

Are You Financially Intelligent?

Are you a financially intelligent parent? Answer the following questions to help yourself make this determination:

1. Do you have unresolved issues around money? Are you a spendthrift, a miser, a chaotic manager of money?
2. Do you have goals and a plan to educate your kids about financial matters?
3. Do you ever consider the values that you are communicating through your money behaviors?
4. Are you uncomfortable talking about financial subjects with your kids?
5. Do you have difficulty saying no when your children ask for money?
6. Do you use money as a bribe to get your kids to do what you tell them?
7. If you feel like you've been neglecting your kids, do you try to make it up to them by buying them things?
8. Do you frequently fight with your spouse about financial subjects in front of your children?
9. Do you harbor extreme money beliefs, such as money is the root of all evil, or money is what makes people happy?
10. Are you neurotically fearful of going to the poorhouse even though you make a good living and there is no basis for this fear?
11. Do you ever talk to your children about the importance of giving money to those less fortunate than your family or involve them in a charitable activity?
12. Do you give your kids a consistent allowance?
13. Do you understand the emotional meaning of money in your life?
14. Do you frequently make disparaging remarks about people who are poor or are less successful than you are?
15. If your child raises a money issue, do you usually make the effort to take advantage of this teachable moment?

Answers of a financially intelligent parent:

1. No
2. Yes
3. Yes
4. No
5. No
6. No
7. No
8. No
9. No
10. No
11. Yes
12. Yes
13. Yes
14. No
15. Yes

Few parents receive perfect scores on this questionnaire. If you've never given much thought to these issues, the odds are that you had a number of "wrong" answers. Financially intelligent parenting isn't an inherent skill. Our own parents' money issues combined with societal attitudes have shaped our money beliefs and behaviors, and they have not always shaped them in ways that benefit our children.

But before we can address any problematic behavior around money, we first have to tackle our beliefs about money. Our research has shown that financially intelligent parents:

- are optimistic about their ability to change money behaviors;
- value the difference between financial savvy and financial intelligence;
- think long and hard about the meaning of money in their lives;
- consider the financial education of their children a primary parenting responsibility;
- recognize that their unconscious money deeds have at least as much impact on their kids as their conscious money words;
- feel that no and enough are words that children need to hear as part of their money education;
- want their children to work more for a sense of satisfaction than for money.

A BILL FOR AN ACT ENTITLED: "AN ACT TO PILOT AND EVALUATE A MINI-BANK FINANCIAL LITERACY PROGRAM AT BLACKFEET NATION SCHOOLS TO CREATE A MINI-BANK SAVINGS PROGRAM FOR INCLUSION IN ALL MONTANA SCHOOLS"

Good Afternoon Mr. Chairman and Members of the Committee. My name is Angie Main and I am representing Native American Community Development Corporation (NACDC) located in Browning, Montana. With me today is Steven Powell, Financial Literacy Coordinator for NACDC. Mr. Chairman, I will make my comments brief and have submitted my full written testimony for review.

For twelve (12) years NACDC has successfully run a Mini Bank/Financial Literacy Program in the majority of the Blackfeet Nation's schools. Since 2006, with the support and guidance of NACDC, the Mini Bank/Financial Literacy Program has been expanded to the Fort Hall schools in Idaho, the Cortez school district in Colorado where Ute Mountain Ute Tribal members are educated and to schools on the Fort Peck Reservation in Montana.

The Mini-Bank/Financial Literacy Program provides quality financial literacy education at an early age with a school-based program that develop better savings goals as well as more sophisticated borrowers and investors for the future. In 2009, at Blackfeet, the program will also seek to incentivize savings by children and youth through an Individual Development Accounts pilot that uses matching funds to grow savings.

This bill before you supports a pilot Mini-Bank Financial Literacy Program that includes an Individual Development Accounts component. The school selected will have the core Mini-Bank Financial Literacy Program and will be introduced to an Individual Development Accounts (IDA) Program. Students will learn about asset ownership and wealth creation through matched savings and financial education. Through the matched savings component students will be rewarded on a monthly basis for their investment in higher education. The Mini-Bank Program has provided proof of the how savings and financial education have helped students achieve goals. The inclusion of an IDA program will provide the additional benefit of providing incentives for students to save and prepare for college access.

