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Acknowledgements Page

Financial Literacy Education in Libraries: Guidelines and Best Practices for Service was revised in 2022 by a working team drawn from the Business Reference and Services Section (BRASS) and Financial Literacy Interest Group (FLIG) of the American Library Association’s (ALA) Reference & User Services Association (RUSA). These revisions enhanced the guidelines first developed as the result of a Sparks! Ignition Grant awarded to RUSA by the Institute of Museum and Library Services (IMLS).

Financial Literacy Education in Libraries: Guidelines and Best Practices for Service was initially created by a working team drawn from BRASS, under the direction of an advisory group of experts in financial literacy. The original document was approved by the RUSA Board on September 29, 2014.

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History and Background of the Guidelines

The impetus for the development of these financial literacy education guidelines and best practices for libraries was the growing demand for high-quality reference services and programming in the areas of personal finance, investing, and other aspects of financial literacy and financial capability. The guidelines and best practices were initially developed as a result of a Sparks! Grant awarded to RUSA by the Institute of Museum and Library Services (IMLS) in 2013-2014. The project began in late October of 2013 with the appointment of a director and Working Team, and the selection of the Advisory Group. The Working Team conducted an environmental scan to identify and assess existing financial guidelines and standards. Draft guidelines were shared with the Advisory Group during quarterly meetings. Feedback and recommendations for the group were incorporated to improve the applicability and accuracy of content areas covered in the document.

A draft of the guidelines and best practices was first shared at the annual American Library Association Conference in Las Vegas in June 2014 and posted for public comment in August 2014. Feedback from the public was reviewed and the draft documents revised. The RUSA Standards & Guidelines Committee reviewed and approved the final draft of the document in September 2014.

In 2022, RUSA initiated an update of the guidelines and best practices with BRASS and FLIG. Members from each group convened to revise the materials to ensure their relevance for library audiences for years to come. These guidelines now include limited amounts of material for small businesses, but remain primarily intended for consumer audiences. The RUSA Board approved the updates on August 8, 2023 and the updated guidelines and best practices were presented to RUSA membership on August 14, 2023.
Introduction: Guidelines, Literacy, and Libraries:

Management of personal finances requires information. Different kinds of information are needed to responsibly and successfully earn, borrow, save, invest, spend, and protect against risk. A multitude of sources provide financial information, and these sources can vary widely in their opinions, reliability, and objectivity. Principles of information literacy should be integrated within all areas of the financial literacy guidelines. Depending on the needs and resources of the community, the library may be uniquely qualified to address this topic, or to partner with community organizations to provide education and information on financial literacy topics.

Financial literacy programs and workshops should demonstrate how to:

- Identify, access, and compare financial information from a variety of sources.
- Critically evaluate the credibility, timeliness, and point of view or bias of financial information and its sources.
- Apply financial information carefully and productively in light of individual circumstances.
- Use financial information ethically.

Each content area in these guidelines includes program outcomes that can be applied to a variety of programs, workshops and classes, as well as suggested program topics and themes. The intent is for these guidelines to be dynamic, adaptable, and flexible to each library’s context. These recommendations are intended to grow and change through the implementation process.

How to use the Guidelines and Best Practices:

Included with each guideline are potential program outcomes, which will be more specifically determined by the scope of content and target audience for a program or workshop, as well as some suggested program ideas. For example, when planning a workshop focused on understanding paycheck deductions for a teen audience, one could use some of the content broadly described in the Earning Guideline. A possible outcome for participants would be the ability to describe factors affecting take-home pay. Best practices call for measured outcomes which in this case might be a pre-workshop survey that assesses participant knowledge of paycheck deductions for FICA, Social Security, and state and/or federal taxes. A post-program survey could demonstrate a change in participant knowledge of these topics.

1.0 Earning Guideline
The guideline on earning seeks to inform audiences about earned and unearned income, the value of benefits and their costs, total compensation, and means of building human capital.

Earned income is generated from wages, tips, salaries and commissions. Unearned income is derived from other sources such as interest, rents, capital gains, and dividends. People choose jobs or careers for which they are qualified based on the income they expect to earn, and the benefits they expect to receive. People can increase earned income and job opportunities by acquiring more education, work experience, and job skills. Job benefits may include health insurance coverage, retirement plans, legal benefits, and tuition assistance, for example. These benefits can provide protection to working individuals and sometimes to family members, may offer tax advantages, may add to future wealth, and often costs are shared by employer and employee.

Human capital consists of a person’s knowledge, talent, experience, and skills. Working is a way to employ skills in exchange for pay and other compensation. Skill-building is a means to increase one’s productivity and to raise earning potential. Human capital is not finite and can be focused in different fields of work over time according to one’s interests and experience.

Career choices, education choices, and skills have a direct impact on earning potential. Local, state and federal benefit programs can also help with income needs for people who meet certain requirements. Social Security is a government program that taxes the income of current workers to provide retirement, disability, and survivor benefits for workers or their dependents. Changes in economic conditions or the labor market can cause changes in a worker’s income or may cause unemployment.

Business income is another sort of income. Business income can include profits from a business or potentially rent from real estate. Starting a business requires a great deal of planning, but it also involves risk to the business investment. Risk is inherent because a business can lose money as well as earn money. Personal income and business profits are taxable. Taxes are paid to federal, state, and local governments to support the provision of public services by the government for the common good. Resources and support for starting a business is available from the federal Small Business Administration and Small Business Development Centers, among other groups.

Possible Job Preparation, Searching, and Unemployment Workshop Topics
- Getting Your First Job
- Building Human Capital: Exploring Careers and Building Job Skills
- Career Exploration with ONet and the Occupational Health Handbook
- Expanding Career Options with Job Training
- Navigating a Job Loss

Potential Job Preparation, Searching, and Unemployment Outcomes
• Describe factors such as education, certifications, and skills that impact earning potential.
• Identify reliable sources of information about job roles and career paths.
• Describe the value of employment benefits and information needed to make choices.
• Identify resources for utilizing unemployment benefits.
• Discuss how to manage personal finances during periods of unemployment.

Possible Income, Paychecks, and Deductions Workshop Topics
• Supplementing Your Income
• Education and Income
• The Value and Costs of Benefits
• A Guide to Paycheck Deductions
• The National Economy and Your Wallet

Potential Income, Paychecks, and Deductions Outcomes
• Identify sources of personal income.
• Describe factors affecting take-home pay and common deductions from a paycheck.
• Explain the purpose and function of Social Security and related government programs.
• Explain the relationship between taxes and income.
• Differentiate between federal, state and local taxes.

