



Consumer Federation of America



## **LITTLE MORE THAN HALF OF PARENTS ARE “VERY CONFIDENT” THEIR CHILDREN WILL LEAVE HOME KNOWING HOW TO MANAGE MONEY**

### **New Video-Based Website Offers Parents and Unique Assistance in Overcoming the Top Ten Teen Money Myths**

Washington, DC – Today, the Consumer Federation of America (CFA) released a new survey revealing how parents view their responsibility, competence, and chances for success of financially educating their children. Little more than half (53%) of a representative sample of American parents (with children under 18 at home) surveyed, indicated that they were “very confident” their children will leave home knowing how to manage money.

Moreover, nearly three-fifths (59%) of parents surveyed said they would find it useful for them and their children to have available a new free website featuring hard-hitting messages about using checking and credit that were communicated by young adults through short videos. FoolProofMe.com, a web-driven group of programs uniquely targeted to teach young people about money and financial responsibility, is now making available just such a free website.

### **New CFA Money Management Survey Focuses on Parents’ Concern**

Parents feel responsible for the financial education of their children, but not all feel confident to undertake this education, and even more are not confident their children will leave home knowing how to manage money, credit, and debt. Nearly all parents surveyed (98%) said they felt very or somewhat responsible for teaching their children how to manage money, credit, and debt, with 86% saying they felt very responsible. But only 73% said they were “very capable” of providing this instruction. And little more than half (53%) said they were “very confident” their children will leave home knowing how to manage money, credit, and debt.

“Nearly all parents feel responsible for the financial education of their children, but little more than half are very confident their kids will leave home knowing how to manage money, credit, and debt,” said CFA Executive Director Stephen Brobeck. “FoolProofMe.com represents an important new financial tool to help parents educate their children,” he added.

The CFA survey was undertaken by Opinion Research Corporation, which identified and surveyed, by phone, 553 representative parents (or guardians) with children under 18 years of age living at home in late August (27-31) 2009. The survey’s margin of error is plus or minus four percentage points.

### **FoolProofMe.com: A Unique Tool for Parents to Teach Their Children About Money Management**

FoolProofMe.com is a unique, independent financial resource tool designed to address the financial needs of today’s young people. “Thousands of high school and college-age young people have told us

what they believe about money and finances—and the news is not good,” says Will deHoo, 29, Founder and President of FoolProofMe.com.

As the basis for FoolProofMe.com, DeHoo developed the following list of financial myths held by the thousands of young people who helped test the FoolProofMe.com programs.

### **Top Ten Financial Myths Held by 14-21 Year-olds**

1. I don't have to worry about credit at my age.
2. Bad credit can't keep me from getting a job.
3. All loan companies have the same rates.
4. All credit cards are alike.
5. The job of financial advertising is to tell the truth.
6. It's OK to bounce a few checks.
7. It's OK to make minimum payments on a credit card.
8. Paying late occasionally can't hurt my credit.
9. Fine print isn't important.
10. Young people don't have credit scores.

To see a video of the “Top Ten Financial Myths”: [www.aboutfoolproof.com/press](http://www.aboutfoolproof.com/press)

### **FoolProofMe.com Engages the Young American and Many Educators**

FoolProofMe.com consists of free online tutorials that provide high school and college-age people separate money management programs in a hip and identifiable format. The programs' tutorials address the most common misconceptions held by young people—a list of mistaken beliefs deHoo started tabulating six years ago when he began speaking to young Americans about their finances.

For example, speaking to 60 seniors about to graduate from The University of Colorado, deHoo observed: “They were bright, and engaged—and most of them were already looking for a job. But few knew anything about the practical financial details that, at that moment, were affecting their futures. Only four of the students knew that poor credit could hurt their job opportunities. Many had bounced checks without concern and more were borrowing on one credit card to pay another. Only three out of the 60 even knew their credit score. It was scary.

“Many of the young people we met had some form of financial training,” deHoo said, “but they obviously hadn't listened.” DeHoo decided rather than simply not caring, it was the medium for delivering financial education that was the problem. Young people were exposed to important financial information, but because it wasn't in their ‘language’ they didn't engage. “We discovered that young people *did* care and *would* listen, if there was a way to engage them.” And that's when FoolProofMe.com was born.

“Young people trust their peers. Young people are immersed in technology. Young people don't want to appear foolish. Those realities defined how FoolProofMe.com would work,” said deHoo, who gathered a team of consumer advocates, teachers, and most importantly young people from seven countries to develop the programs.

