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National Association of Federal Credit Unions | www.nafcu.org

April 23, 2013

The Honorable Kay Hagan
Chairwoman
Subcommittee on Children and Families
Committee on Health, Education, Labor &
Pensions
United States Senate
Washington, D.C. 20510

The Honorable Michael Enzi
Ranking Member
Subcommittee on Children and Families
Committee on Health, Education, Labor &
Pensions
United States Senate
Washington, D.C. 20510

Dear Chairwoman Hagan and Ranking Member Enzi:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the interests of our nation's federal credit unions, I am writing to you regarding Wednesday's hearing entitled "The Economic Importance of Financial Literacy Education for Students."

As you know, April is Financial Literacy Month, and financial education has long been a hallmark of the credit union community. Credit unions offer financial literacy programs to people of all ages from all walks of life – from students to retirees. Various programs and products are designed to fit all circumstances and levels. While administering such programs in schools, for example, elementary student programs will focus on the importance of savings, while high school and college students may need a more comprehensive approach that teaches them budgeting and other financial management skills.

While credit unions provide financial education to members of their communities regardless of age, they believe that financial education should begin as early as possible to help students learn behaviors that will assist them in managing their finances and maintaining a successful and stable financial life. To that end, some credit unions have set up branches inside high schools, middle schools and even elementary schools to help teach young students the importance of saving and managing their finances. Furthermore, in many instances the students operate the credit unions themselves under the direction of school faculty and credit union personnel. These opportunities offer the students even more insight into financial management and give them, to the extent possible, some ownership of their financial well-being.

NAFCU and our member credit unions are proud to be involved in promoting financial literacy and personal savings, and currently partner with the Consumer Federation of America in both their America Saves and Military Saves programs. These programs focus on encouraging increased savings for the general population and, specifically, military personnel and their families in the case of Military Saves. Credit unions work with their communities to raise awareness of the need for savings, and they also work with members of their community to address their overall financial situation.

NAFCU member credit unions understand the importance of financial literacy. With an ever widening array of financial services, it is important that at a young age consumers are armed with an understanding of the basics of personal finance. Financially literate individuals are more likely to spend prudently and put money in savings, retirement funds, and other wealth building accounts. Likewise, the same individuals are less likely to rack up large, burdensome—and sometimes unaffordable—debt, and are less likely to be victims of predatory practices.

We thank you for holding this important hearing and we would welcome the opportunity to work with the subcommittee to develop innovative and effective financial education initiatives. Should you have any questions, please do not hesitate to contact myself or NAFCU's Associate Director of Legislative Affairs, Quincy Enoch, at 703-842-2261.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Thaler", with a long horizontal flourish extending to the right.

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the Health, Education, Labor & Pensions Subcommittee on Children and Families