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2013 Annual Report

The Center for  
**FINANCIAL LITERACY**

at Champlain College

*Preparing students &  
adults to make sound decisions*

CHAMPLAIN.EDU/CFL

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**ABOUT DIRECTOR  
JOHN PELLETIER**

John Pelletier has more than 20 years of experience in the investment management industry. He has served as chief operating officer and chief legal officer at some of the largest asset management firms in the United States.

[champlain.edu/cfl](http://champlain.edu/cfl)

## Letter from the Director

If you had asked me a year ago if a screening of the two-hour documentary “Money for Nothing: Inside the Federal Reserve” could draw a standing-room-only crowd to Champlain College’s Alumni Auditorium on an October evening, I would have been doubtful. And that most of the attendees would be students? Again, I would have had doubts.

But that’s just what happened. There’s no better proof of the importance of financial literacy. The growing awareness in our country that we need personal finance training makes a compelling case for the mission of the Center for Financial Literacy (CFL) at Champlain College. It’s just such awareness that has helped us establish our credibility as a one-of-a-kind program that educates people of all ages to make sensible decisions about personal money matters.

### A NEW POSITION FOR THE CENTER

In 2013, the Center began to operate in a new mode. We moved from introducing ourselves to Vermont and the nation to having leaders in the education and finance sectors awaiting our next initiative. The Center’s reach and reputation have progressed from local to regional to national in the three years since we started. Our stature lends momentum to our far-reaching goals, and it positions the CFL to make an even broader impact on the lives of children and adults in coming years.

### AN INITIATIVE THAT TOUCHED ALL 50 STATES

The Center project with the broadest impact in 2013 was our National Report Card, which ranked each state in the country on its efforts to improve financial literacy in high schools. In addition to being an impetus for some states to examine and strengthen their financial education offerings for students, the project garnered attention from media outlets around the United States. Other CFL accomplishments in 2013 include the following, which you’ll read more about in this report:

- The third and final (for now) Vermont Financial Literacy Summer Institute
- A high school financial literacy pilot program in partnership with the National Endowment for Financial Education
- CFL seminars and other support of Champlain College’s Life Experience & Action Dimension (LEAD) program, the College’s life-skills component
- Awesome Island, a personal finance board game for students, of which the CFL assumed ownership
- “Enough Said”/Vermont Works for Women Task Force, of which I was a member, made recommendations regarding personal finance education in Vermont schools



## TRANSFORMATIVE GOALS IN 2014 AND BEYOND

As we pursue innovative ways to reach more students and adults, we will broaden our impact in Vermont and nationally. These are some of the Center's plans:

- Launching the Vermont Financial Literacy Action Plan and issuing a final report by December 2014 on how to broaden personal finance knowledge for all ages of students and adults
- Creating distribution partnerships for Awesome Island and involving Champlain students in the game's re-launch
- Extending the Summer Institute teacher training outside Vermont and possibly around the nation
- Issuing a 2014 National Report Card
- Assessing how colleges across the country are promoting personal finance with their students
- Developing ways to promote personal finance topics for students and the general public

## YOUR SUPPORT HAS AN IMPACT AROUND THE NATION

As the CFL seeks to expand its footprint, our initiatives are transforming personal finance education in Vermont and across the United States. Our efforts are aided by the Center's affiliation with Champlain College. As one of Champlain's Centers of Excellence, we're creating new ways to reach Champlain students and increase their participation in CFL projects. The backing of Champlain President David F. Finney, our advisory board, Vermont's state government, and business and education leaders significantly boosts our impact, ensuring that the nation will be strengthened by a more financially savvy population.

However, we can't achieve our goals without your support, which helps spread personal finance knowledge and therefore improves the lives of everyone the Center touches. We depend on grants and individual, foundation and corporate donors. Please help us continue to achieve great accomplishments in the service of a broader objective—a better quality of life for all of us.

We're very grateful for your support of the Center.

Thank you.

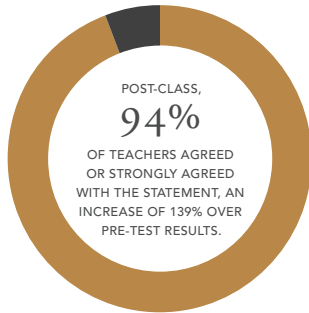
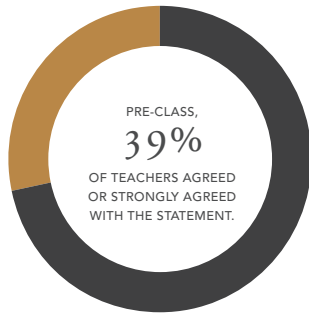
A handwritten signature in black ink, appearing to read "John E. Pelletier". The signature is written in a cursive style with a long, sweeping tail on the final letter.