In Year 1 the component will be developed by NACDC and BRDF staff and reviewed by the creator of the IDA concept, Dr. Michael Sherraden, Benjamin E. Youngdahl Professor of Social Development at Washington University in St. Louis and the founder of the School's Center for Social Development. Dr. Sherraden has advised the U.S. Department of Health and Human Services, the Treasurer of the United Kingdom, the government of Singapore and China on the creation of Child Development Accounts. The formal implementation of the IDA Program will take place in Year 2 with an extensive evaluation report of the pilot forthcoming after the completion of the first year of implementation.

The intended outcomes of the Pilot are as follows:

- Elevating students to leadership and role model status
- Providing incentives for student enrollment and attainment
- Testing the efficacy of the inclusion of IDA savings accounts
- Preparing high school students for accessing college opportunities
- Strengthening the current tracking system to increase program accountability
- Impact study and evaluation report to utilize as a learning and promotion tool.
- Model curriculum available for review and comment
- Standards and measures developed and in place
- Presentation prepared for elected and other officials to use in decision-making related to use of the Program in all Montana schools

History and Overview of Mini-Bank Financial Literacy and Savings Program

Native American Community Development Corporation (NACDC) works closely with community-based organizations like Blackfeet Reservation Development Fund (BRDF) in Montana to build local capacity to deliver the Mini-Bank Program and sustain its successes. The Blackfeet Reservation Development Fund facilitated the development of a financial literacy curriculum for Browning Public Schools by accessing innovative strategies from around the U.S.

In 1996 the Blackfeet Mini-Bank Association was established at Browning Middle School. The Program uses the FDIC MoneySmart Curriculum. The guiding concept of the Mini-Bank was to encourage children to save. Students open an account with their Social Security card and \$3.00. Each child has sole ownership of the account and is responsible for its maintenance. A BRDF staff person, the Mini Bank Coordinator, acts as a direct liaison between the students and a bank by accepting and recording deposit transactions and ensuring proper transfer of funds to a financial institution and delivering a financial education curriculum. The Coordinator position is funded through a Memorandum of Understanding with NACDC.

Today the Blackfeet Mini Bank/Financial Literacy Program is in place at six (6) schools at the Blackfeet Nation. These schools include the Napi Elementary, Browning Middle School, Browning High School, Nizi Puh Wah Sin Language School, the De La Salle Catholic School and Blackfeet Boarding Dorm. The Blackfeet Mini- Bank Association plans to expand to all Blackfeet Nation schools which include East Glacier, Babb and Heart Butte.

Each school has its own “Mini-Bank” and student board. Currently there are 26 total students serving on the boards of directors. Their responsibility is for the operations of the mini bank in their school. After a student is selected to serve on the board, they participate in an orientation and serve until they graduate from high school. Each week the students rotate Bank working days and positions. The Mini-Bank Program’s uniqueness and effectiveness lies in the fact that it is student-led as to the policies and procedures under which their bank operates. Students are exposed to money management experiences and opportunities that lead to pursuits in accounting and financial services careers. Currently, there are over 240 students participating with the Blackfeet Mini Bank Association with over \$30,000 currently in these accounts.

Financial Literacy Pilot – SB485 Juneau

The Mini-Bank program prepares students for access to college. One student who served as president of the Napi Mini-Bank, wrote, “Through out middle school I was a very active member of the board and we worked hard to get more interest in the program. The whole goal of the bank is to teach financial literacy to a group of students from a very impoverished community and we did presentations to classes about savings and checking accounts, loans and other bank services.” This same student went on to say, “Last fall I applied for the top academic scholarship at the University of Montana and there was an essay required. I thought of what I have done that no one else applying would have, so I wrote on the mini-bank program. It worked and I am currently on a full ride presidential scholarship to UM. I guess I can say that in a way, the Native American Youth Bank paid for my schooling.”