After several years of testing, tens of thousands of high school and college kids and hundreds of schools are now using the FoolProofMe.com programs nationally. Texas has approved FoolProofMe.com for high school credit and in Southern Wisconsin, over 60 high schools have integrated FoolProofMe.com's high school program into the curriculum. Colleges are also using FoolProofMe.com's college version in freshman orientations.

“Our programs connect for several reasons: We use edgy, highly interactive videos and lessons, called modules, to present our messages. And those messages are very tough,” said deHoo. “For example, ‘Only fools blindly accept advertising’ is a reoccurring FoolProofMe.com message and we aren’t afraid of using the word ‘rip-off’ when it comes to many products and services.

“We also take a strong stance on issues like credit cards. Most financial literacy programs—especially those sponsored by financial institutions—present credit cards as the path to freedom. We present credit cards as the path to destruction, if you’re not careful. ‘What do you get with a credit card? *Debt* is what you get with a credit card,’ is a message we present continuously.”

Rachel Silverman, 25, knows how quickly personal finances can spiral out of control when a young person doesn’t know the realities of money and debt. Two years ago, Rachel was a NYU music student with hopes for an opera career. She’s now saddled with \$130,000 in debt from credit cards and student loans, and is struggling to keep her dreams alive.

“It was terrible,” Rachel says. “I wasn’t sure what I was getting into.” Rachel says no one, including her parents and teachers, prepared her for the realities of managing credit and debt. “And I probably wouldn’t have been in this situation if I had simply known the basics about credit cards, student loans, and interest calculations. In hindsight, I was like a lamb being led to slaughter!” she says. (Watch Rachel in this VNR at: [aboutfoolproof.com/press](http://aboutfoolproof.com/press)).

### **FoolProofMe.com provides three versions of its programs:**

FoolProof for High Schools provides teachers with two weeks of online classroom instruction. The program grades tests, allows students to work at their own pace, and allows teachers to assign individual modules as homework. [www.FoolProofTeacher.com](http://www.FoolProofTeacher.com)

FoolProof Solo is designed for college-age young people to use on their own and is offered to colleges and universities for use in freshman orientation programs. (Watch the “Solo” video introduction at: [solo.foolproofonline.info/foolproof](http://solo.foolproofonline.info/foolproof)).

FoolProof for Parents and Grandparents provides adults with an online program to use with their kids. “When kids ask parents and grandparents for financial help this program gives adults a tool that requires their kids to first prove they are financially knowledgeable. For example, a parent can say, ‘I’ll help you get a credit card, if you pass the credit card module.’ The parent fills out an email form and we contact the kid and take it from there,” says CEO deHoo. The test results are sent to the adults. (Watch the video introduction at: [parents.foolproofonline.info/foolproof](http://parents.foolproofonline.info/foolproof)).

### **FoolProofMe.com’s Support**

FoolProofMe.com partners with credit unions: Funding for FoolProofMe.com comes primarily from credit unions who license access to the programs. But they have no input on or control over program content. Furthermore, FoolProofMe.com takes no advertising.

### **Consumer groups back FoolProofMe.com.**

In addition to the Consumer Federation of America, two other national groups endorse the FoolProofMe.com programs.

The National Association of Consumer Advocates endorses FoolProofMe.com and offers its programs to all its members. “At a time when our economy is in crisis, it is essential that consumers learn to protect themselves,” says Ira Rheingold, Executive Director of NACA. “FoolProofMe provides

consumers with easy to understand financial information that can help them avoid the tricks and traps that have left us all with too much debt and too little savings."

[CAREprogram.us](http://CAREprogram.us), an organization of over 19,000 bankruptcy judges, advocates and presenters, has partnered with FoolProofMe.com. "We believe our partnership with FoolProofMe.com offers anyone interested in the prevention of credit abuse an extraordinarily powerful new teaching tool," says the Hon. Judge John C. Ninfo, II, founder of CARE.

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*The Consumer Federation of America (CFA) is a non-profit association of over 280 pro-consumer groups, with a combined membership of 50 million people. CFA was founded in 1968 to advance consumers' interests through research, advocacy and education.*

*FoolProofMe.com is a web-driven group of programs uniquely targeted to teach young people about money, financial responsibility and the realities of the free enterprise system. The services provided through this program are free for everyone at [www.FoolProofMe.com](http://www.FoolProofMe.com).*

**Website for consumers:**     [www.FoolProofMe.com](http://www.FoolProofMe.com)

**Website for press:**         [www.AboutFoolProof.com/press](http://www.AboutFoolProof.com/press)

Press information:

- High-resolution photographs
- Video news release
- "Top Ten Teen Mistakes" video
- Videos from FoolProofMe.com modules
- Links to all FoolProofMe.com programs