



# 2012 Annual Report

Preparing Students &  
Adults to Make Sound  
Financial Decisions



# The Center for Financial Literacy at Champlain College

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## Letter from the Director

Financial literacy education, like Michael J. Fox in the 1985 hit movie, is going “Back to the Future.” From the late 1800s through the 1940s, mathematics textbooks in the United States typically included lessons based on personal finances. In the 1950s, this practical application of math disappeared. Since the Great Recession, there has been an increasing recognition nationally—once again—that personal finance knowledge is an essential life skill for our middle school, high school and college students.

Most states, including Vermont, have adopted the Common Core State Standards for mathematics and language arts, to be implemented by 2015. These new education standards require students to think mathematically about real-world issues. What’s more real than creating a budget, getting a credit card, applying for a loan and saving for retirement? Our nation has a unique opportunity to leverage the standards to provide critical skills to our youth.

While we celebrate our second anniversary, the Center for Financial Literacy at Champlain College (CFL) is proud to be at the forefront of this focus, as more communities in Vermont and other states consider incorporating financial literacy into secondary-school and college classrooms. The educators who completed the Vermont Teachers Financial Literacy Summer Institute, one of our signature programs, are providing financial sophistication skills to about 4,000 middle and high school students this academic year.

### ACCOMPLISHMENTS THAT POWER US FORWARD

The CFL’s mission is strongly supported by parents of Champlain College students, as well as parents and teachers of Vermont middle school and high school pupils. Our ideas clearly have grassroots appeal, because our programs and initiatives are gaining momentum in Vermont and elsewhere.

For 2012, these are some of our accomplishments, which you'll read more about in this report:

- the second Vermont Teachers Financial Literacy Summer Institute
- White House recognition and the Center's participation in the White House Summit on Financial Capability and Empowerment
- media recognition for the CFL, including a new MarketWatch column, as well as a social media strategy with Facebook (**CFLatChamplainCollege**) and Twitter (**@ChampFinLit**)
- a personal finance fair and other educational events for students at Champlain College
- a high school financial literacy pilot program with national implications

### BUILDING BIG PLANS FOR 2013 AND BEYOND

Our achievements help us move forward in a dynamic way. As the Center's reputation and influence grow nationally, we're pursuing plans to reach out to more teachers and students—at high schools and colleges—and to adults to accomplish our goals. In 2013, we plan to launch many of these initiatives:

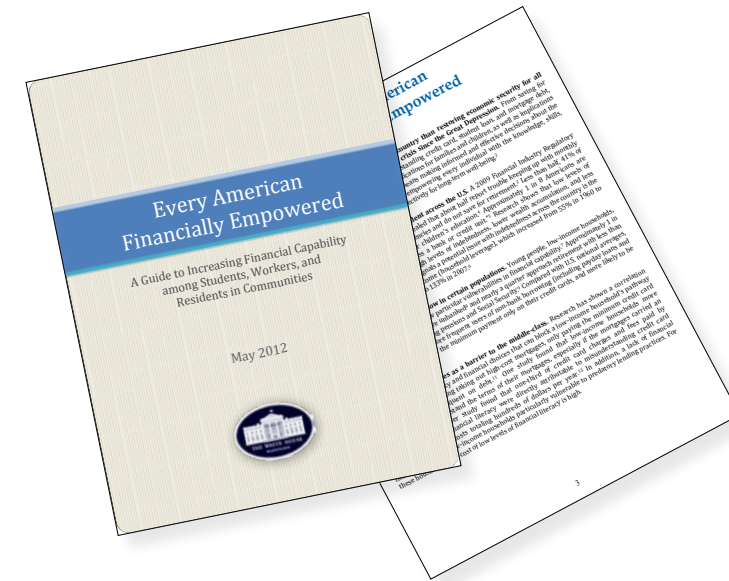
- establishing a financial literacy action plan for Vermont (with two-thirds of the funding raised, we're close to starting this project)
- developing an online version of the teachers' summer institute after a successful pilot project in South Carolina, and offering this class in continuing education and master's degree credit formats
- offering in-person summer institute programs in other states in New England
- procuring a grant that will give an innovative life-simulation video game on personal finance to all Vermont high schools
- creating a personal finance assessment test for high schools nationwide with a proven third-party validation study
- coordinating with Champlain College's Emergent Media Center and a national partner on the development of a personal finance video game or other learning application
- producing free personal finance educational videos for the Web with support from a national partner

### YOUR INVOLVEMENT MAKES EVERYTHING POSSIBLE

It's hard to beat recognition from the White House, affirmation that's invaluable to any organization. And once again, CFL's achievements received fantastic widespread national media attention. These acknowledgements underscore the important charge—and opportunity—we have as one of the few higher education-

affiliated centers of this type in the country. The backing of Champlain President Dave Finney, the Center's advisory board, and Vermont's state government and business community have helped ensure our progress in the past year.

