Relevance
Many families face the constant challenge of managing limited resources to meet everyday expenses. The increasing complexity of the financial system and the lack of formal financial literacy education further burdens families who are trying to make ends meet, particularly low-income families. The recent recession and slow recovery have heightened consumer awareness of the need for financial literacy education. Growing unemployment, foreclosures, and credit delinquencies have contributed to increased interest among consumers in budgeting, saving, and cutting back on spending.

In 2012, the FINRA (Financial Industry Regulatory Authority) Investor Education Foundation funded a nationwide Financial Capability Study to update key benchmarks in financial capability for adults from their 2009 study. Results for Texas reinforce the need for basic financial education, including:

- 19% of Texans indicated they spent more than they made in the previous year; an increase of 1% from 2009.
- 57% reported no emergency funds to cover at least three months of expenses in an emergency, an improvement of 4% from 2009.
- 39% reported using one or more non-bank borrowing (e.g., title loans, payday loans, pawn shops, rent-to-own) method in the past five years, an increase of 7% from 2009.
- When asked five economic and finance questions, 67% of Texans answered three or fewer correctly, up from 58% in 2009, indicating financial capability has not improved.

Response
Money Smart is a financial management program developed by the Federal Deposit Insurance Corporation (FDIC). While targeted at adults outside the financial mainstream, this curriculum can be used with adults who have low financial knowledge and skills. The curriculum helps individuals build financial knowledge, develop financial confidence, and use banking services effectively.

For more than 10 years, Money Smart has been utilized by the Texas A&M AgriLife Extension Service to increase the financial literacy of a variety of Texans, including Habitat for Humanity families, recent immigrants, Head Start parents, and participants of drug rehab programs.

Money Smart class topics include:

- Introduction to Banking Services
- Credit
- How to Choose and Keep a Checking Account
Results
Since 2004, more than 1,240 *Money Smart* classes have resulted in more than 16,000 educational contacts. In 2014, nine Texas counties made 1,239 educational contacts by conducting 143 educational sessions utilizing the *Money Smart* curriculum. Classes were conducted for clients in a variety of community organizations, including Individual Development Account (IDA) participants, Catholic Family Services, Upward Bound, workforce centers, adult probationers, child support programs, Volunteers for America, and Goodwill Industries.

For several years, participant evaluations have been analyzed to determine knowledge gained, skills learned, and intent to change financial management behaviors. Results consistently show a statistically significant increase in participants’ knowledge of the program’s concepts after the class compared to their knowledge before the class.

A pre- and post-survey are used to determine any changes in participants’ financial management practices and attitudes toward money as a result of participating in *Money Smart* classes. Participants have reported adoption of several recommended financial management practices and improvement in their attitudes toward money over the 5-10 week series, including improvement in the frequency with which bills are paid on time, increased savings, opening of savings and checking accounts, and developing a plan for spending.