledge about what to do: how to spend, how to save up, how to ask yourself, ‘Do I need this, or do I want it?’”

~ Joel Nunez,
Brentwood High
School



Money & Me Goes Viral



Community organizations clamor for the program after credit union's success

CARIE FLASPHALER WANTED LOCAL YOUTH ORGANIZATIONS TO promote the next Money & Me session at her credit union. The local youth organizations had something else in mind.

ServU FCU had originally offered the summer program in 2009 as an extension of its financial literacy classes during the school year. That first session had generated outstanding reaction from the students. “True, most of them were apprehensive at first,” recalled Flaspahler, ServU’s president. “But as the course progressed, they realized they were learning information they could use the rest of their lives.”

The youth agencies must have heard the buzz. When Flaspahler asked them to spread the word about the next Money & Me session, they responded with a counterproposal: bring Money & Me to us.

And a new delivery model was born.

Since that time, ServU has held Money & Me at three local organizations. Each time, credit union representatives carefully—and successfully—tailored the format to the organization’s needs:

- For ProAction of Yates County, the typical five-day session became a one-day crash course, featuring the most popular topics and activities from previous sessions.
- For the Wildwood Alternative Education Seniors – Preparation for Life Class, the five classes were spread

out over five weeks, interspersed with Wildwood’s standard curriculum of job searching, college applications, career exploration, and other areas.

- In the Campbell-Savona Central School District, students in grades 8–10 played online games, used a sample ATM, and practiced making change in 45-minute after-school sessions twice a week.

In all cases, the flexible formats met with an enthusiastic response. “The students benefited from having credit union employees right in front of them to answer their questions in a relaxed environment,” Flaspahler recalled. “Most adults were surprised that the program was provided free of charge. And adapting the Money & Me curriculum into the different time frames was fairly simple. It did take some trial and error to see how students would retain knowledge from the sessions that were further apart, but it all worked out well in the end.”

Well enough that community agencies are already requesting the program for 2011. Flaspahler has every intention of honoring those requests wherever possible. “We found we had much better attendance when partnering with organizations than with our open enrollment class,” she said. “Hopefully we will be able to secure more partnerships with area youth organizations this year.” ❖

Pay for College From pg. 3

to showcase the opportunities that exist so more and more Americans can progress to and through college.

S: What have we learned about best practices in youth financial literacy?

KG: Money is like a foreign language: it needs to be learned, and it can’t be learned all at once. Also, it involves not just dollars and cents, but also deeper values and psychological factors. So teaching money requires a different method from, say, teaching history.

One thing we’ve learned is not to use scare tactics. We saw this with drunk-driving education: leaving a car wreck on the high school lawn before prom does not produce lasting change in students’ behavior. In contrast, empowering students to make wise choices is the goal for me—and it is no easy task.

We also need to be mindful of how the next generation learns and the role of technology and multitasking. That requires hands-on activities that link learning objectives with real-life situations.

S: What have you heard from students with regard to youth financial literacy programs?

KG: When I taught a course in financial advocacy to law students, the most common comment I heard was “Why am I learning this so late? I wish I had known it earlier.” Even so, many students used the course to make changes in their financial lives, correct their credit reports, and improve

their credit scores. The best part was that they shared what they learned with others: fellow students, their friends, their spouses or partners, their parents. For every student in the class, another five people learned something!

S: What can teachers do to promote youth financial literacy? What can credit unions do?

KG: We need to get teachers comfortable with their own finances, and their own money language, before they teach others. Beyond that, students can learn about money as part of a quality reading initiative. That encourages both literacy and financial literacy. Teachers of young children, for example, can use books with a money theme when reading to students (my favorite is *One Grain of Rice*).

Education provides so many opportunities to teach the basics of money. We can work to ensure that textbooks and materials integrate financial concepts across curricula. Movies that deal with money can be used as launch pads for conversations. In short, we need to step outside the box and think about new strategies.

Credit unions and their personnel have enormous expertise, and they can share that with parents and students. The big lesson to impart is that learning about money is possible. Many people are scared of finances. We need to show them that they can make wise choices and manage their money successfully. ❖

Solutions For Younger Students

Kids Raise Money—and Questions

A puzzle for second graders turns into a teaching moment about money management

WHAT HAPPENS TO YOUR MONEY WHEN IT GOES TO THE credit union?

You and I may know, but it mystified the second graders at Poestenkill Elementary School. A lot was riding on the answer: they were raising money for Heifer International, which fights hunger and poverty worldwide, and wanted to make sure the money was safe.

