

# RHODE ISLAND



*Students operate and conduct business at Rhode Island Credit Union during their full day Exchange City simulation.*

## Statistics

- ▶ **112,997** members have access to savings accumulation counseling
- ▶ **106,930** members have access to money management counseling and credit report review
- ▶ **224** classroom presentations were conducted for **1,711** students
- ▶ **498** students attended a Financial Literacy Fair
- ▶ An estimated **\$110,500** was spent by CUs on financial education programs

## In the Spotlight

Pawtucket CU, Columbus CU, WAVE FCU and Westerly Community CU received grants to run/start financial literacy programs



*Students interact with credit union representatives during a CU 4 Reality™ Fair sponsored by Navigant Credit Union.*

Since their inception, Rhode Island credit unions have committed to provide for the financial well-being and needs of their members as well as the communities they serve. The recent economic downturn illustrates the need for financial literacy education. Statistics show that many consumers could benefit from a better understanding of financial matters.

Far too few students learn life skills that will ultimately lead to their personal financial success. More and more credit is being extended to our youth; and parents may not have the educational training or life experiences to guide our youth to be financially healthy young adults. In the area of youth financial education, credit unions have taken a leadership role throughout Rhode Island.

The development of financial literacy fairs began in Rhode Island more than ten years ago with the Real World Day for high school students. Real World Day is a “hands-on” practical experience that assists students in setting realistic financial goals while they prepare for life after high school. At Real World Day, students are asked to develop a realistic budget that includes housing, insurance, food, clothing, transportation, entertainment, etc. They are given a “salary” to work with that will correspond with a job in their chosen field. Real World Day is a unique program that ties together career decisions with the budgeting aspects of the real world.

The CU 4 Reality™ Financial Education Program, directed at middle school students, was introduced to Rhode Island credit unions in 2007 by America’s Credit Union Museum. The CU 4 Reality™ program includes a comprehensive curriculum originated and taught by teachers with assistance from credit unions that culminates with the CU 4 Reality™ Fair. Many students have no idea what things cost or how hard their parents must work in order to run a household. The CU 4 Reality™ Financial Education Program is a great first step in creating understanding for what their parents manage each month and what life would be like if the student had to start paying for their own expenses. Students circulate among booths to create a monthly spending plan. But, along the way, temptations and unexpected expenses may deter them from their mission. At the end of the day, students have learned what it takes to make ends meet from month to month and have a better appreciation of the importance of budgeting, financial planning, and making wise purchasing choices. The CU 4 Reality™ Financial Education Program is now being implemented in more Rhode Island credit unions through the concept of an outside consulting group that works directly through America’s Credit Union Museum, thus allowing program growth within the state.

Another example of a financial literacy program is Exchange City. Exchange City is designed for middle school students to keep their own city operating and thriving – from the mayor’s office and the police department to the news media, the credit union, and the business community. Both the classroom preparation and the full day Exchange City simulation allow students to learn about different career options, personal finance skills, and their role as consumers and producers in our economy. Students take on roles as politicians, the credit union CEO, a newspaper owner, a police officer, and other business leaders. All in a day’s work, these city officials must make payroll, pay taxes and utilities, and take out and repay business loans.

These programs, along with additional interactive tools, are used by Rhode Island credit unions. Students value the experiences from these programs and gain a much greater understanding of what a real person’s salary is and how they have to divide their income for expenses to live on their own. All organizations involved grow from these programs in so many ways. From a credit union’s own vantage point to the larger collaborative community benefits, the involvement helps Rhode Island credit unions forge new business and community relationships.

Financial education programs extend the mission of Rhode Island credit unions of providing financial education to a segment that is in need. By educating the youth market, the credit unions are also building more sound financial thinking from among future members.