Possible Small Business Workshop Topics
• Starting a Small Business 101
• Writing a Business Plan
• Defining a Target Market for Your Business
• Conducting Market Research
• Small Business Taxes and Deductions
• Bookkeeping for Small Business
• Funding Your Small Business

Potential Small Business Outcomes
• Identify the steps to start a business.
• Identify the information needed to write a business plan.
• Identify at least one funding source for small business.
• List the common documentation needed for potential business funding sources.
• Describe the importance of cash flow to business success.
• Conduct market research for a business venture.
• Define profit and loss in a business context.
• Explain the components of the four main financial statements.

2.0 Borrowing & Credit Guideline
The guideline for borrowing and credit seeks to inform audiences about issues related to managing credit and debt. There are times when a person’s income does not cover necessary or desired purchases. Borrowing money or using credit may be a way to pay for these expenses, but borrowing will generally involve a cost in the form of interest. Interest is the cost one pays to borrow money, generally a percentage of the amount borrowed, which must be repaid to the lender in addition to the principal (amount borrowed).

Borrowing costs can differ significantly and should be thoroughly evaluated prior to undertaking a loan. Consumers may choose from a variety of sources of credit based on their goals and the terms of the loans. Incurring debt by borrowing creates an obligation for repayment on the part of the borrower. Consumers must understand the consequences of non-repayment of debt.

When securing credit, or taking on debt, it is important to maintain reasonable levels of personal debt relative to one’s income and assets. A consumer’s debt ratio, (the amount of money owed in comparison to assets held) and actions in paying bills and debts impact one’s credit score, which can impact the interest rates the consumer may be offered when obtaining future credit. Credit reports and credit scores are maintained by three credit agencies: TransUnion, Equifax, and Experian. Lenders will review the potential borrower’s credit worthiness and assign borrowing terms based on the information reported by the agencies. There are a variety of institutions that offer consumer credit, from quick credit and predatory lenders to traditional banks. Consumers should carefully assess the terms and rates under which one borrows from these enterprises.

Financial institutions offer various credit and loan options for borrowers with good credit scores. Lower credit scores may limit available options for consumers, both in terms of institutions willing to lend and financial products offered. Factors that impact debt management include saving, planning, and budgeting practices. It is important to be able to identify the warning signs of excessive debt and to know strategies for avoiding or managing it. Those financing education must be informed about the types of student loans, grants, and repayment options available. These options may vary significantly between institutions and states. Student borrowers should consider their education financing options in light of their anticipated employment and salary upon completion of their education.

Possible Credit and Debt Workshop Topics
• Knowing When to Borrow
• Using Credit Responsibly
• Avoiding High-Interest and Predatory Lending
• The Basics of Bankruptcy
• Paying Down Debt
• The Impact of Interest Rates

Potential Credit and Debt Outcomes
• Define the concepts of credit and debt.
• Describe responsible uses of credit and debt.
• Describe the time/value relationship of money and how it affects debt repayment.
• Discuss the spectrum of credit sources from easy credit and predatory lending services to traditional loan sources.
• Describe the difference between credit and debit cards and their purposes.
• Determine manageable levels of personal debt relative to income and assets.
• Describe the implications of bankruptcy.
• Identify credible sources of credit/debt and consumer protection information.
• Describe the differences between snowball and avalanche debt repayment methods.

Possible Credit Report and Credit Score Workshop Topics
• Clean Up Your Credit Report
• Correcting Your Credit Report
• Taking Care of Your Credit Score
• Connect with Credit Counseling
• Money Management Tools

Potential Credit Report and Credit Score Outcomes
• Identify the major factors that can impact a credit score.
• Identify the major credit bureaus.
• Describe the fundamentals of credit score determination and how credit scores are used.
• Discuss the importance of checking your credit score annually.
• Identify sources of free, reliable credit reports.
• Describe how credit can affect access to employment and housing.

Possible Credit Card and Loan Product Workshop Topics
• Shopping for a Credit Card
• Homebuyer Boot Camp
• Shopping for a Auto Loan
• Paying for College

Potential Credit Card and Loan Product Workshop Outcomes
• Define three types of credit: installment, revolving, open.
• Describe how credit card companies apply interest.
• Describe how credit card cash advances are calculated and billed.
• Identify key areas to review in monthly credit statements.
• Evaluate a credit card or loan agreement for terms and conditions.
• Define basic loan terms, fees, interest rates, and APR.
• Define creditworthiness and its impact on interest rates and loan availability.
• Identify and distinguish between market lending rates and above market rates.
• Identify cost-effective sources of credit based on credit score.
• Discuss the obligations of repayment and the consequences for failure to repay.
• Describe how to shop for loan terms and rates.
• Calculate simple and compound interest and the cost of borrowing.
• Describe the common types of mortgages, including benefits and limitations.
• Describe the common types of auto loans, including benefits and limitations.
• Describe the common types of college loans, including benefits and limitations.

3.0 Saving and Investing Guideline

The saving and investing guideline seeks to inform audiences about basic and complex concepts of saving and investing. Saving and investing are ways to manage discretionary income that is not spent on immediate needs. People might save for special purchases like vacations, home renovations, future events such as retirement or a child’s education, or as a hedge against unexpected expenses such as automobile repairs or medical bills. An emergency savings fund, generally a savings account, is a foundational security measure whereby an individual stores money in order to cover unexpected expenses or routine expenses during a prolonged loss of income. Savings can be kept in various types of accounts, including money market accounts, but the emphasis should be on low levels of risk and ensuring liquidity in line with one’s savings goals and timeline. The value of savings is affected over time by interest rates and inflation.

Investing is the purchase of financial assets, such as stocks and bonds, as a means of growing a financial nest egg to keep ahead of inflation. Investors accept the risk of assets losing value in exchange for the opportunity of assets gaining value (the expected rate of return). Returns can take the form of interest, dividends, and capital gains. The degree of risk and return varies, and investors should understand that greater rates of return are usually associated with greater risk. Investors should also understand that market forces can lead to volatile pricing of assets and that various forms of returns can have tax implications. An individual’s goals and personal values will vary in their tolerance of risk.

Saving and investing is facilitated by financial intermediaries such as financial planners and financial professionals, banks, credit unions, stock exchanges, and brokerages. Some government agencies and regulators, such as the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) facilitate saving, partly by insuring deposits, while the Securities and Exchange Commission (SEC) facilitate investing by promoting financial transparency. A central banking system, such as the Federal Reserve, can influence interest rates and inflation through monetary policy. Government policy and taxation can affect the attractiveness of various saving and investing options. Markets react to news and changing conditions and require transparency. Bias and flawed reasoning lead to mistakes that systematic decision making can prevent. Carefully considering both asset allocation and diversification is one way to protect against risk.

