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inside the vault

AN ECONOMIC EDUCATION NEWSLETTER FROM THE FEDERAL RESERVE BANK ST. LOUIS

As College Costs Rise, Student Loans Are Harder to Find

High school students planning for college can look forward to multiple questions—and not just those they might confront on standardized tests. In addition to getting into college, students and their families have to figure out how much college will cost, and how to pay for it.

Understanding college costs, and navigating their way through the many sources of financial aid, can seem as daunting as any term paper, and the nation's recent credit crisis has made the task even more challenging. This article addresses those challenges, focusing on the financial needs of college-bound students, from what makes up the overall cost to what types of student loans are available, as well as the rising cost of college and the impact of the credit crisis on student loans.

The Overall Cost of College

The expense of attending college extends far beyond tuition and fees. Typical costs also include room and board, books and supplies, transportation and other miscellaneous expenses.

The share of a student's overall college costs represented by each of these categories of expense varies by type of institution (private or public, two-year or four-year) and whether a student attends an in-state or out–of-state school. According to a 2007-08 College Board survey, published tuition and fees constitute 67 percent of the total expenses for students enrolled in a four-year private college. This compares with 60 percent for out-of-state students enrolled in a public college, 36 percent for in-state public students and 17 percent for students attending a public two-year college.

Paying for College

College students choose from a variety of options to pay for the overall costs of their higher education. According to a 2008 Sallie Mae-Gallup study, parents pick up the largest portion, paying 48 percent of the overall cost. On average, a student covers 33 percent of the cost himself or herself, using income, savings and loans. Grants and scholarships account for an average of 15 percent, with support from friends and relatives making up the rest.

The study, which involved interviewing hundreds of families with college-aged students during the 2007–08 academic year, provides further detail about the source of the funding. Of the 48 percent parents contribute, 32 percent comes from income

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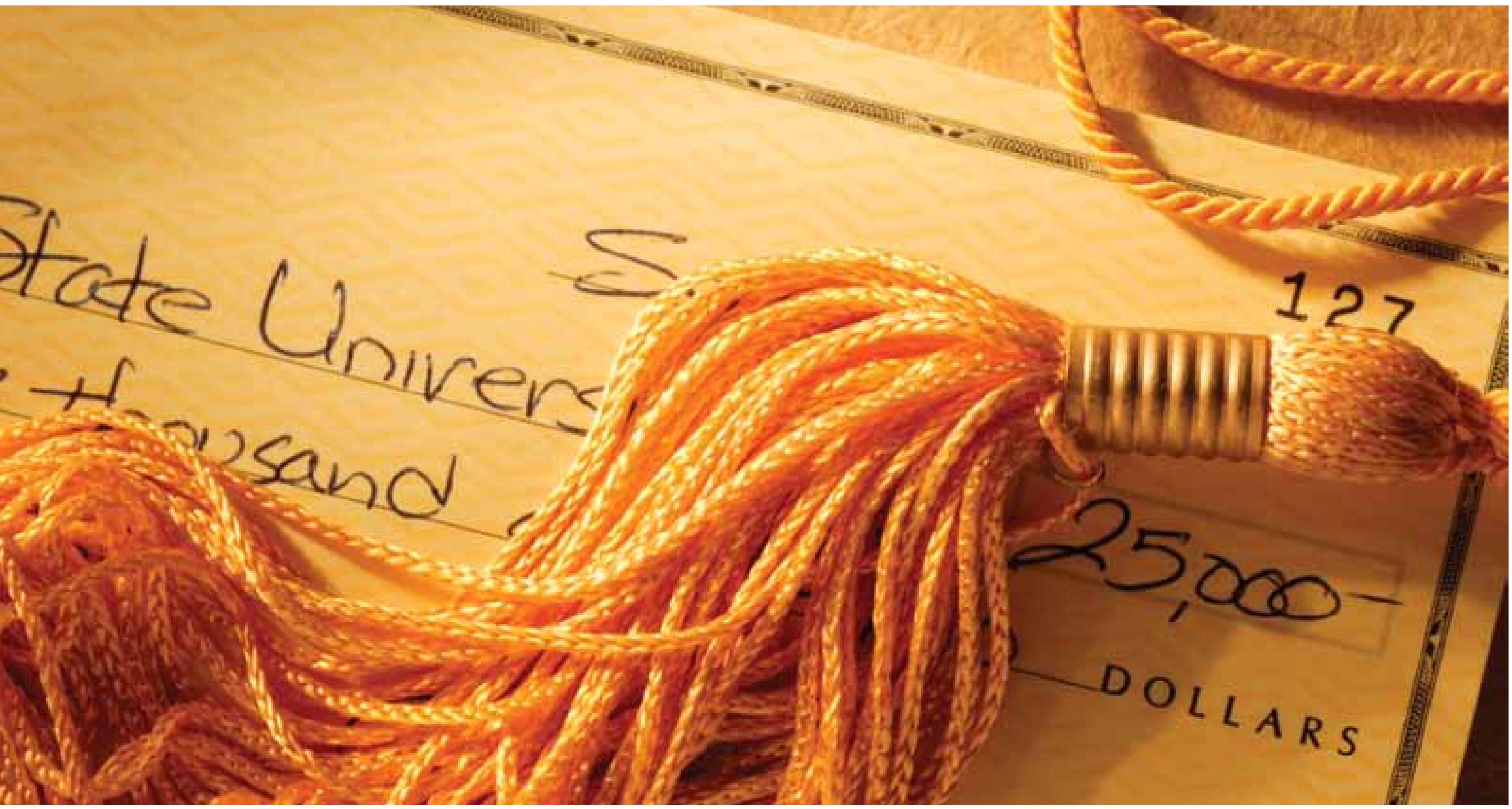
and savings and 16 percent from loans. Not surprising, perhaps, students' contribution is weighted differently—only 10 percent comes from income and savings, with 23 percent coming from loans. Overall, then, students and their parents pay for a significant share of the cost of college—close to 40 percent—by borrowing money. The types of borrowing that parents and students typically use include private and public educational loans, home equity loans, credit cards, other types of loans and withdrawals from retirement accounts.