We need *your* attention, too. Only with your support can we continue to make an impact. Your support enables us to pursue pioneering initiatives that help expand financial literacy to those who benefit most—everyone. A more financially sophisticated population is beneficial to each of us. We count on individual, corporate and foundation donors, in addition to grants. Please be part of our



community of allies, and advocate with us for personal finance education for all.

Thank you for your sustained, and sustaining, interest in the Center.

Sincerely,

John Pelletier, Director

The Center for Financial Literacy at Champlain College

December 2012

### ABOUT DIRECTOR JOHN PELLETIER

*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.*

# The Vermont Teachers Financial Literacy Summer Institute

Sponsored by Merchants Bank

The CFL's second Summer Institute, a financial literacy boot camp for middle school and high school educators held at Champlain College in June, featured an intensive week of sessions on topics that included:

- credit and debt
- managing risk
- saving and investing
- identity fraud
- enhancing earning power

Participants also learned games to promote financial literacy, and left with a \$400 toolkit of classroom-ready curricular materials. The 26 instructors included nationally known experts. With 32 middle school and high school teachers, enrollment was up by one-third compared with 2011. Teachers from about half of Vermont's school districts have participated in the first two institutes, so students statewide are benefitting from their



Summer Institute Class of 2012

knowledge. The program, funded by a grant of \$125,000 from Merchants Bank and the Merchants Bank Foundation, will have trained more than 100 teachers throughout Vermont when it ends in 2013.

## A CURRICULUM THAT EXPERTS CREATED

Teachers earn three graduate-level credits in the 45-hour course. About half of the curriculum was developed by a national steering committee that consisted of:

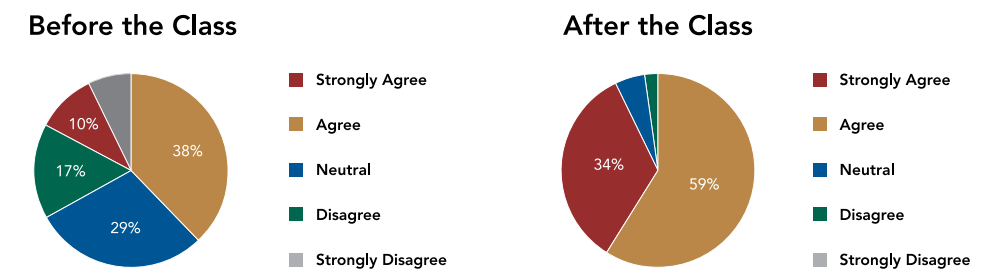
- Jump\$tart Coalition
- National Endowment for Financial Education
- Council for Economic Education
- Federal Deposit Insurance Corporation (FDIC)
- Family Economics and Financial Education
- Junior Achievement
- U.S. Department of Education
- U.S. Department of the Treasury

With its innovative curriculum, the Summer Institute is one of five participants in a national test pilot. The Center was also asked by the steering committee to conduct the pilot's only online curriculum demonstration, with a well-received module on saving and investing delivered to 60 educators in South Carolina.

One of the most important outcomes is increased teacher confidence, which we assess beforehand and afterward. Teachers indicate that they feel significantly more competent with personal finance instruction after they finish the course. (See chart below.) And with 56 educators who have gone through the institute, the impact on students across Vermont is extensive.

2011-12 SUMMER INSTITUTE ATTENDEES' RESPONSE TO THE FOLLOWING:

I have the knowledge necessary to effectively teach my students about personal finance.



The last institute in the series will be June 24-28, 2013, and space is limited. Scholarships are available from Merchants Bank. For more information and to register, visit: [www.champlain.edu/cfl](http://www.champlain.edu/cfl).

## White House Summit & Report



It's an invitation no one turns down. Center Director John Pelletier was among about 100 participants at the Summit on Financial Capability and Empowerment at the White House in May. Experts from government and private enterprise and the education and nonprofit sectors discussed innovations to increase Americans' personal finance knowledge.

Champlain College, with the CFL, was one of 10 colleges and universities recognized in a White House report, "Every American Financially Empowered: A Guide to Increasing Financial Capability among Students, Workers, and Residents in Communities." The report highlights Champlain's unique financial-sophistication instruction and programs for undergraduates, as well as the educator training provided by the Summer Institute. We are proud to be included in a list of leaders with the University of Wisconsin, University of Arizona, James Madison University, Ohio State, Dartmouth College, University of Pennsylvania and George Washington University.

## A Media Magnet

The Center's programs and initiatives continue to draw broad media interest. This year, we were featured in articles in a range of publications and websites, including:

- MarketWatch
- Forbes
- Chicago Tribune
- Time-Moneyland
- The Boston Globe
- The Huffington Post
- Dow Jones Newswires
- Burlington Free Press
- An interview on "The Best of Our Knowledge," NPR radio show

## LEADing the way

The Center has created a model of partnership in initiatives with Champlain College's Life Experience & Action Dimension (LEAD) program, a four-year series that teaches personal finance and other life skills to students.