Estate planning involves managing an individual’s assets in the event of their incapacitation or death, including the creation of trusts, the bequest of assets to heirs, the avoidance of probate, and the settlement of estate taxes.
Possible Saving Workshop Topics
• Saving with Smaller Assets
• Saving for Education
• Saving for Major Purchases
• Building an Emergency Savings Fund

Potential Saving Outcomes
• Define liquidity.
• Identify reasons for saving a portion of personal or household income.
• Develop a savings plan for achieving financial goals.
• Explain the value of an emergency fund.
• Calculate the effect of earnings and compounding interest on savings.
• Define principal, interest, and inflation.

Possible Investing Workshop Topics
• Introduction to Investing
• Investing with Stocks and Bonds
• Creating a Diversified Portfolio
• The Stock Market and the Economy
• The Role of the Government in the Market
• Mutual Funds and Exchange-Traded Funds
• Global Financial Markets
• Exploring Annuities

Potential Investing Outcomes
• Compare savings and investment alternatives and select those that best fit personal goals.
• Describe the concept of time-value of money and its implications on saving, investing and rate of return.
• Describe how market forces determine interest rates, inflation, and the price of financial assets.
• Calculate the rate of return on basic investments.
• Explain the factors that contribute to and mitigate risk in investments.
• Explain how investments can provide future income through interest, dividends, and capital gains.
• Explain the concept of debt-based investments, like bonds.
• Interpret bond ratings.
• Explain the concept of equity-based investments, like stocks.
• Explain the benefits and risks of annuities.
• Interpret stock quotes, ratings, and analysis.
• Compare financial investments such as stocks and bonds to alternatives such as real estate and gold.
• Explain the differences between actively vs. passively managed funds.
• Explain the differences between investing and speculating.
• Identify risks inherent to investing.
• Describe how asset allocation and diversification hedge against risk.

Possible Regulation, Financial Institutions, and Financial Professionals Topics
• Regulation and Rules in Financial Markets
• Choosing a Financial Advisor
• Choosing Banks and/or Credit Unions

Potential Regulation, Financial Institutions, and Financial Professionals Topics
• Explain the importance of establishing and maintaining a relationship with a government-insured financial institution.
• Define being “unbanked” and describe the issues related to it.
• Explain the distinction between real and nominal rates.
• Describe the role of intermediaries, regulators, and government agencies in facilitating saving and investing.
• Describe how government agencies can affect interest rates and inflation.
• Describe how government policy and taxation can affect the attractiveness of saving and investing options.
• Describe why transparency is necessary for financial markets to function properly.
• Explain the relationship between savings deposited with a financial institution and the loans that institution issues.
• Describe common types of savings accounts at banks and credit unions.

Possible Financial Planning, Retirement, and Estate Planning Workshop Topics
• Financial Goals and Financial Planning
• Planning for Retirement
• Estate planning 101

Potential Financial Planning, Retirement, and Estate Planning Outcomes
• Identify ways to automate saving and investing.
• Describe personal and employer-sponsored automatic retirement savings plans and how to participate in them.
• Develop a personal financial plan based on short- and long-term goals.
• Calculate how much could be needed for an individual’s retirement, factoring in existing savings, pensions, Social Security and future expenses.
• Describe common types of tax-favored retirement investment vehicles, such as a 401(k) or Roth IRA.
• Explain how people in different life stages and economic conditions might vary in their saving and investing portfolios.
• Calculate the effect of inflation on long-term savings and investments.
• Calculate present value and future value of basic savings and investments.

4.0 Spending Guideline

The spending guideline seeks to inform audiences about personal and household budgeting, purchase decisions, determining consumer wants and needs, and avoiding
the pitfalls of uncontrolled spending. Consumers must prioritize, budget, compare prices, analyze value, and weigh choices when deciding what goods and services to purchase.

Charitable giving is also a potential component of spending. Donations are expenditures made to charitable organizations and other not-for-profit groups. Donations are a matter of personal values and choices, and charitable organizations should be thoroughly vetted before donating. See Guideline 5: Protecting Your Assets for information about charity scams.

Governments establish laws and institutions to provide consumers with information about goods or services to protect consumers from fraud. Consumers can improve their economic well-being through informed spending decisions which entail collecting information, planning, and budgeting. Informed decision-making requires comparing the costs and benefits of spending alternatives. Spending choices are influenced by prices, need, advertising, and peer-pressure.

Consumers choose from a variety of payment methods in order to buy goods and services. Choosing a payment method involves weighing the costs and benefits of different payment options. Review Guideline 2: Borrowing and Credit for information about non-cash payment options.

Possible Budgeting Workshop Topics
- Budgeting for Success
- Wants vs. Needs
- Tracking Spending
- Comparison Shopping
- Being a Cost-Conscious Consumer
- Managing Over-Spending and Impulse Shopping
- Spending and Personal Values

Potential Budgeting Outcomes
- Describe the difference between wants and needs.
- Describe the purpose of a budget/spending plan.
- Create a simple budget.
- Track spending habits.
- Compare costs and benefits of goods and services.
- Set realistic and measurable financial goals.
- Describe the consequences of overspending.
- Identify methods of living within your financial means.
- Describe benefits of financial responsibility.
- Describe the costs of financial irresponsibility.
- Describe your personal values and how they impact your spending decisions.

Possible Spending Management Workshop Topics
- Money Management Tools
Potential Spending Management Outcomes
- Describe the consequences of overdrafting a checking account.
- Identify tools for managing finances such as Excel and Quickbooks or budgeting apps like Mint.
- Apply reliable information and decision-making to personal financial decisions.
- Describe the effects of spending decisions.
- Identify pros and cons of different payment options.
- Determine lower-cost alternatives for activities and gatherings.
- Identify ways that marketing and advertising entice you to spend more.

5.0 Protecting Your Assets Guideline

This guideline seeks to inform consumers about ways to manage financial risks for economic security. Different forms of insurance - health, property/casualty, disability and life - protect the many aspects of consumers' lives. Learning about the variety of insurance products and the intricacies of insurance contracts enables consumers to better assess their risks and understand how to mitigate those risks. Risk is also a factor when investing money for college, retirement or any other life event. Review Guideline 3: Saving and Investing for information about investing and risk.