John Pelletier, Director

The Center for Financial Literacy at Champlain College

Spring 2014

Each year, participants responded to the statement “I have the knowledge necessary to effectively teach my students about personal finance” with one of the following: strongly disagree, disagree, neutral, agree or strongly agree.



SUMMER INSTITUTE CLASS OF 2013

#### TRAINING THE TRAINERS BENEFITS STUDENTS

A little education makes a huge difference. The 97 educators who attended the Summer Institute have taken their knowledge back to the classroom.

## Increased Confidence to Teach Personal Finance

TRAINING FOR TEACHERS WILL IMPACT NEARLY 40,000 STUDENTS

*Sponsored by Merchants Bank*

A major outcome of the Vermont Teachers Financial Literacy Summer Institute is the increased confidence of participants to teach personal finance. Based on pre-class and post-class testing, the data shows a dramatic increase in teacher confidence. (See charts at left.)

#### SUMMER INSTITUTE HAS A BROAD REACH

Saving and investing, credit and debt, investor fraud protection, managing risk, enhancing earning power, credit reports and scores—these were among the topics offered at the third Summer Institute, held at Champlain College in June. Teachers also learned games to promote financial literacy and received a toolkit of classroom-ready instructional materials. In addition, they earned three graduate-level credits in the 45-hour course.

As the final offering in a three-year series generously funded by a grant from Merchants Bank, the CFL's signature program trained 97 teachers from middle and high schools, and five youth educators from nonprofits around Vermont. The program was recognized in a 2012 White House report on financial empowerment, and its increased enrollment will impact an estimated 38,000 students over a decade—exponential, indeed, thanks to “training the trainer.”

#### CFL PLANS TO EXPAND ITS BORDERS—ONLINE & REGIONALLY

Through the Summer Institute, which featured nationally known experts among its 26 instructors, the CFL is one of only five participants in a nationwide pilot program, managed by Jump\$tart Coalition for Personal Financial Literacy, to train teachers and assess outcomes. A significant result is increased confidence in personal finance instruction by participating teachers after they completed the course.

The Summer Institute's results were included in a 2013 report on teachers' professional development by the Jump \$tart Coalition and National Endowment for Financial Education.

The Center is actively looking for partners to help us continue to offer this essential training to Vermont teachers, and to create online and regional versions as a resource for educators everywhere.

# High School Pilot Program Assesses Students' Knowledge

NOW IN ITS THIRD PHASE, PROGRAM WILL PROVIDE DATA  
ABOUT THE EFFECTS OF FINANCIAL EDUCATION IN HIGH SCHOOLS

With growing national awareness that financial literacy instruction should be a component of each student's education at least by high school, the Center is involved in the last phase of a pilot program of teacher training and assessment of student outcomes.

The program, funded with grants and donations and endorsed by Vermont Gov. Peter Shumlin, is a joint initiative with the Vermont Department of Financial Regulation and other generous partners, including the National Endowment for Financial Education.

## MEASURING TEACHERS' AND STUDENTS' FINANCIAL SAVVY

The first phase of the program was training teachers. The second phase, assessing how training affects teachers' confidence and behavior, showed that they had a huge gain in their confidence level regarding the teaching of personal finance, and also materially changed their own financial habits in a positive way.

Now in the third phase, we're assessing how the teacher training impacts students' knowledge and behavior. Students' test results from three pilot schools—Burlington, U-32 and Fair Haven Union—will be compared with results from students at three schools that had not received personal finance education.

By June 2014, we'll have half the data we need for a report that we plan to complete by November 2015. Our data includes recommendations from teachers at the pilot schools about best practices and curriculum tools for high school instruction. Their recommendations will be available on a website that will go live at the end of 2015.

## PERSONAL FINANCE EDUCATION NOW A REQUIREMENT

One important result of the pilot program is that officials at half of the six schools involved have made personal finance education a graduation requirement.

Although the program is Vermont-based, the report we produce will guide schools around the country in assessing and instituting personal finance instruction in schools.



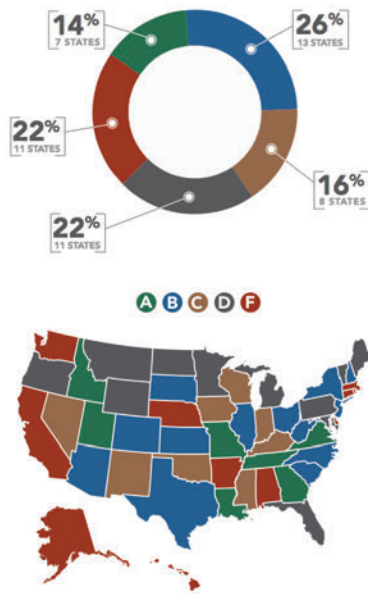
Gov. Peter Shumlin, right, with Champlain College President David Finney at the Center's Financial Literacy Summit.