Another student, who wanted to quit school when he was 12 years old and in the sixth grade, was introduced to the mini-bank financial literacy education at the Blackfeet schools and became actively involved. He became a leader when he was elected president of the Blackfeet Mini-Bank. Eleven years later, he is an advocate for learning about saving and investing money and serves as a strong role model. He saved \$7,000 and is attending the tribal college at Blackfeet, where he will finish his two-year degree before transferring to the University of Montana to complete his bachelor’s degree.

The Program’s expansion into additional Native communities came about as a result of a community organizing process that NACDC’s uses in communities to which it has been invited to provide development services. This process is funded by the W.K.Kellogg Foundation and the National Rural Funders Collaborative. The process begins with a facilitated community needs meeting, progresses to a community assessment, then to strategic planning meetings, a written plan and finally with a negotiated action plan. The action plan’s objectives are negotiated by all parties and activities are committed to in writing by the Native community. It has been the case that in most of the communities, the first objective to be undertaken was the establishment of a Mini-Bank Program for children in K-12 schools.

Mr. Chairman, I thank you and the members of your committee for considering this bill and for giving me the opportunity to share the history and success of the Mini-Bank Program.

Bill Draft Number: LC2187

Bill Type - Number: SB 485

Short Title: Financial literacy pilot program

Primary Sponsor: Carol C Juneau

Bill Actions - Current Bill Progress: In Second House Committee--Nontabled

Bill Action Count: 32

Action - Most Recent First	Date	Votes Yes	Votes No	Committee
(H) Hearing	03/18/2009			(H) Education
(H) First Reading	03/02/2009			
(H) Referred to Committee	03/02/2009			(H) Education
(S) Transmitted to House	02/26/2009			
(S) 3rd Reading Passed	02/26/2009	36	14	
(S) Scheduled for 3rd Reading	02/26/2009			
(S) 2nd Reading Passed	02/25/2009	38	12	
(S) Scheduled for 2nd Reading	02/25/2009			
(S) Fiscal Note Printed	02/21/2009			
(S) Committee Report--Bill Passed	02/21/2009			(S) Education and Cultural Resources
(S) Committee Executive Action--Bill Passed	02/21/2009	7	2	(S) Education and Cultural Resources
(S) Hearing	02/20/2009			(S) Education and Cultural Resources
(C) Introduced Bill Text Available Electronically	02/17/2009			
(S) First Reading	02/17/2009			(S) Education and Cultural Resources
(S) Fiscal Note Requested	02/17/2009			
(S) Referred to Committee	02/17/2009			(S) Education and Cultural Resources
(S) Introduced	02/17/2009			
(C) Draft Delivered to Requester	02/16/2009			
(C) Draft Ready for Delivery	02/16/2009			
(C) Draft in Assembly/Executive Director Review	02/16/2009			
(C) Draft in Final Drafter Review	02/16/2009			
(C) Bill Draft Text Available Electronically	02/16/2009			
(C) Draft in Input/Proofing	02/16/2009			

(C) Draft to Drafter - Edit Review [SAB]	02/16/2009
(C) Draft in Edit	02/16/2009
(C) Draft in Legal Review	02/13/2009
(C) Draft to Requester for Review	02/13/2009
(C) Draft Taken Off Hold	02/13/2009
(C) Draft On Hold	02/06/2009
(C) Draft to Requester for Review	01/27/2009
(C) Fiscal Note Probable	01/16/2009
(C) Draft Request Received	01/16/2009

Sponsor, etc.

Sponsor, etc.	Last Name/Organization	First Name	Mi
Requester	Juneau	Carol	C
Drafter	Gersovitz	Jeremy	
Borrowed From	Roundstone	J. David	
Primary Sponsor	Juneau	Carol	C

Subjects

Description	Revenue/Approp.	Vote Majority Req.	Subject Code
Credit Transactions (see also: Financial Institutions)		Simple	CRED
Financial Institutions (see also: Credit Transactions)		Simple	FIN
School Finance		Simple	SCHF
Schools and Education		Simple	SCH
Rule Making		Simple	RUL

Additional Bill Information

Fiscal Note Needed: Yes
Preintroduction Required: N
Session Law Ch. Number:
DEADLINE
Category: General Bills

Transmittal Date: 02/26/2009

Return (with 2nd house amendments) Date: 04/02/2009

Section Effective Dates

No Records returned