An important element of managing risk is protecting oneself from fraudulent practices that lead to identity theft and theft of financial assets. Consumer fraud is an increasingly common issue. Thieves deploy scams through every means with which consumers communicate – mail, phone, email, the internet, social media, and even computer hacking. Consumers need to recognize the ways in which they are vulnerable and how to protect themselves.

Some of the most common scams and fraudulent practices target credit cards and bank accounts as well as mortgages and property titles. Many scams involve false appeals for charitable contributions, false postings for rental properties or job opportunities, and requests for gift cards and advance fees for services. Consumers should be able to identify trusted sources, such as the Securities and Exchange Commission and the Federal Bureau of Investigation, for information about these scams and how to avoid them.

Possible Insurance Workshop Topics
Potential Insurance Outcomes

- Describe the types of insurance, their benefits, and the consequences of failure to insure.
- Compare terms in whole life and term insurance policies.
- Analyze your homeowner's insurance policy.
- Analyze your auto insurance policy.
- Explain the costs, benefits, and policy variations of long-term care insurance.

Possible Fraud, Identity Theft, and Financial Risk Workshop Topics

- Preventing Identity Theft
- Recovering from Identity Theft
- Avoiding Financial Scams
- Current Scams in Our Community
- Evaluating a Charity
- Evaluating Advertising

Potential Fraud, Identity Theft, and Financial Risk Outcomes

- Identify the most common methods of identity theft.
- List steps to protect one's identity.
- Describe how to recognize common scams.
- Demonstrate strategies for dealing with scams such as robocalls and fraudulent ads or solicitations for the use of gift cards.
- List steps to protect personal information on a home computing device.
- Identify legitimate charitable organizations.
- Identify available consumer assistance resources.
- Apply informed principles in purchasing decisions.
- Analyze and evaluate advertising claims.

6.0 Financial Literacy Education in Libraries: Best Practices for Service
A best practice is a technique or methodology that, through experience and research, has proven to reliably achieve desired outcomes. A commitment to using best practices in any field is a commitment to using all the knowledge and technology at one’s disposal to ensure success. The following recommended best practices for implementing financial literacy education programming in libraries draw on input from key informants, feedback from Advisory Group members, research conducted by Working Team members, and lessons learned from Smart investing@your library® grant projects funded by the FINRA Investor Education Foundation.

6.1 Ensure objectivity: Use unbiased sources

Libraries must take care to provide unbiased sources of financial information. The personal and financial nature of financial programming obliges libraries to provide patrons with reliable and impartial information. In the context of financial information, unbiased refers to not profit-based or trying to sell a product. Libraries need to guard against implicit or implied endorsement of financial products or services.

As with all their programming, libraries must ensure objectivity in their program selections, however, this does not mean that all sources and partners must necessarily be completely objective. Values- or mission-based resources and partners can be highly relevant, authoritative, and effective. In taking advantage of these options, libraries can preserve objectivity by ensuring that diverse viewpoints are represented, and that programming partners honor the parameters established by the library. Presenters should clearly state their perspective for an audience. Libraries and their partners should aim to avoid any conflicts of interest in their delivery of financial education.

Books advocating a variety of investment strategies can provide balance through diversity, and it may be that a local Certified Financial Planner would be an excellent presenter for a library workshop, if they clearly understand this is an opportunity for community service rather than a chance for new client acquisition.

In any of these situations, the library’s responsibilities are best served by helping patrons to discern potential bias for themselves and account for it in their own decision making. This is a key element of financial literacy.

6.2 Ensure accuracy: Use authoritative sources

Financial workshops must present information accurately and use authoritative source material. Misinformation about interpreting loan terms or evaluating types of investments could have long term consequences for patrons. Inaccurate information reflects poorly on the sponsoring library and on its potential partners. Publishers and authors of sources used in financial literacy education should be clearly marked and note relevant authority and credentials.¹ This document recommends authoritative organizations and agencies.
6.3 Protect privacy: Uphold anonymity

Communications with patrons regarding financial information must remain confidential throughout the transaction as well as after the transaction or program. The personal nature of this topic calls for discretion when assisting a patron in person, on the phone, electronically, or at a program. Library staff must understand the sensitive nature of the topic and respect the patron’s privacy while trying to provide the most relevant information.

6.4 Establish partnerships: Set criteria and expectations

A significant lesson learned from grantees of the Smart investing@your library® grant program is the importance of establishing appropriate, productive, sustainable community partnerships. Every grant project has involved either establishing or expanding community partnerships, and these collaborations are critical to achieving successful outcomes and sustaining the financial literacy activities in the community.

As reported in the 2021 Public Library Association’s Survey of the Public Library Field, 55% of libraries have or are seeking partnerships related to economic recovery for job seekers and small businesses, 51.6% of libraries are interested in partnerships related to finding and building job skills, and 47% desire partnerships that are related to educational achievement gaps.2

Partnerships are critically important to both the successful implementation and sustainability of library-based financial literacy programming. Partnerships may also help to establish or expand a library’s position in its local community as a source of reliable, unbiased financial information. Successful partnerships have the following characteristics:

6.4.1 Mutually beneficial

Partnerships are successful when all parties benefit and share a desire to support each other.

Libraries and their strongest partners may share a common mission or purpose, may have shared or overlapping target audiences, or fill a need for the other in terms of space, marketing skills, staffing, or other tangible resources.

6.4.2 Partnership established with organizations, not individuals

While the initial contact with a partner organization is likely with a single individual, a sustainable partnership is more assured when the organization, as a whole, supports the educational effort.
Many partnerships fail when the main connection is with a single individual from the partnering organization. If that single point of contact leaves the partner agency, it often results in the dissolution of the partnership activities.

An organization’s board of directors may write a statement of support, or the library might establish a communication network with the broader agency.

6.4.3 Formalized agreement through a detailed contract or memorandum of understanding

The contract document should describe 1) mutual expectations in detail, 2) describe the roles of both parties, 3) include a timeline, 4) identify benchmarks, and 5) address sustainability of activities.

6.4.4 Ongoing communication

Effective communication is an important element for developing and maintaining successful partnerships. A process for on-going communication should be established in order to nurture the relationship. Communication should include regular face-to-face meetings in addition to phone calls and email communications. While the partnership is established with the agency or organization, it is helpful to identify a contact person at each partnership agency. An added benefit of these partnerships is the evolution of further opportunities for projects and collaborations.

6.4.5 Shared target audiences

A shared vision and a shared target audience are important aspects that support the sustainability of the partnership. A collaboration can provide an opportunity for a library to address a captive audience which can be both effective and efficient. For example, an effective strategy for reaching the elusive teen audience is partnering with a school or school district, and teachers to incorporate personal finance content into classroom activities. Library programs could earn students extra credit or count toward community service requirements.

