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Johnson On Financial Literacy: Progress Made, More To Be Done

April 15, 2008, Alexandria, Va. -- National Credit Union Administration (NCUA) Chairman JoAnn Johnson testified April 15, 2008, on financial literacy efforts before the House Finance Services Committee.

“Financial literacy is an important facet of NCUA and credit union outreach efforts,” Chairman Johnson said. “The agency places a high priority on the value of basic, practical consumer financial education dating back to the 1960s when Project Moneywise provided consumer education. Today, NCUA workshops routinely put financial literacy front and center in over 20 sessions annually.”

NCUA's Office of Small Credit Union Initiatives has provided financial literacy training to almost 2,000 credit union staff and volunteers in the past 10 years. Recent workshops focused on topics such as homeownership, education and retirement saving, VITA tax-preparation and financial needs of the military community.

NCUA offers an online "Financial Literacy Library" providing consumers with a gamut of information from personal finance to ID theft prevention, prudent use of credit cards and deposit insurance. The website includes links to other government and private sector resources.

The NCUA Congressionally-appropriated Community Development Revolving Loan Fund (CDRLF) provides financial assistance to low-income credit unions for financial education. Since 2004, CDRLF has awarded over \$500,000 in grants specifically for financial education programs. Promoting a partnership among credit unions and between credit unions, community and governmental organizations is also a hallmark of NCUA education efforts.

“I have been personally involved in BizKid\$, a PBS series devoted exclusively to teaching young people about financial literacy,” Chairman Johnson said. “The credit union industry is very active in this program, currently on-air in 47 states, and I was pleased to do a promotional video stressing the fundamental importance of financial education efforts directed at our Nation’s youth. I am confident that these

types of initiatives will pay big dividends in the form of financially literate young adults entering the marketplace.”

“Credit unions do a good job in promoting financial education to their members. A 2006 NCUA survey indicates 60 percent of credit unions offer financial counseling that specifically incorporates financial education while another 42 percent have dedicated financial literacy programs for their members,” Johnson said.

Chairman Johnson is also Chair of the MyMoney.gov website, a subcommittee of the President’s Federal Literacy and Education Commission. The interactive website serves as a clearinghouse for federal, state and local financial education programs, grants and materials. MyMoney.gov has received 2.3 million hits since 2004 and has distributed over 1.5 million publications to consumers.

“Financial literacy plays a central role in the lives of consumers. Both President Bush and Congress have taken tangible steps to place financial education at the forefront of efforts to protect and empower consumers, and NCUA is working to do its part to make sure that credit unions are fully involved. While financial literacy is not a substitute for strong consumer protection, NCUA will continue advocacy of basic financial literacy to help consumers help themselves,” Chairman Johnson said.

Chairman Johnson’s testimony is available online at: [click here](#). The National Credit Union Administration is the independent federal agency that charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, operates the National Credit Union Share Insurance Fund (NCUSIF), insuring the savings of nearly 87 million members in all federal credit unions and the vast majority of state-chartered credit unions. NCUA is supported by credit unions, not federal tax dollars.