

The Financial Literacy Initiative at Dartmouth

- A collection of FREE materials to support FL in the quantitative reasoning classroom
- A special seminar for seniors
- FL at the national level
- Who we are: Audrey Brown, Anna Lusardi, Dorothy Wallace
- The Center for Mathematics and Quantitative Literacy at Dartmouth
- The Financial Literacy Center at George Washington University

Part 1: FREE stuff you can use in your class 2

A series of modules designed to:

- **Emphasize quantitative aspects of financial decisions**
- **Use the language of the financial world, the language of mathematics, and the language of ordinary people**
- **Give instructors many options for how to use them**
- **Appeal to college age adults**
- **Address the needs of those doing something for the first time, such as getting a first credit card, first job, first car**
- **Treat the learner as an adult, in particular by imitating the business school case study approach and introducing the use of spreadsheets.**

Freestanding modules on the following topics:

- **How much will I take home? Understanding your paystub.**
- **Paddle Your Canoe. Budgeting.**
- **Understanding Credit Card Offers**
- **Jetta or Jaguar? Buying your ideal car**
- **Buy, Rent, or Live in a Tent? Mortgages and house purchase.**
- **Investing in Savings and Bonds**
- **Investing in the Stock Market**
- **Investing in Mutual Funds**
- **Your Parents Will Move In With You! How much needed to retire.**
- **Saving For Retirement**
- **NEW! Forthcoming module on taxes.**

Every module includes most of these:

- **Slides for presentation, including embedded videos and links, delivered on the web and free to use.**
- **Pre and post tests on financial and numerical concepts in the module.**
- **Detailed instructor notes with ideas for quantitative assignments, writing assignments, and other educational activities**
- **Notes especially for future teachers and those who teach them**
- **Spreadsheets for doing realistic calculations and exploring the future impact of financial decisions**
- **Case studies of (fictional) individuals so that students can put themselves in the position of financial advisors**

Some examples: the slides

The Center for Mathematics and Quantitative Education
www.math.dartmouth.edu/~mqed/FinancialLiteracyProject/householdbudget2.html

Planning Household Budgets-2

Previous Next

Here is the budget of the average U.S. household.

Where Does the Money Go?
The Department of Labor's latest survey provides a detailed look into how the average U.S. consumer unit spends their annual paycheck.

Average annual expenditures and characteristics of all consumer units
Consumer Expenditure Survey, 2009

| Category | Amount | Percentage |
|---------------------|----------|------------|
| Entertainment | \$2,693 | 5.49% |
| Insurance/Pensions | \$5,471 | 11.15% |
| Everything else | \$2,127 | 10.45% |
| Food away from home | \$2,619 | 5.34% |
| Food at home | \$3,723 | 7.83% |
| Housing | \$18,895 | 38.63% |

U.S. Average Consumer Unit

- Age: 49.4
- Number of vehicles owned: 2
- Percent homeowner: 66%
- Number of persons in consumer unit: 2.5
- Number of earners: 1.3

PHBNI-3

At this point students should be invited to begin creating their own budget based either on their existing income or on income projected for their profession upon graduation.

Average incomes for different professions can be found at the [Bureau of Labor Statistics](#).

An online salary paycheck calculator, such as [PaycheckCity.com](#) will allow students to compute take home pay based on their salary.

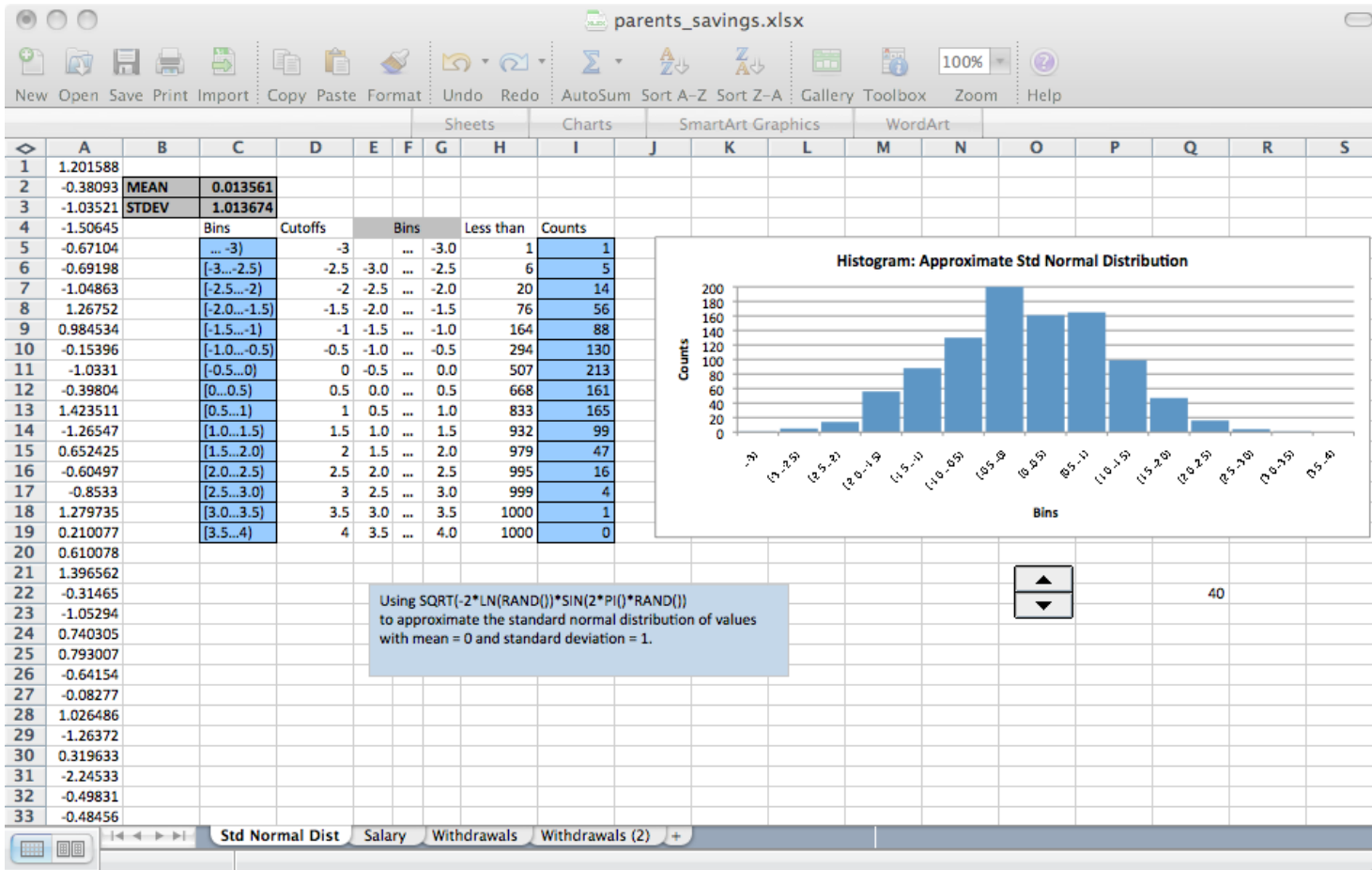
From the module, “Saving For Retirement”