Representation matters. Strive to work with groups and presenters that are representative of and inclusive of the populations you serve. For example, if you have a large Spanish-speaking community, it is important to have Spanish-speaking presenters. This helps build trust and rapport that is necessary for effective financial programming.

6.4.6 Shared contributions to programs and activities

Partners collaborate in a variety of ways, with both financial and in-kind support.

A mutually beneficial partnership may result in an increase in community support in the form of donations of services and materials, as well as funding.
The increased awareness of the library and its services, coupled with outreach to civic, social service and government agencies, leverages community support offered through a variety of mechanisms. Partners may take responsibility for carrying out important programming activities such as marketing, recruiting and providing presenters, and other tasks that help ensure successful implementation. This in-kind support fills the gap experienced by libraries in terms of adequate staff time and other limited resources.

6.5 Build on success: Incorporate content into existing programming

Libraries have a long history of providing programming, training, workshops, and other outreach activities to meet the needs of their communities. Smart investing@your library® project principals have successfully incorporated financial literacy and education content into existing programming and routine staff training sessions. As it turns out, this results in two important outcomes.

First, including financial literacy education into existing programming conserves time and resources which are in short supply in most libraries. Second, this enables successful implementation of projects and helps to sustain the inclusion of financial literacy in ongoing library programming. Including financial literacy programming into normal program activities helps guarantee an audience, builds on existing marketing activities, and adds to the credibility of the content by sharing the established reputation of the partnership organization.

For example, incorporating financial literacy content into popular story times or summer reading programs can be an effective way to address personal finance content for a library’s youth audience. This minimizes the need for additional marketing and other publicity because the established programs generally have a captive audience.

6.6 Measure outcomes: Establish baseline knowledge

Once a program has been implemented and completed, it is important to assess the impact the program has had on an audience. Outcomes seek to evaluate the difference the program has made in the life of the user. Outcomes can be measured as benefits to people: “specifically, achievements or changes in skill, knowledge, attitude, behavior, condition, or life status for program participants.”

Impact depends on several factors including program goals, characteristics of the target audience, and the intended outcomes of the project. Measuring program outcomes provides information about the impact of a program or workshop.

In order to demonstrate change, it is important to establish baseline levels of knowledge, skills or understanding related to content prior to the program with project activities. Outcomes are directly related to goals, and both should inform the specific baseline data.
6.7 Keep it current: Plan systematic content review

While maintaining an up-to-date collection is a standard library practice it is especially critical in the area of financial literacy. Dated financial information could cause the public to make not only poor decisions, but decisions that may negatively impact their financial situation. As libraries prepare and present financial literacy programs and workshops, an essential step in the process should be the verification of the currency of the content. This might be accomplished through a partnership with subject matter expert(s) in the field who have been vetted for bias and authority or through a subject specialist librarian.

6.8 Prevent solicitation

The library should establish and communicate a policy indicating that invited speakers should view a speaking engagement as an opportunity for community service rather than an opportunity for business development.

6.9 Provide self-paced learning options

Self-paced learning options are a great alternative for people whose schedules will not allow them to attend programs in person. Self-paced tutorials can also address different learning styles. Among the Recommended Resources there are options for self-paced learning in various areas of finance.

6.10 Maintain boundaries

Librarians should clearly communicate their role as information providers and learning facilitators as opposed to financial advisors or counselors. When providing financial literacy services or programming, librarians should avoid giving specific recommendations regarding a patron’s personal finances and financial decisions. Librarians should also avoid making judgments about a patron’s financial status, history, or future plans. It may be wise for libraries to maintain a list of professional and community services where patrons may obtain such advice, although endorsement or perceived endorsement by the library should be avoided.

6.11 Virtual programming

In light of the near-universal shift to virtual programming during the COVID-19 pandemic, library users may expect consistent virtual programming going forward. As with self-paced learning options, this may expand your audience to include those who are unable, due to disabilities, caregiving responsibilities, or other factors, to travel to a physical location for programs. Virtual programs can aid libraries in their efforts to reach underserved communities, and to host speakers you would otherwise not be able to accommodate. Virtual programs are also good options for small communities to combine into a larger online audience, and the general anonymity of an online program may feel less threatening to those intimidated by financial topics.
References


Appendix A

Financial Literacy Education Annotated Resource List

Regularly updated resources are hosted on the RUSA Business Reference and Services Section (BRASS) Financial Literacy LibGuide: https://brass.libguides.com/financialliteracy

Resources included here are selected on the basis of authority of the provider, lack of bias or commercial intent, and accuracy of content. Select resources were adopted from a resource list compiled by the Consumer Financial Protection Bureau Office of Financial Education.

Note that these resources are identified as sources of reliable information on the topic. This list is not intended to be an exhaustive listing of resources, but rather is intended to provide a good basis of source material on the guideline content. Many national organizations have regional, state, and/or local representation that may serve as contacts for partnerships or referral services. See Best Practices for more information about partnerships and leveraging local community service organizations.

360 Degrees of Financial Literacy
Website produced by American Institute of CPAs, this is a free program to help Americans understand their personal finances through various stages of life. Link: https://www.360financialliteracy.org/

AnnualCreditReport.com
The only source for free credit reports authorized by federal law. Consumers can receive their credit reports from Experian, Equifax and TransUnion free every 12 months. Link: https://www.annualcreditreport.com

Consumer.gov
Easy to understand information for consumers who want to know more about money management, loans and credit, and how to avoid scams. The site includes topical videos and webinars.
Link: https://consumer.gov/

Consumerfinance.gov
The Consumer Financial Protection Bureau (CFPB) website contains the information you need to better understand financial products and services. If you have an issue with a consumer financial product, you can submit a complaint, and the CFPB will forward it to the appropriate company and work to get a response for you.
Link: https://www.consumerfinance.gov/

Additional CFPB Resources:

- Ask CFPB: An interactive question-and-answer database to help consumers find answers to questions about money products and services. https://www.consumerfinance.gov/ask-cfpb/
- Financial Well-being: An ultimate goal of financial education is the application of financial literacy towards financial well-being, “a condition wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow them to enjoy life”. CFPB provides a scale for patrons to measure their current state of financial well-being, and activities to help plan towards improving their financial well-being over time. https://www.consumerfinance.gov/consumer-tools/educator-tools/financial-well-being-resources/
- Find a housing counselor: Use this online tool to find HUD-approved housing counselors near you. Housing counselors throughout the country can provide advice on buying a home, renting, defaults, foreclosures, and credit issues. https://www.consumerfinance.gov/find-a-housing-counselor/
- Money as You Grow Bookshelf for Parents and Caregivers: A resource for parents and young children to develop financial literacy and money skills through storytime. Includes individual resources for each title, including recommended age group, relevant money skills, discussion questions, and activities. https://www.consumerfinance.gov/consumer-tools/money-as-you-grow/bookshelf/