The joint endeavors led to Champlain's inclusion in the "2012 Financial Literacy Compendium." It's a list of the 24 most innovative collegiate financial literacy programs by iGrad, a digital resource for money, jobs, careers and internships for college graduates. LEAD's Financial Sophistication component is unusual in its peer-to-peer format.

Other programs of CFL and LEAD include:

- The Game of Life, with funding from People's United Bank, is a budgeting simulation for first-year students that gives insights into managing money based on one's income and the costs of living independently.
- What's My Score?, also sponsored by People's United, focuses on free credit review days for juniors and seniors. Students have access to their credit report and score, and they engage in one-on-one credit counseling sessions with a peer. More than 100 students participated in 2012.



Students at the Game of Life Program

As a result of the media coverage, MarketWatch invited John Pelletier to be a regular guest columnist to write about personal finance issues for its "Outside the Box" series. You may access the content at [www.marketwatch.com](http://www.marketwatch.com). With about five million visitors a month, MarketWatch is a great forum for the Center. John's column on financial strategies for college graduates was the website's top story for two days. The CFL also is spreading its message and serving as a resource with blogs and tweets. Another column, on the financial and career advantages of a college education, generated 1,400 tweets. A third column, on retirement savings, was syndicated in about 20 papers across the country.

**Why go to college if I can't get a job?**  
Commentary: Because not getting a degree is much worse

**College grads: Think about retirement now**  
Start saving early; avoid your parents' problems

**Avoid these 10 money mistakes your parents made**  
Strategies for college grads to start on the right financial footing

## In the Pilot's Seat

*Major sponsors include the Vermont Department of Financial Regulation and the National Endowment for Financial Education*

With the recognition that financial literacy instruction should begin before college, the Center has created a pilot program for three Vermont high schools to promote the importance of teacher training in personal finance and to assess students' knowledge after they finish a related course. The two-year program, announced this year by Gov. Peter Shumlin and funded with grants and donations of \$270,000, is a joint initiative with the Vermont Department of Financial Regulation and many other generous partners that include the National Endowment for Financial Education (NEFE).



Vermont Gov. Peter Shumlin, CFL Director John Pelletier, Vermont Dept. of Financial Regulation Deputy Commissioner Tom Candon, Champlain College President David F. Finney, and National Endowment for Financial Education President and CEO Ted Beck (left to right) hold a press conference about the pilot program.

### ASSESSING EDUCATORS, TESTING STUDENTS

Starting in the fall of 2013, the program will be implemented at Burlington, U-32 and Fair Haven Union high schools, involving teachers who participated in the Vermont Teachers Financial Literacy Summer Institute. A grant of \$26,500 to each school will cover costs, including stipends, for educators who will participate in a professional learning community and teach a personal finance course. One goal is to study the effectiveness of the JumpStart Teacher Training Alliance curriculum used at the Summer Institute by following trained educators into the classroom. NEFE will help create assessment tests for students who take the personal finance course. We'll compare the results with those of students at other schools who haven't taken the class.

### STATEWIDE AND NATIONAL IMPLICATIONS

We expect the study results to show the importance of personal finance training for educators and students. A report, due out in 2015, will include a website of best practices recommended by educators who participate in the pilot. Although the program is Vermont-based, the report will guide other states in instituting personal finance education in high schools.

## Vermont Financial Literacy Action Plan

The Center is close to launching a Financial Literacy Action Plan for Vermont. The Windham Foundation helped jump-start the initiative with a challenge grant earlier this year. We've raised about \$50,000 of the \$75,000 that we need. When completed, the plan will include research and public policy recommendations on broadening the personal finance knowledge of Vermont's K-12 pupils, college students and adults. The CFL will develop details of the plan with the help of an advisory committee, which will consist of representatives from:

- the K-12 school system
- state-funded colleges
- Vermont's state government and legislature
- the financial services industry
- business and nonprofit organizations

The plan will guide legislators, government officials, and business and nonprofit leaders. Recommendations will address rates of bankruptcy, foreclosure and personal default in Vermont, and help individuals budget, save, invest and prepare for retirement.



The final report will include:

- background on financial literacy from federal, state, corporate and nonprofit sectors
- a review of successful programs
- an assessment of financial literacy in Vermont
- recommendations for adults, college students and K-12 pupils
- recommendations for Vermont by action groups (state legislators, state government staff, secondary school and college administrators, and corporate and nonprofit leaders)

If you would like to support the funding of this important initiative, please contact the Center at (802) 865-5769 or CFL@Champlain.edu.

CHAMPLAIN COLLEGE



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Financial Literacy

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