



*2011 Annual Report*

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THE CENTER *for* FINANCIAL LITERACY *at* CHAMPLAIN COLLEGE

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*Preparing students & adults to  
make sound decisions*

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## THE CENTER *for* FINANCIAL LITERACY *at* CHAMPLAIN COLLEGE

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- Donald Vickers, President, Vermont Student Assistance Corporation
- Art Woolf, Associate Professor of economics at the University of Vermont, President of the Vermont Council on Economic Education

### FOUNDING SPONSORS

- Champlain Investment Partners, LLC
  - Merchants Bank/ Merchants Bank Foundation (grant sponsor)
  - Merrill Lynch Wealth Management, Bank of America Corporation
  - National Life Group (grant sponsor)
  - New England Federal Credit Union
  - Northfield Savings Bank
  - John and Leigh Pelletier
  - People's United Bank (grant sponsor)
  - State Street Corp.
  - TD Bank (grant sponsor)
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## LETTER *from the* DIRECTOR

On December 6, 2011, Champlain College's Center for Financial Literacy celebrated its first anniversary. As a partnership between the College and several financial institutions in Vermont, we started our groundbreaking initiatives not a day too soon. The Great Recession and its aftermath have highlighted that many people across the nation struggle with important financial decisions. The country's recovery has been slow, in part because of the fallout from a record volume of bankruptcies, foreclosures and personal credit defaults.

We created the Center because of our concern about the lack of personal finance training for students in middle school, high school and college, and for employees in the workplace. Many parents are uncomfortable talking with their kids about money, so most of our children aren't learning important personal finance skills at home or school. That puts the economic future at risk for individuals, families and the country. An uneducated person with a credit card and mortgage can be just as dangerous to themselves and their community as someone with no training who drives a car.

The Center's mission is to increase the personal finance knowledge and skills of people in Vermont and throughout the country. We advocate for personal finance instruction in K-12 classrooms; work to ensure that college students graduate knowing how to make wise decisions about credit, investments and budgeting; and educate the general public about home-buying, retirement and other topics. The Center also promotes financial education opportunities at the local, state and national levels. Toward those ends, we've had great success in our first year.

### A BIG CHALLENGE

Consider the scope of our challenge:

- a survey by the Jump\$tart Coalition, a national organization that advances financial literacy for students, shows that high school seniors fail on personal finance tests
- half of the states, including Vermont, don't have K-12 financial literacy requirements, and only a few states require a personal finance course in high school
- a national survey indicates that 89 percent of teachers support requiring students to take a financial literacy course or pass a related exam before graduating from high school
- the same survey notes that two-thirds of teachers often are uncomfortable teaching financial literacy concepts
- very few colleges and universities offer a personal finance elective, and few (with the exception of Champlain College and several other institutions) require student training on personal finance topics
- adults in our community don't know where to turn to get unbiased personal finance instruction and advice

**2011 MEDIA  
COVERAGE BY:**

**The New York Times**  
**USA Today**  
**Chicago Tribune**  
**MarketWatch**  
**Reuters Money**  
**Inside Higher Ed**  
**Vermont Life**  
**Burlington Free Press**  
**Vermont Public Radio**  
**WCAX-TV**  
**Seven Days**

**THE CENTER'S ACCOMPLISHMENTS**

As you'll read in this report, the Center has launched initiatives in our first year to support our goals of developing personal finance knowledge and skills and advocating for widespread financial education.

Among our projects were the Vermont Teachers Financial Literacy Summer Institute, the Vermont Financial Literacy Summit, a survey of Vermont high school administrators about how personal finance is taught and the personal finance skills of seniors, and What's My Score?, a credit review program for Champlain students in the college's life skills curriculum.

These initiatives drew notice from national and regional media, including The New York Times, USA Today, Chicago Tribune, MarketWatch, Reuters Money, Inside Higher Ed, Vermont Life, Burlington Free Press, Vermont Public Radio, WCAX-TV, Seven Days and other outlets. In addition, I participated in a national Merrill Lynch webcast about these topics, hosted by former ABC "World News" anchor and "Good Morning America" co-anchor Charles Gibson (photo below), and spoke at a briefing for the Vermont House and Senate education committees.



**OUR FAR-REACHING GOALS**

We are pleased with the Center's success in its first year, but there's so much more to do. We have many plans to increase the personal finance competency of students and adults, but our goals need your support.

