



# Montana Financial Education Coalition NOTES

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## Financial Literacy Month – Montana Style

With over 26 million people in the United States currently without checking accounts, savings accounts, or credit cards, financial education has never been more important. Today's "unbanked" Americans may never realize the dream of home-ownership, build credit, or reach their financial goals without adequate financial education. High school seniors who recently participated in the JumpStart survey on financial literacy answered less than 53 percent of the questions correctly.<sup>1</sup> It is more important than ever that young Montanans learn the basics of financial literacy such as how to balance a checkbook and the impact of simple interest on their car loan. With the rising cost of higher education, students need to understand how student loan debt can be managed and if not handled properly, spin out of control.

In an effort to combat the lack of financial education that exists throughout the country, April has been dubbed "Financial Literacy Month." Struggling for economic prosperity is difficult for everyone...and especially hard for young people who've never learned how to plan to achieve financial security. In a Citation recognizing April as "Teach Children To Save Month," Governor Judy Martz highlights the need as learning "basic personal financial management, including the principles of saving, spending, credit, investment, taxes and insurance is an essential life skill."

Several organizations across the state of Montana are working to educate Montanans of all ages. Many took the opportunity to spotlight their efforts during Financial Literacy Month this April (*see inside articles*).

Older students graduating from two and four year institutions around the state are briefed on the in's and out's of managing their student loans in face-to-face exit counseling sessions conducted by trained personnel from Student Assistance Foundation headquartered in Helena.

Montana's seniors also were targeted by the Montana State Auditor's office, Montana AARP and Montana Senior Citizens Association with a statewide tour to educate seniors on ways to avoid becoming victims of financial fraud. "Too often seniors are taken advantage of because they simply don't have the information to protect themselves," said Al Ward of AARP Montana.<sup>2</sup>

All these efforts have a common goal: educate Montanans of varying ages about the importance of financial literacy. Financial literacy is, as Governor Martz states, "essential to the overall health and well-being of Montana's future economic and social condition."

<sup>1</sup> [http://www.icba.org/news\\_views/news042204.html](http://www.icba.org/news_views/news042204.html)

<sup>2</sup> Press Release, The Montana State Auditor's Office, Wednesday, February 18, 2004



## Financial Education Through The Stock Market Game

According to a recent study by Equity Partnership of America, nearly 50% of all American households owned equities in either stock or mutual funds. It is clear that understanding the financial markets is important to personal investors and the Montana Council on Economic Education offers high school students an opportunity to experience the stock market through a 10-week internet based simulation called the Stock Market Game. During the 2003-04 school year 59 schools and over 1400 students have participated in this program. Student teams begin with a portfolio of \$100,000 and make weekly decisions regarding stock purchases, pay transaction fees and discuss the underlying forces that affect the markets. The top three teams that increase the value of their portfolios are recognized and awarded prizes as are their teachers. Frenchtown High School with teacher Janice Knopik was the winner of the 2004 spring semester competition.

The Montana Council on Economic Education offers teacher training, with the next training scheduled June 14-16 as part of its summer economic education program for teachers. Full scholarships are available and include the cost of one graduate credit. Contact Dr. Norm Millikin at [nlm@in-tch.com](mailto:nlm@in-tch.com) for more information.

## First Interstate Bank Employees Go Back to School

On April 22<sup>nd</sup> First Interstate Bank employees went back to school to promote the principles of money management and financial education to students from kindergarten to 12<sup>th</sup> grade in classrooms across Montana and Wyoming.

First Interstate employees from 59 branches in 30 communities participated in the American Bankers Association (ABA) Education Foundation's 8<sup>th</sup> Annual National Teach Children to Save Day. First Interstate has participated in this one day event, in which bankers go into classrooms and make presentations, for many years. The bankers use financial lessons from the ABA Education Foundation's Teach Children to Save "Kit." The lessons give the students an opportunity to apply concepts and practices through games and other hands-on activities. First Interstate employees were able to reach over 2,500 students through this activity.

