

## Financial Capability in Transitional Age Youth

One of the most important skills to help strengthen in young adults is financial literacy. The National Financial Educator's Council (<https://www.financialeducatorsCouncil.org>) has shown the positive impacts of youth becoming financial literate. Young persons who have completed financial literacy programs are more likely to have a checking account, budget wisely and save for retirement. Financial literacy programs can mold the behaviors of individuals to align them on a path of long-term financial stability.

A 2017 study by Next Gen Personal Finance ([www.ngpf.org](http://www.ngpf.org)) indicated that only 1 in 6 high school students are required to take a personal finance course to graduate. Financial capability challenges are further exacerbated for adult women and single parents (<https://teenvogue.com>).

Teams need to prepare our young adults for their financial future success by offering learning opportunities while they are in our care. **In working with our young adults, it may be helpful to discuss with them four fundamentals of financial literacy.**

- Open a checking/savings account - this is the first step towards financial independence
- Learn to save for bigger purchases - speak to youth about moving money from their checking account to savings account and to avoid impulse buying.
- Live within means - spending more than they make is not a good habit and this is certainly not helpful as they launch into adulthood. Discuss this with your youth.
- Protect their identity - our youth are more at risk for identity fraud mostly due to their inexperience. Talk to them about being careful with special offers and sharing their personal information.

All DCF transition age youth age 14 and beyond should have the opportunity to participate in financial capability training and skill development services. All youth should receive the LIST assessment and complete the money management and "Keys to Your Financial Future" modules of this assessment. It is important to ensure that DCF committed youth have the required essential documents needed in order to open a bank savings account. This includes an original Birth Certificate, Social Security Card and state issued ID.

Each youth is entitled to have to opportunity to review their credit reports. DCF Fiscal Services can obtain these reports and assist the youth in correcting any errors or discrepancies in the report. **Young adults can also be referred to the V.I.T.A.L. resources website for local banks that offer financial literacy training.**

DCF contracts the Work to Learn service available statewide with different providers. A component of this service is focused on Financial Capability skill development. The programs utilize curriculum. "Keys to Your Financial Future" an eight-module financial capability

curriculum that can be conducted both online and in person class. Youth are paid a stipend for completion of each module. The Work to Learn assigned youth coach will also assist youth in opening a bank savings account including a matched Individual Development Accounts (IDA). In many cases, these IDAs are bank savings accounts that are matched as youth make deposits from employment.