Types of Loans for Education

The Sallie Mae-Gallup study reaffirms the importance of loans for many families, for whom savings and income alone typically are not enough to pay for all college costs. While students and their parents use many types of loans to pay for college, this article focuses on educational loans. Educational loans can be divided into three broad categories: federal student loans (Stafford and Perkins), private education loans and parent loans.



The sources of funding families choose also vary with the family's level of income.

On average, higher-income families—those with income of $100,000 or more—pay a greater share of college costs with income and savings than do middle- and lower-income families. Middle-income families—those with income between $50,000 and $100,000—rely on loans for a larger share of their college costs than higher- or lower-income families. Lower-income families, on average, obtain scholarships and grants for a greater share of their college costs than the other two groups.

Federal student loans are the most common educational loans students and their families use to finance higher education. These loans typically have lower interest rates than other types of loans, with no credit check or collateral required. They come in two basic forms—the Stafford loan and the Perkins loan. Each is available for both undergraduate and graduate students. Perkins loans are always subsidized by the federal government, whereas Stafford loans can be both subsidized or unsubsidized. Stafford loans are more widely used; Perkins loans are meant for students in extreme financial need.

Private education loans are another source of funding available to students. Private lenders commonly use students' credit scores when issuing these loans, which are often used when federal loan amounts are not enough to pay for costs.

Parents also take out education loans for their dependent children in the form of the Parent Loan for Undergraduate Students (PLUS). Loans through this federal program can be used to cover any costs not already met by the student's financial aid package.

Who are the Lenders?

Both the government and financial institutions provide funding for student loans. Financial institutions—banks, credit unions, thrifts and other lenders, including a variety of nonprofit organizations formed specifically to make student loans in different states—participate in student lending either by making student loans directly or by providing the funds for federal loans such as Stafford and PLUS through the Federal Family Education Loan (FFEL) program. According to the web site www.FinAid.org, there are over 2,000 education lenders nationwide, although most of the volume comes from the top 50 lenders. That top 50 includes most of the big banks, as well as several nonprofit organizations. Sallie Mae, once a government entity but now private, is the largest lender.

The Rising Cost of College

In the last 10 years, the cost of higher education has risen faster than the cost of the "market basket" of goods, a list of common consumer goods and services whose prices are used to form the consumer price index and thus track the rate of inflation. Figure 1 shows the year-over-year increase in the U.S. Consumer Price Index for education and the total market basket of goods. The cost of education has risen at an average rate of 4.5 to 7.5 percent annually since 1998, outpacing the range of 1 percent to 5.5 percent for overall inflation during that period.