First Interstate Bank Bozeman employees Kim Bergo and Penny Idland used lessons from ABA Education Foundation and created their own to teach 66 students at two schools and one Boys and Girls Club in Bozeman, Montana. To begin, bankers Bergo and Idland taught students how to fill out a check, and explained the information

contained on a check. Next, the students were led through a game of role play in which one of the student's checks was selected to go through the process of clearing. One child was the bank teller for the depositing bank, one was the bank for the person writing the check, one was the Federal Reserve, and one was the money. Each student wore a hat designating their role. Bergo walked the check from bank to Federal Reserve to bank and back. Then the process was completed again with the check not clearing and coming back NSF. The students then completed a check register worksheet from the ABA Education Foundation. Bergo and Idland ended the lesson with a story of how piggy banks came about and each student received a First Interstate Bank piggy bank.

First Interstate Foundation spearheaded First Interstate's participation in the American Bankers Association Education Foundation's National Teach Children to Save Day and works closely with the bank's branches and employees to provide materi-

als and resources that promote financial education within their communities. "First Interstate employees act as community resources year round by teaching and making presentations at schools, colleges, and other organizations," said Kelly Bruggeman, First Interstate Foundation executive director. "As a responsible corporate citizen and a leader in the financial industry, we feel



financial education is a perfect fit for us, and First Interstate employees enjoy it tremendously," said Bruggeman.

First Interstate has long been involved with community projects to promote financial education. Their ongoing student banking program (which began in 1999), First Interstate Mini Banks, continues to provide students with the entrepreneurial and banking skills necessary to run their "mini banks," as well as develop good savings habits. The seven Mini Banks have 516 savings accounts with total deposits of \$208,299.

## Teach Children To Save

Many Montana Extension Agents offered a variety of programs during April to make children aware of a need to save as a part of "Teach Children to Save Month" as declared by Governor Judy Martz.

A special feature was the Savings Starter Kit that was provided to 380 parents in Anaconda, Fort Peck Reservation, Ronan, Townsend, Culbertson, Sidney,

Plentywood, Billings, Miles City, Broadus, Malta and Townsend says Marsha Goetting, Montana State University Bozeman Extension Family Economics Specialist. A Super Saver Sticker Funbook in the kit provides an incentive for children to start saving by rewarding them with color-

ful savings stickers, as well as other activities. Funding for the kits was provided by the Montana Credit Unions for Community Development, First Interstate BancSystem Foundation, and MSU Extension Service.

In Ronan, Lake County Extension Agent Corinne Cramer presented a savings program to 4th grade classes that feature a Money Savvy Pig Saving Bank.

"The class was so popular that now all the 4th grade teachers want her to do the presentation for their classes," Goetting says.

In Sidney, Richland County Extension Agent Judy Johnson worked with Edward D. Jones to reach sixth graders, Wells Fargo

Bank to give workshops for fifth graders, and Richland Federal Credit Union for special programs for the eighth graders. The library in Sidney also offered a story hour on saving, and Johnson presented financial calculator workshops to fifth and sixth grade classes.

In Roosevelt County, MSU Extension Agent Ardis Oelkers teamed with the Froid schools, two credit unions, and a bank to present savings topics in the schools. In Billings, Yellowstone County Extension Agent Bernie Mason provided a workshop for Grandparents Raising Grandchildren to provide them with ideas on encouraging children to save.



In Broadwater, Phillips and Powder River, and Sheridan Counties, agents provided a limited number of "Savings Starter Kits" through their local newspapers. "This kit provides activities for parents and their children ages four to ten that are designed to strengthen positive family interactions," says Broadwater County Extension Agent Virginia Knerr.

In Anaconda, Deer Lodge County Agent Barb Andreozzi presented savings information to her largest 4-H club. In Valley County, Barb Hoffman teamed up with Wolf Point Federal Credit Union for a workshop for parents and grandparents at the Fort Peck Reservation.