## THE ULTIMATE GOAL

With the grants, donations, and endorsements of organizations including the Jump\$tart Coalition, the Vermont Department of Financial Regulation and the National Endowment for Financial Education, along with the support of Vermont Gov. Peter Shumlin, the Center for Financial Literacy will create a report to guide schools in Vermont and across the country.

# The Center Earns an A with the National Report Card

PERSONAL FINANCE EDUCATION SHOULD BE OFFERED IN HIGH SCHOOL, BUT MOST STATES ARE BEHIND



THE CENTER'S NATIONAL REPORT CARD

## IS YOUR STATE MAKING THE GRADE?

The Center, using national data, ranked every state on its efforts to produce financially literate high school students.

Suddenly, it seemed, the CFL was everywhere: *Money*, *The Washington Post*, *CNNMoney* and many other print and broadcast media outlets across the country. In the summer of 2013, we released our inaugural report that rated states on their financial literacy efforts in high schools, and every state paid attention to our findings.

The report card was an excellent tool to reinforce the necessity of financial literacy for adults and youth, and the importance of starting early. The financial crisis and recession that began in 2007—with the attendant unemployment, mortgage defaults, and foreclosure and bankruptcy rates—made it clear that ignoring the need for a more financially savvy nation was no longer an option.

## MOST STATES RECEIVE A GRADE OF C OR LOWER

To assemble the report card, we collected data from published reports and state legislative records. We determined that only 40 percent of states earned marks with which most children and parents would be satisfied—grades A or B. Sixty percent received grades of C or lower, and 44 percent had grades of D or F.

An A grade went to states that require a stand-alone personal finance course or stipulate that personal finance topics be taught as part of another mandatory course, and that also assess students' personal finance knowledge. An F means that a state has few or no requirements for personal finance education in high school.

## ONLY SEVEN STATES RATE AN A

Seven states, or 14 percent, earned an A, and 11 states, or 22 percent, earned an F. These results underscore the importance of the Center's mission and initiatives. And they prove that the CFL and most of the nation have a big task to ensure that students gain the knowledge to make sensible decisions about financial matters throughout their lives.

To read more about the National Report Card, go to [champlain.edu/cfl-report-card](http://champlain.edu/cfl-report-card).



# Retirement is Great on Awesome Island

PERSONAL FINANCE GAMES ON MULTIPLE PLATFORMS ARE EFFECTIVE TEACHING TOOLS THROUGH PLAY

Last October, capitalizing on the effectiveness of educational games, the Center assumed ownership of Awesome Island, a personal finance game designed by teachers for classroom instruction for students age 10 and older.

We're planning to partner with financial institutions to distribute the game to more classrooms in Vermont and nationally. If we can obtain funding, we also plan to create a free online version with the help of students at Champlain College's Emergent Media Center (EMC). One of Champlain's Centers of Excellence, the EMC is a laboratory/studio where students collaborate with faculty and clients to create concepts, uses and applications for games and other media. The Center will use Champlain students to help market the re-launch of Awesome Island.

## STUDENTS LEARN HOW LIFE CHOICES MAY AFFECT RETIREMENT

Recognized in 2011 as a National Instructional Game of the Year, Awesome Island covers budgeting, saving, taxes, debt, careers and income, philanthropy and investing. The objective is for students to learn how their life choices throughout the game affect the kind of retirement they're likely to have. The game was created by Brian Page, a nationally recognized high school personal finance teacher, and John Morris, a former economics professor at the University of Cincinnati.



THE CENTER'S AWESOME ISLAND GAME TEACHES PERSONAL FINANCIAL SKILLS

## REINVENTING THE GAME OF LIFE

The Center's newly acquired board game, Awesome Island, teaches students about budgeting, careers, taxes, debt, investing and more in a fun, interactive way.

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# A Plan for All Ages

POLICY CHANGES ARE THE NEXT STEP TO INCREASE FINANCIAL LITERACY FROM A YOUNG AGE THROUGH ADULTHOOD

With help from a Windham Foundation grant, the Center raised the money necessary to form an advisory committee in spring 2014 and develop recommendations for the Vermont Financial Literacy Action Plan.

The 15-member committee will comprise three subcommittees to study K-12, collegiate and adult needs. The group will consist of representatives from the K-12 school system, colleges, the financial services industry, nonprofits and business organizations.

The plan will make public policy proposals on broadening personal finance knowledge. The final report, to be completed in December 2014, 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 VERMONT FINANCIAL LITERACY ACTION PLAN

Background on the lack of financial literacy

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, K-12 school and college administrators, and corporate and nonprofit leaders



#### ABOUT VERMONT WORKS FOR WOMEN

Vermont Works for Women, a nonprofit, helps women all over the state from varied social and economic backgrounds to attain career success and financial independence.