The Center's goals for 2012 and beyond include:

- creating a Vermont Financial Literacy Action Plan to guide policymakers and nonprofit and business leaders in increasing the personal finance knowledge of all citizens
- launching a Vermont High School Personal Finance Pilot Program to prove the efficacy of providing personal finance education to students, and show how trained teachers can make a difference in imparting this knowledge
- establishing online courses to train teachers in personal finance instruction, along with online personal finance education modules for high school and college students and adults
- developing math courses for high schools and community colleges based on personal finance concepts and training teachers to use these innovative materials in classrooms
- creating financial literacy video games and other learning applications for middle and high school students in collaboration with Champlain College's Emergent Media Center
- working with the media in Vermont and nationwide along with using social media tools to educate the public on personal finance topics

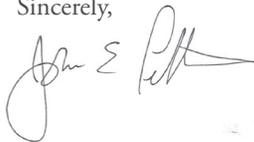
### **YOUR SUPPORT MAKES *the* DIFFERENCE**

Our results-driven, hands-on Center is one of only a small number of such higher education-affiliated centers in the country. The involvement and vision of Champlain President David Finney, the Center's advisory board and the Vermont business community have made the Center's projects possible. With your help, we'll continue to make a broad impact on the landscape of financial literacy in Vermont and beyond. We count on support from individual, corporate and foundation donors, as well as grants.

Your gift will bring about profound changes. Contributions from friends like you will help us reach the goals outlined here and support other proposals for workplace training and personal finance summer boot camps for middle school, high school and college students. Donations can be allocated for specific programs or for funding of the Center's daily operation.

Thank you for your continued support of the Center.

Sincerely,



John Pelletier, Director  
The Center *for* Financial Literacy *at* Champlain College  
December 2011

### **ABOUT CENTER FOR FINANCIAL LITERACY DIRECTOR JOHN PELLETTIER:**

*John Pelletier has more than 20 years of experience in the investment management industry, and he has served as chief operating officer and chief legal officer at some of the largest asset management firms in the United States. His previous roles include chief operating officer and chief legal officer at Natixis Global Associates (owner of the Loomis Sayles Funds, Oakmark Funds and other institutional asset management firms), chief legal officer of Eaton Vance Corp. and general counsel of Funds Distributor Inc. (now part of Citibank). He also has worked for The Boston Company, Ropes & Gray and Sidley & Austin. He has a B.A. in economics from Assumption College, as well as a J.D. and an M.A. in public policy studies from Duke University. He is married and has three sons.*

## THE VERMONT TEACHERS FINANCIAL LITERACY SUMMER INSTITUTE

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*Sponsored by Merchants Bank & Merchants Bank Foundation*



You may be fluent with your own personal finances, but how would you engage students in what they should know about credit ratings, loans, banking and related real-life issues? Twenty-four Vermont middle school and high school teachers learned skills and boosted their confidence in personal finance instruction in August during a 45-hour, graduate-level course through the Vermont Teachers Financial Literacy Summer Institute at Champlain College. Teachers were trained by more than 30 people, many of whom are experts from local financial services firms.

Participants gained competencies in many personal finance topics, which included:

- financial responsibility and decision-making
- income and careers
- planning and money management
- credit and debt
- risk management and insurance
- saving and investing

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*“It seems that saying thank you is not enough. Please know that your efforts to make this experience possible for us will benefit many students and other teachers in school districts across Vermont as we return and integrate activities and enthusiasm for financial literacy in our schools.”*

— A LETTER FROM SUMMER INSTITUTE PARTICIPANTS

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The program, funded by a grant of \$125,000 from Merchants Bank and the Merchants Bank Foundation, will provide training to 105 teachers from around Vermont over three years. We have spots for 81 teachers in the next two years. The grant includes money for scholarships and need-based, complimentary room and board. For more information about the Summer Institute go to [www.champlain.edu/Center-For-Financial-Literacy.html](http://www.champlain.edu/Center-For-Financial-Literacy.html).

### A CURRICULUM *with* CREDIBILITY

Teachers at the Institute tested a pilot curriculum in financial literacy. Vermont is the third state to use the curriculum, after trials in Chicago and Denver. The curriculum was developed by the Jump\$tart Coalition, the National Endowment for Financial Education, the Council for Economic Education, the Federal Deposit Insurance Corporation (FDIC), Family Economics and Financial Education, Junior Achievement, the U.S. Department of Education and the U.S. Department of the Treasury.

Participants developed knowledge of financial literacy topics through interactive and collaborative training, received classroom-ready curriculum materials, discussed techniques to generate a fun learning atmosphere and created lesson plans. Each teacher earned three graduate credits.

### AN INVESTMENT *with* POWERFUL LEVERAGE

In the financial world, the concept of leverage is an important aspect of maximizing investment returns. As part of the Center's commitment to using our resources effectively, we believe that investing in teachers through training opportunities results in tremendous leverage. **The 24 teachers who participated in the 2011 Summer Institute will provide personal finance training to more than 1,750 students in a single academic year.** Imagine how wide the impact will be after we've trained all 105 teachers.



THERE WAS REPRESENTATION FROM 21 DIFFERENT SUPERVISORY UNIONS IN THE SUMMER INSTITUTE CLASS OF 2011.