• Submit a complaint: Submit complaints about mortgages, credit cards, bank and credit union accounts, consumer loans, money transfers, student loans, payday loans, debt collectors and more. [https://www.consumerfinance.gov/complaint/](https://www.consumerfinance.gov/complaint/)

• Your Money, Your Goals: A toolkit for librarians and educators to address important financial literacy topics with a diverse adult audience. Tools and workbooks can be printed from the website or ordered as free print booklets mailed to your library. [https://www.consumerfinance.gov/consumer-tools/educator-tools/your-money-your-goals/toolkit/](https://www.consumerfinance.gov/consumer-tools/educator-tools/your-money-your-goals/toolkit/)

Consumer Issues
A landing page for the federal government which highlights resources related to consumer complaints, money and taxes, product recalls, scams, and consumer protection services
Link: [https://www.usa.gov/consumer](https://www.usa.gov/consumer)

COVID-19 Financial Resilience Hub
Link: [https://gflec.org/education/financialresilience/](https://gflec.org/education/financialresilience/)

EDGAR Database
All companies, foreign and domestic, are required to file registration statements, periodic reports, and other forms electronically through EDGAR. Anyone can access and download this information for free.
Link: [https://www.sec.gov/edgar](https://www.sec.gov/edgar)

Federal Deposit Insurance Corporation (FDIC) Money Smart, Financial Education Program
Money Smart is a comprehensive financial education curriculum designed to help low- and moderate-income individuals outside the financial mainstream enhance their financial skills and create positive banking relationships. Money Smart has reached over 2.75 million consumers since 2001. Research shows that the curriculum can positively influence how consumers manage their finances, and these changes are sustainable in the months after the training.

Federal Reserve Banks in specific cities provide financial literacy education resources including creative games, publications, and other activities.

Partial Federal Reserve Banks list:
Federal Reserve Bank of Chicago – Education
Link: [https://www.chicagofed.org/education/index](https://www.chicagofed.org/education/index)

Federal Reserve Bank of Kansas City – Education
Link: [https://www.kansascityfed.org/education/](https://www.kansascityfed.org/education/)

Federal Reserve Bank of San Francisco – Education
Link: [https://www.frbsf.org/education/](https://www.frbsf.org/education/)
Federal Reserve Bank of St. Louis – Education
Link: https://www.stlouisfed.org/education

Federal Reserve Education
This site provides lesson plans, classroom activities, publications, games as well as financial information for the general public including credit, banking, personal finance, and consumer protection.
Link: https://www.federalreserveeducation.org/

Additional Federal Reserve resources:
Federal Reserve Education Tools:
Link: https://www.federalreserve.gov/aboutthefed/educational-tools/default.htm

FiftyNifty Econ Flashcards (and other games)
Link: https://apps.kansascityfed.org/resources/fiftynifty/

Federal Student Aid
From the Department of Education, this website is your starting point to learn about qualifying and applying for federal student aid.
Link: https://studentaid.gov/

Financial Industry Regulatory Authority (FINRA)
FINRA is an independent, not-for-profit organization authorized by Congress to protect America's investors by making sure the securities industry operates fairly and honestly. Get investor alerts, check the background of brokers or submit complaints about brokers.
Link: https://www.finra.org/#/

Institute for Financial Literacy
A nonprofit organization whose mission is to promote effective financial education and counseling. Founded in 2002, the Institute accomplishes its mission by working with organizations to incorporate financial education into their existing services.
Link: https://financiallit.org/

Internal Revenue Service (IRS)
Get information, forms, instructions and answers about your federal income taxes. Highlights include links to FreeFile free tax software and the IRS withholding calculator.
Link: https://www.irs.gov/

Related IRS links:
Filing Free Federal Tax Returns

IRS Withholding Calculator
https://www.irs.gov/individuals/tax-withholding-estimator
IRS-Recognized Charities and Nonprofits

Investor.gov
Brought to you by the Securities & Exchange Commission’s Office of Investor Education and Advocacy, Investor.gov is your online resource to help you invest wisely and avoid fraud.
Link: https://www.investor.gov/

Jump$tart Teacher Training Alliance
The J$TTA was founded by five non-profit organizations (Council for Economic Education, Jump$tart, Junior Achievement, NEFE, and the Take Charge America Institute at the University of Arizona), with contributions from three federal agencies (FDIC, the U.S. Treasury Dept. and the U.S. Department of Ed.) the J$TTA developed a training model, intended for use with teachers. It can be easily adapted to other professions.
Link: https://www.jumpstart.org/what-we-do/support-financial-education/jffe-2/

Maryland State Board of Education:
Maryland State Curriculum for Financial Literacy Education
Link: https://www.marylandpublicschools.org/programs/Pages/Financial-Literacy/standards.aspx

Military OneSource
A one-stop resource for military service members and their families. Military OneSource is a confidential Department of Defense-funded program providing comprehensive information on every aspect of military life at no cost to active duty, Guard and Reserve Component members, and their families. Information includes, but is not limited to, deployment, reunion, relationship, grief, spouse employment and education, parenting and childcare, and much more.
Link: https://www.militaryonesource.mil/

Money As You Grow
Money as You Grow was recommended as an initiative of the President’s Advisory Council on Financial Capability. This website instructs parents and educators on what money information children should know as they grow from preschool through college.
Link: https://www.consumerfinance.gov/consumer-tools/money-as-you-grow/

Money Smart Week
Money Smart Week® is a public awareness campaign designed to help consumers better manage their personal finances. This is achieved through the collaboration and coordinated effort of hundreds of organizations across the country including businesses, financial institutions, schools, libraries, not-for-profits, government agencies and the media.
Link: https://www.moneysmartweek.org/
MyMoney.gov
MyMoney.gov is the U.S. government’s website dedicated to teaching all Americans the basics about financial education.
Link: https://www.mymoney.gov/

National Endowment for Financial Education
This nonprofit organization has developed Financial Workshop Kits, which have been used by many nonprofit organizations to put on financial literacy programs.
Link: https://www.financialworkshopkits.org/