## A Lot to be Said About “Enough Said”

A REPORT BY A VERMONT NONPROFIT LEADS TO AN ECONOMIC TASK FORCE FOR YOUNG WOMEN—WITH A FINANCIAL LITERACY SUBCOMMITTEE

John Pelletier was proud to be on the Task Force on Young Women and the Vermont Economy, which made recommendations to address barriers for women in the workforce. The group was formed in April in response to a report developed for the nonprofit Vermont Works for Women that highlighted challenges that women identified.

The report is entitled “Enough Said—Young Women Talk about School, Work and Becoming Adults: Why We Should Listen and What We Can Do.” One of the three issues identified is a lack of personal finance skills. To view the report, go to [vtworksforwomen.org](http://vtworksforwomen.org).

The task force’s financial literacy subcommittee, which included Pelletier, recommended personal finance education in Vermont schools. The group hosted an event with Gov. Peter Shumlin at the Statehouse in Montpelier to announce the task force recommendations.



STUDENTS AT CHAMPLAIN’S GAME OF LIFE

## Taking the LEAD on Personal Finance

CHAMPLAIN STUDENTS LEARN ABOUT CREDIT AND BUDGETING

The Center continued its partnership 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 CFL conducted seminars for LEAD on employee benefits, with a focus on starting to save for retirement at an early age.

In addition, we helped get funding from Peoples United Bank for LEAD’s Game of Life and What’s My Score? programs. The Game of Life 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? offers free credit-review days for juniors and seniors, who engage in one-on-one credit counseling sessions with a peer.

#### SIMULATION HELPS CHAMPLAIN STUDENTS BUILD PRACTICAL SKILLS

Champlain’s Game of Life offers personal finance education as students work with a monthly budget they create for their hypothetical expenditures.

#### HIGHER EDUCATION CONSORTIUM

Champlain’s LEAD Director Jennifer Sweeney launched a Vermont Colleges Financial Literacy Consortium, in which the CFL participates. The network of financial educators meets monthly to share resources and discuss initiatives to help Vermont students navigate their financial futures.

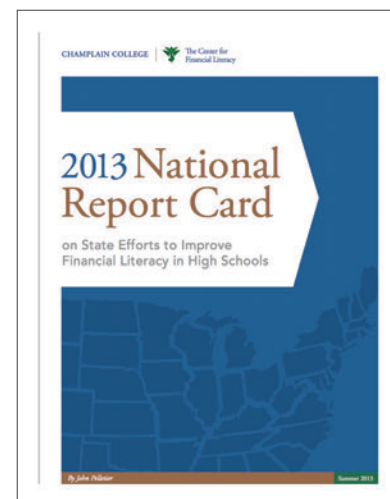
## Making Headlines Nationwide

THE CENTER BRINGS AWARENESS TO THE NATIONAL ISSUE OF FINANCIAL LITERACY

The CFL continued to attract broad media attention, particularly for its National Report Card that grades the 50 states in terms of their efforts to strengthen personal finance education in high schools. The Washington Post, Money, CNNMoney and many other outlets ran the story.

John Pelletier continues to write occasional columns about personal finance issues for the “Outside the Box” series for MarketWatch. You may access the content at [marketwatch.com](http://marketwatch.com). He also writes columns for the Vermont-based *MyFinance* magazine. His media involvement has been an effective way to spotlight the CFL and its impact.

To read about the Center in the news, go to [champlain.edu/cfl](http://champlain.edu/cfl).



WHICH STATES MEET THE MARK?

Only seven states earned an A, while most received a C or lower. Read the press release and full report at: [champlain.edu/cfl-report-card](http://champlain.edu/cfl-report-card).

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## Something Irresistible about “Money for Nothing”

SCREENING OF FEATURE-LENGTH DOCUMENTARY “MONEY FOR NOTHING: INSIDE THE FEDERAL RESERVE” DRAWS A LARGE CROWD FOR DISCUSSION

The full house at Champlain’s Alumni Auditorium for a screening of the documentary about the Federal Reserve convinces us that people are more and more invested in learning about personal finance and economic matters in general. As a result, if we can find a sponsor, we plan to launch a film and speaker series to cover personal finance and the economy for students and the public.

John Pelletier secured the film rights for the screening, which was co-sponsored by the Center and Champlain’s Robert P. Stiller School of Business. The Stiller School now has a copy of the film as a resource for coursework.

After the screening, Pelletier moderated a panel of Stiller School faculty and a Sentinel Funds portfolio manager, who addressed questions from students, members of the business community and other attendees.



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