#### THE CENTER'S SUMMER INSTITUTE PARTNERS:

- Jump\$tart Coalition
- National Endowment  
for Financial  
Education
- Council for Economic  
Education
- Federal Deposit  
Insurance  
Corporation (FDIC)
- Family Economics  
and Financial  
Education
- Junior Achievement
- U.S. Department  
of Education
- U.S. Department  
of the Treasury





### ISSUES ADDRESSED *at the* SUMMIT

The event focused on improving the level and consistency of financial education opportunities across the state for K-12 students and teachers, college students and adults. At the Summit:

- **President Finney** explained Champlain College’s nationally recognized LEAD (Life Experience and Action Dimension) program that gives students life and financial skills
- **Ted Beck**, President of the National Endowment for Financial Education and a member of President Barack Obama’s Advisory Council on Financial Capability, described national efforts to make students more financially literate
- **Elizabeth Pearce**, Vermont State Treasurer, discussed the importance of financial literacy for Vermonters
- **Arnie Duncan**, U.S. Secretary of Education, delivered a message on the need to teach personal finance topics in our schools
- **John Gannon**, Senior Vice President with FINRA (the Financial Industry Regulatory Authority) and President of the FINRA Investor Education Foundation, reviewed Vermont’s survey results from FINRA’s National Financial Capability Study
- **Art Woolf**, Associate Professor of Economics at the University of Vermont and President of the Vermont Council on Economic Education, discussed the consequences of financial illiteracy
- Educators from Burlington, South Burlington and Vergennes reviewed best classroom practices for teaching personal finance
- Students from Champlain’s Emergent Media Center unveiled prototype e-games they designed that could help teach financial literacy in middle schools and high schools
- The Center presented results from its survey about financial literacy education in Vermont high schools (see page 5).

TD Bank and National Life Group donated \$10,000 each to fund the Summit.

## HIGH SCHOOL SURVEY

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*Sponsored by TD Bank & National Life Group*

In January, the Center for Financial Literacy created and distributed a statewide survey on financial literacy education in Vermont high schools to determine whether or not personal finance topics are being taught. The survey of administrators, which was the subject of a report on Vermont Public Radio, found that most high school seniors are ill-equipped to handle their personal finances after they graduate.

Administrators indicated that only a small number of high school graduates are competent in, or even assessed on, basic financial literacy standards. Many students never receive training in finance because personal finance topics usually are covered in electives.

### KEY FINDINGS *from the SURVEY*

Thirty-eight administrators completed the anonymous, online survey, the results of which were presented at the Vermont Financial Literacy Summit in June. The survey revealed that:

- most students aren't financially literate when they graduate
- 79 percent of respondents believe that schools should incorporate a financial literacy graduation requirement. Few school districts surveyed have such a requirement now
- if personal finance standards are taught at all, there's little consistency as to how they're taught and the content included
- teachers have few professional development opportunities in financial literacy topics
- 70 percent of schools surveyed offer a personal finance course. Of those, only 11 percent require the course for graduation

The survey results (available at [champlain.edu/Documents/cfl/highSchoolReportJune2011.pdf](http://champlain.edu/Documents/cfl/highSchoolReportJune2011.pdf)) will help guide the Center in strategizing to address the needs of students and teachers in financial literacy education. The survey was sponsored by TD Bank and National Life Group.



## LEAD & WHAT'S MY SCORE?

*Sponsored by People's United Bank*

Champlain College's LEAD program is a four-year series of experiences to help students develop practical skills they can use for their lifetime. LEAD covers financial literacy, career management, community service, and developing personal and professional relationships. The Center for Financial Literacy, with the goal of increasing knowledge and responsibility regarding personal finance, is a great fit with LEAD.



### WHAT'S MY SCORE?

In March, the Center partnered with LEAD to offer a Credit Review Day for Champlain juniors and seniors. The free event, sponsored by People's United Bank, gave students access to their credit report and scores and offered one-on-one credit counseling sessions. The examples of some students who participated underscore the importance of financial literacy education. A few students had credit card balances of more than \$10,000, and others discovered fraudulent charges or errors on their credit reports. Counseling addressed those issues. What's My Score? included a workshop on understanding credit.

### PLANS *for* 2012

With funding for two more years provided by People's United Bank, What's My Score? has been incorporated into LEAD. Two Credit Review days will be offered in 2012 and will include at least 100 Champlain students. A group of LEAD peer advisors will be trained to conduct peer-to-peer credit counseling.

### COVERAGE *in the* NEW YORK TIMES

The Times' "Your Money" columnist Ron Lieber visited Champlain College in 2010 to learn about the LEAD program and the Center. His article, on the front page of the Business section in January 2011, prompted inquiries about LEAD and the Center from around the country.

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