Figure 2, from a College Board survey, illustrates the rising trend of college costs for both public and private four-year colleges over time in constant 2008 dollar terms. The costs included in these trends are tuition expenses, fees and boarding costs. The cost for private institutions has risen at a faster pace than for public institutions over the last 30 years. The average published cost at four-year private institutions for the 2008-09 academic year was $34,132, compared with a cost of $15,434 in the 1978-1979

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Figure 1. Comparing Education Inflation with Total Inflation

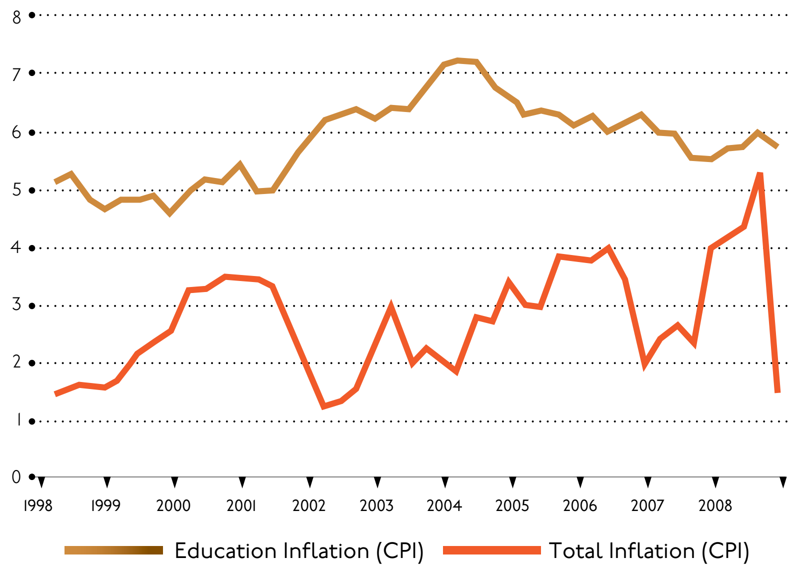
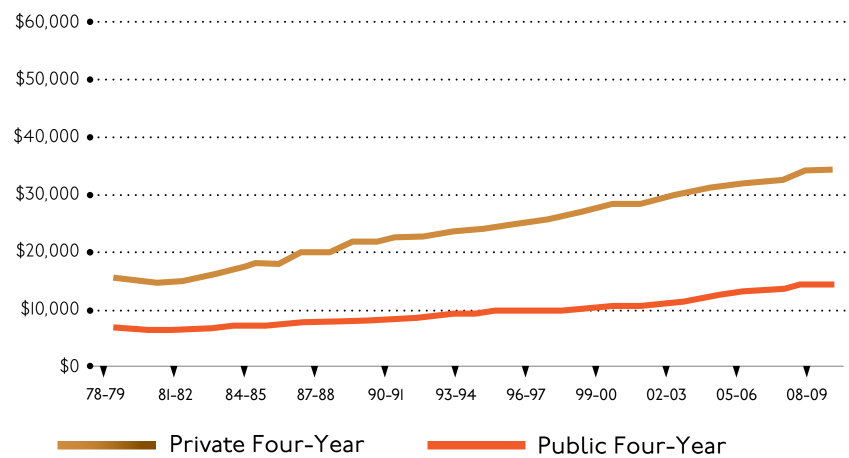


Figure 2. The Average Cost of a Four-Year College Program



SOURCE: Sallie Mae/Gallup

College Costs

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academic year. The cost for a four-year public school, on the other hand, was much lower: $14,333 in 2008-09.

College costs have risen steeply since the 2000-01 academic year, especially at public institutions. The costs have risen by a total of 33 percent, even after adjusting for inflation over this eight-year period. These rising costs put a huge burden on students, especially in today's slow economy.