Assessment question 11 on the pre-test

11. If you have \$10,000 invested at 7% per year, and if you add an additional \$1,000 this year, then next year you will have approximately:

- a. $10,000 \cdot .7 + 1,000$
- b. $10,000 \cdot .07 + 1,000$
- c. $10,000 \cdot 1.07 + 1,000$
- d. None of the above

Spreadsheets “Your Parents Will Move In With You” 8



Downeast Ladies Seek Victorian Cottage

Three fabulous single women you know, *belles dames* of a certain age, have been discussing their imminent retirement. They have been friends for years and are considering sharing an old Victorian house on the main street of a cute town in Maine for their golden years. They are all turning 65, about to collect social security and make their big move. They must all relocate more or less at the same time, because it will take all three of them to pay for and maintain the house they have chosen.

These are some of the best places to use these modules:

- As part of a quantitative reasoning or other math course
- As part of a financial literacy course
- As part of faculty development in financial education at high school and college levels
- In conjunction with financial education games, such as Ne\$tEgg or Groove Nation, for informal financial education
- At moments when life changes, such as for graduating seniors

Senior Survival Series

2012 Annual Meeting x Senior Survival Series x

alumni.dartmouth.edu/Communities/yada/SeniorSurvivalSeries

dartmouth senior survival

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Mastering Money Skills

Seniors—you've done it! You've taken all of your distributive credits, passed the swim test, polished off your thesis, and maybe even landed your first job! Now what?

The Mathematics Department and the Office of Alumni Relations would like to offer some tips, tricks, and advice that you may not have picked up in class. You may know how to balance your checkbook and stash money in your savings account, but that's just the beginning.

This spring, Professor Dorothy Wallace and alumni guest speakers will offer three mini- lectures on the basics of financial literacy.

Talks are at 6 pm in Kemeny Hall, Room 008.

May 2
Oh, the Places Your Money Will Go!
Come learn about the importance of budgeting, net vs. gross income, tax withholding, state/local/federal taxes, Medicare

Last year (Spring 2012)

3 sessions: Budgets, Credit, Other Stuff

Joint with Alumni Relations and Math

Presenters: Alum John DeRegt, and Heidi Eldred (at Tuck Business School, and spouse of an alumnus)

This year (Winter 2013 and Spring 2013)

6 sessions, 3 each quarter

Joint with Alumni Relations, Math,
and the Rockefeller Center

Data (3 sessions combined):

113 out of 132 surveys ranked the sessions as “helpful” or “very helpful” (top two of 5 options)

96 out of 132 surveys said that “about half” to “all” of the material was new to them (top 3 of 5 options)

Quite a few students asked for more sessions.

This year:

Six session total, 3 in Winter, 3 in Spring

Video clips of presenters from last year will go online for others to use

Tell your Alumni Relations office about this!

Thanks to our collaborators!

Kate Sorenson & Peter Mili, Cambridge Rindge and Latin School, Kim Rheinlander, Dartmouth College, Caren Diefenderfer, Hollins University, Janine Lloyd, MassBay Community College, Corrine Taylor, Akila Weerapana, Jessica Polito & Ken Hawes, Wellesley College, Eric Gaze, Bowdoin College, Maryann Allen, Andrew Cahoon, Eva Szalvai, Tom Kealy, & Semra Kilic-Bahi, Colby-Sawyer College, Clyde Martin, Texas Tech University, Andrew Richman and his team (Bonvini, Green, Kershaw, O'Donnell, Salter), John Pelletier, Champlain College, Colleen Andrasko, Retirement Plan Administrator, Dartmouth College, Erin Kanter, Doug Bernstein & Vlad Fichtner, Ne\$Egg, Derrick T. Smith & Martha Beattie, Dartmouth Alumni Relations, John DeRegt, Dartmouth class of '72, Heidi Eldred, Tuck School of Business, Audrey Brown, Dartmouth College, AND

**Anna Lusardi, Financial Literacy Center,
George Washington University**