National Financial Capability Study
This website, sponsored by the FINRA Investor Education Foundation in consultation with the U.S. Department of the Treasury and other federal agencies, benchmarks key indicators of financial capability and evaluates how these indicators vary with underlying demographic, behavioral, attitudinal and financial literacy characteristics. The study includes easy-to-understand state-by-state data, as well as data for military personnel.
Link: https://finrafoundation.org/knowledge-we-gain-share/nfcs

National Standards in K-12 Personal Finance Education
The National Standards for Financial Literacy provide a framework for teaching personal finance in kindergarten through 12th grade. A student who masters the knowledge embodied in the standards should be able to avoid making poor financial decisions, understand the economic reasons behind the trade-offs between financial choices, and know the basis for their own decisions.
Link: https://www.jumpstart.org/what-we-do/support-financial-education/standards/

Paying for College
Developed by the Consumer Financial Protection Bureau in cooperation with the Department of Education, this site helps you learn how to prepare and pay for college.
Link: https://www.consumerfinance.gov/paying-for-college/

This document identifies “evidence-based best practices” to help Americans develop and improve their financial literacy. “Use of these best practices can help improve the delivery of financial education on different topics, especially to diverse populations, including historically underserved groups. These best practices are adaptable and applicable to changing economic contexts and can inform both policy-making and the development of new financial education activities.” (p. 4)

Pueblo.GPO.gov
Pueblo.GPO.gov provides links to free materials and resources from across the federal government. The Money category includes US government publications on consumer topics such as credit, debt, disaster and emergencies, investing and savings, and loans. Link: https://pueblo.gpo.gov/Publications/PuebloPubs.php

SaveAndInvest.org
SaveAndInvest.org, a project of the FINRA Investor Education Foundation, is a free, unbiased resource dedicated to helping people manage their finances safely and appropriately. The website has special sections with tools and information for helping military service members achieve their financial goals and for helping investors avoid investment fraud. Link: https://www.finrafoundation.org/saveandinvest

Small Business Administration
In the Small Business Act of July 30, 1953, Congress created the Small Business Administration, whose function is to “aid, counsel, assist and protect, insofar as is possible, the interests of small business concerns.” The charter also stipulates that SBA would ensure small businesses a “fair proportion” of government contracts and sales of surplus property. Link: https://www.sba.gov/

South Carolina Department of Education: Standards, Guidelines and Classroom Resources for Instruction of Financial Literacy
South Carolina enacted legislation that required that financial literacy be taught in schools. The Financial Literacy Instruction Act of 2005 (S.C. Code Ann. § 59-29-410) was established to achieve three goals:
• provide students in kindergarten through twelfth grade with tools they will need in the real world to manage their finances;
• increase comprehensive services so students have reduced risk for financial failure after high school; and,
• promote high quality programs that provide instruction on pertinent financial literacy issues. Link: https://ed.sc.gov/instruction/career-and-technical-education/programs-and-courses/career-clusters/finance/finance-cluster-course-standards/

Survey of the States: Economic, Personal Finance & Entrepreneurship Education in our Nation’s Schools, Annual Reports. Link: https://www.councilforeconed.org/survey-of-the-states-2022/

Thinking Money for All Kids
This list of recommended books was developed by the American Library Association and the FINRA Investor Education Foundation to provide suggested books that “eschews stereotypes and embraces diversity in telling stories and sharing skills related to personal finance and financial capability for children.” Link: https://www.ala.org/tools/programming/InclusiveFinLit
Wisconsin’s Model Academic Standards for Personal Financial Literacy
These standards help to build a foundation for learning to assist teachers in developing and implementing curricula that will impact students for life. The standards reflect a broad definition of personal finance and include application of knowledge and skills that address a variety of life and work issues.


Appendix B

Financial Literacy Education Glossary of Terms

Sources include:

Amortization: The distribution of payment in regular installments.

Annuity: An annuity is a financial product typically used for retirement. The consumer purchases an insurance contract through monthly payments or a lump sum. The annuity then provides a fixed income stream over a set period of time or the remainder of the purchaser’s life.

Annual Percentage Rate (APR): The annual rate charged for borrowing (or earned by investing), expressed as a single percentage that represents the actual yearly cost of funds over the term of a loan. This includes any fees or additional costs associated with the transaction.

Asset(s): A resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit.

Bank: A financial institution licensed as a receiver of deposits. There are two types of banks: commercial/retail banks and investment banks. Individual consumers primarily use commercial banks, which are concerned with withdrawals and deposit services.
Investment banks provide different services such as sales and trading, capital raising, and consulting to institutional clients.

Bankruptcy: A legal state where an individual, corporation, or government is released from the obligation to repay some or all debt, often in exchange for the forced loss of certain assets.

Bond: A debt investment in which an investor loans money to an entity, corporation or government for a defined period of time at a fixed interest rate. Bonds are used by many companies and governments to finance projects and activities.

Budget: An estimation of income or revenue and plan for expenses for a specific future period of time.

Capital gain/loss: An increase or a loss in value of a capital asset such as investments and real estate.

Checking Account: A deposit account held by an individual or an entity at a financial institution.

Collateral: Property or other assets that a borrower offers a lender to secure a loan.

Compounding: Calculating interest based on both the principal and previously earned interest.

Contract: A legally-binding agreement between two or more parties.

Credit: The ability of a customer to obtain goods or services before payment, based on the trust that payment will be made in the future, often with the addition of interest.

Credit Card: A card issued by a financial institution allowing the cardholder to borrow funds with the obligation to repay them within a specific time.

Credit Limit: The total amount of money a credit card company will lend to a borrower.

Credit Report: A detailed report of an individual's credit history prepared by a credit bureau and used by a lender to determine a loan applicant's creditworthiness.

Credit Score: The numeric representation of an individual's creditworthiness based on income and credit history.

Credit Union: A member-owned financial institution. As soon as you put money into a credit union account, you become a partial owner and can participate in its profitability.
Debit Card: An electronic card which allows an individual to access their own funds from their checking or savings accounts.

Debt: Something of value, such as money, that is owed or due.

Deductible: The amount you have to pay out of pocket for expenses before an insurance company will cover the remaining costs.

Depreciation: When the value of an asset decreases.

Dividend: A cash distribution by a company to its shareholders.

Diversification: An investment technique that reduces risk by mixing a wide variety of investments within a portfolio.

Electronic Funds Transfer (EFT): Funds being transferred through electronic accounts such as wire transfers.

Endorse: To authorize the deposit or cashing of a check.

Equity: A stock or any other security representing an ownership interest in a company.