**Youth  
make a  
Difference**

National Credit Union Youth Week 2004

This year's National Credit Union Youth Week, April 18—24, had credit unions across Montana spotlighting how young people earn, spend, save, and manage their own money.

A wide variety of activities took place to celebrate Youth Week, including coloring and essay contests, open houses with games and drawings, and credit union tours. This year's Youth Week also included a Youth Saving Challenge. Montana credit unions encouraged the youth in their communities to set savings goals and save for them. By the end of the week, reported deposits were nearly \$10,000.

Other exciting activities took place in collaboration with several County Extension Offices across the state. Community 1st Federal Credit Union worked with their local extension agent and Stockman Bank using the Money-on-the-Book-Shelf approach during story hour at the library. They also presented savings programs in 10 second-grade through fifth-grade classrooms, provided credit union and bank tours for eight classes, and held a piggy bank making contest.

In addition, several credit unions throughout the state conducted financial education presentations, reaching students from kindergarten through 12th grade. Through financial education trainings year round, Montana's credit unions continue to reach out to the youth and adults in their communities, helping empower Montanans to make better decisions for their financial futures.

*According to the  
National Council on Economic Education only  
four states require students to complete a course that covers  
personal finance before graduating from high school.*

## Montana Financial Education Coalition

We encourage all Montana organizations that offer any type of financial education — from homebuyer's education to credit counseling to retirement planning — to join us in promoting a strong and unified message about the need for personal financial education for all age groups, and in building the capacity of public and private organizations to deliver these critical programs.

For more information about the Montana Financial Education Coalition, please contact one of the steering committee members listed in this newsletter.

## — MISSION —

*The Montana Financial Education Coalition strives to improve the personal financial knowledge and decision-making ability of Montana citizens by promoting public awareness of the need for personal financial education, and by uniting and building capacity of financial education programs.*

## — VISION —

*Montana citizens will achieve long-term personal financial health.*

*NOTES* is a quarterly newsletter published by the Montana Financial Education Coalition (MFEC) and printed by the Federal Reserve Bank of Minneapolis. It is designed to keep the MFEC members informed about what is happening as well as communicating financial education efforts to other interested parties throughout the state.

We welcome your questions and comments. If you are interested in receiving this publication regularly or have address changes or additions, contact Garth Ferro at [gferro@safmt.org](mailto:gferro@safmt.org) or Karen Dunn at [karen@mcun.org](mailto:karen@mcun.org)

## Financial Q & A — Investing Online

**Q: I am considering doing my own investing online. What do I need to know about it?**

**A:** Online investing is now one of the most popular forms of conducting relatively simple financial transactions. There are a few things to keep in mind when investing online. Not all online information is reliable; when in doubt confirm it with a source you know is trustworthy. Don't forget to make sure that an investment opportunity and the person promoting it are properly registered with the Montana Securities Department.

Investors should avoid risky techniques. Online trading gives you many of the advantages previously enjoyed by professional investors, including unprecedented access to information, analytical tools and other

execution capabilities. It is important to remember, if you did not employ more sophisticated investment strategies, do not start now just because you have started investing electronically. Online capabilities might simplify but should not fundamentally change the way you invest.

A few other things to keep in mind:

- Understand that you likely are not linked directly to the market and that the click of your mouse does not instantly execute a trade.
- Determine whether you are receiving delayed or real-time stock quotes and when your account information was last updated.
- Receive clear information regarding commissions and fees and conditions that apply to any advertised commission.

- Receive information from the firm to substantiate any advertised claims concerning the ease and speed of online trading.

To receive more information and tips on online investing, please call the Montana Securities Department in the State Auditor's Office at 1-800-332-6148 for a free brochure.<sup>1</sup>



<sup>1</sup> Press release, The Montana State Auditor's Office, Wednesday, April 7, 2004