Teaching Wise Use of Debit and Credit to Kids

Financial literacy is a cornerstone of First Data’s commitment to corporate responsibility. Today, a partnership between First Data and the Young Americans Center for Financial Education (YACFE) is demonstrating that responsible use of debit and credit cards can be taught effectively in a fun and interactive educational environment.

The Young Americans Center for Financial Education is a Denver, Colorado-based, non-profit organization focused on developing the financial literacy of young people through real-life experiences and hands-on programs. Since 1987, YACFE has taught more than 470,000 youth ages 21 and under about finance, economics and business.

In 2008, a donation from First Data allowed YACFE to enhance its curriculum for students ages 9 and 10. Now incorporated into the program is debit card education that teaches the kids about the wise use of electronic payments, which are increasingly the payment method of choice in the 21st century.

Through the “Young AmeriTowne” program, students arrive at YACFE’s state-of-the-art facility and work together to operate a 17-business town using debit cards, cash and checks. During their day, students are required to practice smart financial management, including the use of different payment methods to purchase goods and services.

First Data’s custom-made debit cards are accepted at three of the town’s business locations.

The simulated debit cards, produced in First Data’s output facility in Omaha, Nebraska, are embossed with each student’s individual checking account number. Every time students simulate the use of the debit cards to pay for goods and services, the amount is taken from their virtual bank accounts like a real debit card system. When the students return to the classroom the following day, they are required to balance their accounts and take a test to assess the skills they’ve learned from the program.

“The Young Americans Center for Financial Education offers classroom and real-world experience to help kids make smart decisions about how they handle their money,” said Joe Samuel, senior vice president of global public affairs at First Data. “The educational opportunities that YACFE offers can ultimately teach today’s youth to be wiser consumers tomorrow. First Data is a strong proponent of financial literacy among our youth, and we believe it is critical that students understand and practice with the types of payment methods they see every day.”

The Young Americans Center is also piloting the use of mock credit cards to teach currency conversion and repayments in its “International Towne” program for students ages 12 and 13. The International Towne program also is mapped to state economic education standards.

For more information about the Young Americans Center for Financial Education, visit: http://www.yacenter.org.

Click here to see a video about the debit card program: http://www.9news.com/video/default.aspx?bctid=800159951001/#/Kids%20and%20credit%20cards/800159951001