A field trip was clearly in order, so the students traveled to School Systems FCU. There they found the answer—and quite a bit more.

“We saw this as a great opportunity,” said Alyssa Evanchick, the credit union’s COO/Marketing, “not only to educate them about the coin and currency process, but to give them something they could take away that would help them learn about the ways they could save, spend, and share money.”

With that in mind, the credit union gave each student a Kid’s Cash Kit, created by NYCUF for children ages 5–9 to

learn about managing money. As part of the field trip, students helped count the money they had brought in, looked over currency from around the world, and shared their own stories about money.

“The kids were really excited about the whole experience,” Evanchick said. “Afterward, we received a wonderful note from the teacher, along with a note and drawing from each of the students about what they liked most about their visit. Some of them even drew pictures of their kits!”

While School Systems FCU has long been involved with the local school district, this was its first time using the Kid’s Cash program. It will undoubtedly not be the last. “These kits are great,”

Evanchick said. “They help us educate the youth in our community and reinforce the values of saving, spending and sharing. By using them, kids gain the tools to make smart choices about money.” ❖



Mark Hatfield, CEO of School Systems FCU, shows his young visitors the value of different currencies.

Hands-on Finance Workshops Connect Children/Adults

WORKING IN PARTNERSHIP, THE NEW YORK CREDIT UNION Foundation and Cabot Creamery Cooperative held a Health & Wealth Fair on April 19, 2011, for more than 75 kids, teens, parents and grandparents at the Huntington Family Center in Syracuse, N.Y.

Sponsoring partners: Huntington Family Centers, WellTrail, Child Care Solutions and St. Lucy’s Church Community Garden.

Participating credit unions: ACMG FCU, AmeriCU Credit Union, Compass FCU, Cooperative Federal CU (Syracuse), CORE FCU, Empower FCU, FocalPoint FCU, Liverpool Central Schools FCU, MONEY FCU, Oswego County FCU, Oswego Heritage FCU, Syracuse Fire Department EFCU and Westar FCU. ❖



Dana Murphy, public relations consultant for Cabot Creamery, leads an interactive workshop where young participants identify calcium-rich foods to win fun prizes at the Health & Wealth Fair.

Credit Union Spotlight

Money for the Prom, Lessons for a Lifetime

First New York FCU goes the extra mile in engaging young people



WALL STREET MAY DEVELOP SOME COMPLEX DERIVATIVES, BUT only a teenager could create a prom savings account. Therein lies the genius of First New York FCU's financial literacy efforts: getting young people involved—and enthusiastic—about good money habits.

The involvement starts early. Students at two local elementary schools are encouraged to open First New York savings accounts in Kindergarten, then make weekly deposits throughout their school years. Tokens allow children to earn fun prizes, and the credit union occasionally

deposits, and reviewing their transaction history online. As employees, they develop the job skills that will make them marketable in the future. And have helped create products like the prom savings account and yearbook savings account, two of First New York's most popular student offerings.

"The intent is to offer hands-on, real-life experience to high school students," Granka said. "That experience has helped them build and practice valuable skills in management, leadership, marketing, and member service."

Here too, students have expressed their enthusiasm. "I definitely would like to go into financial services," said one student. "I am learning a lot about how to manage money, how to talk to people. It has been a good experience and I am glad I am doing it."

If the depth of First New York's commitment seems extraordinary, consider its history. "Ever since our founding as Schenectady Teachers Federal Credit Union, education has been a central part of our credit union," Granka explained. "As we educate youngsters in understanding financial responsibility, we can help them grow personally. Through our savings programs, in particular, we can instill the importance of saving for the future—and they will reap the benefits for a lifetime." ♦



Paul Scampini, House Principal, conducts a transaction with student teller, Clarisse Ramlal at Schenectady High School's Patriot Branch.

offers gift cards or movie tickets as incentives for saving. High fees are no barrier here: it takes just \$2 to open the account, and First New York matches the opening deposit up to \$5.

Are the programs engaging students? The evidence says yes. "Most youngsters keep the accounts open for years and continue to use our branch system," said Rachele Granka, First New York president. "We recently received a lovely note from one of our members in high school. It read, 'Thank you so much for establishing this program with my elementary school in Cobleskill. Because of it, I started saving in Kindergarten and I am still saving.'"

That student is now involved with First New York's other major initiative. Over the past six years, the credit union has opened three student-run branches inside local high schools. As members, students get plenty of practice in basic financial skills, such as filling out forms, recording



Mohonasen High School's Warrior Branch faculty advisor, Sue Braham (left) with students, Matthew Keppell, Nicole Lawrence and Eric Bisailon.