Finance Charge: A fee charged for the use of credit or extension of existing credit.

Foreclosure: The failure of a homeowner to make payments on their mortgage, resulting in the repossession of their home.

Fraud: A criminal deception intended to result in financial gain.

Identify Theft: When someone purposefully steals the personal identity of another such as their social security number, financial information, or passport.

Index: A set of portfolios of securities representing a particular market or portion of it.

Individual Retirement Account (IRA): An investing tool used by individuals to earn retirement savings.

Inflation: An overall increase in market prices, resulting in the devaluation of a country’s currency and of saved funds.

Insurance: A contract for a person or an entity receiving financial protection from an insurance policy maker, such as health insurance, auto insurance, and home insurance. Insurance is purchased by the payment of a premium.

Interest: The cost of borrowing money expressed as an annual percentage rate.
Investment: An asset or item that is purchased in anticipation that it will gain value over time.

Late Fee: A financial penalty for not paying a bill on time.

Liquidity: The degree to which an asset can be quickly and easily bought or sold.

Maturity Date: The date on which a debt or contract comes due.

Medicaid: A government assistance program for low-income individuals or families which helps pay the cost of medical or custodial expenses.

Medicare: A government health insurance program that subsidizes healthcare services. Medicare covers people age 65 or older, younger people who meet specific eligibility criteria, and individuals with certain diseases. Medicare has additional components and programs that consumers should explore carefully.

Money Market Account: An interest-bearing account at a bank or credit union. Money market accounts tend to pay higher interest rates than traditional savings accounts. They usually include check-writing and debit card privileges, but tend to have more restrictions than a regular checking account.

Mortgage: A loan for the purchase of real estate, usually secured by the property being acquired.

Mutual fund: A pool of funds collected from many different investors with the goal of investing in securities (stocks, bonds, and similar assets). Mutual funds are operated by money managers who invest the fund's capital to create gains for the fund's investors.

Net worth: The amount that assets exceed liabilities. Increasing net worth indicates good financial health for a firm and is key in determining how much an entity is worth. Net worth can be applied both to businesses and to individuals.

New York Stock Exchange (NYSE): The largest equities exchange in the world based on total market capitalization and listed securities. Domestic and foreign firms can list their shares on the NYSE provided they follow the Securities Exchange Commission (SEC) requirements (listing standards).

Nominal Interest Rate: The interest rate before inflation is taken into account.

Opportunity Cost: The value of the forgone money, time or other benefits you could have received by taking an alternative action.

Option: A type of derivative security that represents the right to purchase or sale an asset at a preset price within a specific timeframe.
Payday Loan: A type of short-term borrowing where an individual takes a small loan amount at a high interest rate, with their paycheck held as collateral.

Payroll Deductions: A contribution plan where an employer deducts a specific amount of money from an employee’s pay and puts the money towards insurance, healthcare or an investment account on behalf of the employee. Employees typically enter payroll deduction agreements on a voluntary basis.

Phishing: A method of identity theft that occurs through the internet. Phishing occurs when a false website that appears to represent a legitimate organization requires visitors to submit personal information to the site (via purchase or updating personal information). This information is then used by criminals for their own purposes or sold to other organizations.

Portfolio: A grouping of financial assets (stocks, bonds and cash equivalents). Portfolios are held by investors and/or managed by financial professionals.

Predatory Lending: Questionable actions carried out by a lender to entice a borrower into taking a mortgage with high fees, a high interest rate, or which strips the borrower of equity, or places the borrower in a lower credit rated loan to the benefit of the lender.

Principal: The amount of a loan, not including interest.

Privacy: A term relating to the use of personally identifiable information. State laws and regulations aim to protect consumers from the selling of personal information to companies for marketing or soliciting purposes without consent.

Profit: The financial benefit realized when revenue gained from business activity exceeds the expenses, costs and taxes needed to sustain the activity.

Rate of Return: The profit or loss on an investment expressed as a percentage.

Real Estate: Land plus anything permanently fixed to it, including buildings, sheds and other items on the property. Real estate is typically divided into three categories: (1) Residential, (2) Commercial, and (3) Industrial.

Real Estate Investment Trust (REIT): A type of security that sells like a stock on the major exchanges and invests in real estate directly through properties or mortgages.

Real Rate of Return: The annual percentage return realized on an investment. This is adjusted for changes in price because of inflation, fees, or other external effects.

Risk: The chance an investment’s actual return will be different than expected. Risk includes the possibility of losing a portion or all of the investment.
Savings Account: A deposit account held at a bank or other financial institution that provides security and a modest interest rate.

Savings Bond: A bond offered at a fixed rate of interest over a fixed period of time. These are not typically subject to state or local income taxes.

Security: A financial instrument such as a stock, bond, option, or fund which can be bought, sold, or traded.

Short Sale: In real estate, a property offered for sale at a price that is less than the amount due on the current owner’s mortgage, typically for a homeowner in financial distress and facing foreclosure by the lender. In a short sale, the proceeds go to the lender, not the property owner. Following the sale, the lender can choose to forgive the remaining balance of the original mortgage, or pursue a judgment against the property owner for the remaining balance. Some states require the remaining balance of the original mortgage to be forgiven following a short sale.

Social Security: A United States federal program of social insurance and benefits. The program benefits include retirement income, disability income, Medicare and Medicaid, and death and survivorship benefits.

Stock: A type of security that signifies ownership in a corporation and represents a claim on the corporation’s assets and earnings.

Taxes: A compulsory contribution to government revenue that is levied based on an organization or individual's income or purchases. Tax income funds government programs such as education, military, etc.

Time-value of Money: A core principle of finance, the concept that a sum of money is worth more now than the same sum will be at a future date due to its earnings potential in the interim.

Transparency: The extent to which investors have access to financial information, including prices, market data and financial reports. Transparency relating to information provided by companies is known as disclosure. Transparency is a prerequisite for free and efficient markets.

Trust: A contractual arrangement where one party, known as the trustor, gives another party the right to hold assets for the benefit of a third party.

Unbanked: Colloquial terminology for people who do not use banks or other financial institutions.

Welfare: A government program by which financial assistance is provided to individuals who cannot fully support themselves. Welfare programs are funded by taxpayers.
Will: A document specifying the distribution of a person’s assets upon death.

Withholding: Part of an employee’s wages that is not included in his or her paycheck because it is directly forwarded to federal, state and local tax authorities.

Yield: The return on an investment, including interest or dividends received from a security. Usually expressed as an annual percentage calculated by dividing earnings by the initial investment.