(Sources: Annual Survey of Colleges, the College Board, Integrated Postsecondary Education Data System (IPEDS), U.S. Department of Education, National Center for Education Statistics)

Impact of the Financial Crisis on Student Loans

The current financial crisis has presented extraordinary challenges for families with college-bound students. As noted earlier, savings and personal borrowing, on the part of parents and students, account for the largest share of higher education financing. But as the overall credit market has tightened, loan volume has dropped sharply. (One study notes that 60 private lenders originated $19 billion in personal loans in 2008; by the end of January 2009, 39 of these lenders had stopped lending and the rest had tightened their lending standards.) Borrowing by parents, especially through home equity lines of credit, has diminished significantly as house prices have dropped. Bank lending to consumers for personal expenses, such as college, has also slowed down.

As a result of this contraction, the Department of Education has seen a 10 percent increase in federal student aid applications. This trend led Congress to introduce legislation in 2008 to keep college financing channels open for families with college-bound students. President George W. Bush signed the legislation into law as the Ensuring Continued Access to Student Loans Act (ECASLA) on May 7, 2008.

ECASLA contains a variety of measures designed to ensure higher education financing during the current turmoil in financial markets. The measures are anchored by a loan buyback program, in which the Department of Education buys back federal education loans from private lenders in order to inject liquidity into student loan credit markets. The buyback program targets Federal Family Education Loans (FFELs), which include the popular Stafford and PLUS federal loan programs.

FFELs have been quite popular in the past. For example, during the 2007-08 academic year, 7.5 million students and their families took advantage of this type of financing, totaling roughly $91.8 billion. However, in early- to mid-2008, this market dried up, with major private lenders ceasing to make FFELs because they weren't profitable. The loan buyback program was seen as an essential vehicle to get credit flowing in this market again. Subsequent to the initial passage of ECASLA, President Bush signed a one-year extension on ECASLA's loan buyback provisions so that the Department of Education could buy back FFELs through mid-2010.

ECASLA also increased the unsubsidized Stafford loan limit by $2,000. Furthermore, the bill increased the scope of the Academic Competitiveness Grant (ACG) and the National Science & Mathematics Access to Retain Talent Grant (SMART) so that

Resources Available to Students

Many resources are available for students and families seeking funding help for college. Government agencies, nonprofit organizations and private institutions provide a wealth of free information on the internet regarding student loans, costs, lenders and planning tools. Students and parents should be able to find the information they need to plan and pay for college on the following web sites:

- **http://fafsa.ed.gov** (federal student aid web site offering online application for federal student loans)
- **www.college.gov** (Department of Education web site, the "go to" source for information on post-secondary education)
- **www.finaid.org** (a comprehensive web site on student loans, scholarships, aid and useful links)
- **www.collegeboard.com** (information on colleges, standardized testing and financial aid from a nonprofit organization)
- **www.nchelp.org** (a network of financial institutions and schools providing information on the FFEL program)
- **www.students.gov** (U.S. government web site providing links to other government resources for students and parents)

students who had already been receiving federally funded Pell Grants could avail themselves of these additional funding sources. In addition, ECASLA gives parents the option to defer repayment of PLUS loans until six months after the student finishes at least part-time enrollment at an institution of higher education. The bill also expands eligibility for PLUS loans to parents who are delinquent on medical or mortgage payments. Further, ECASLA allows the Department of Education to designate institutions for Lender of Last Resort (LLR) loans upon approval from the Secretary of Education, which increases the ability of individual schools to expand student loan access.

Although the ECASLA legislation is a positive first step in ensuring credit for families with college-bound students, federal lawmakers and the administration of President Obama may need to revisit this issue as weakness in the financial sector continues. ●

Rajeev Bhaskar and Yadav Gopalan are research associates at the Federal Reserve Bank of St. Louis.

WE ASKED COLLEGE GRADS FOR BUDGET ADVICE THEY COULD OFFER INCOMING FRESHMEN

WHERE TO LIVE

Go local. If you have a public university near you, you can live at home. Dorms and apartments are costly. If you go away to school, live in the cheapest dorm. This is usually the one with the small rooms and the common bathroom down the hall. The lack of privacy can be a good thing—you certainly get to know the people around you. Because they were likely the first built on campus, they are located closer to the classroom buildings. This cuts down on transportation costs.

HOW TO EAT

If you choose a meal plan, be realistic. Your parents want you to have a healthy breakfast, lunch and dinner, so they will choose the 21 meal/week plan. You, on the other hand, may choose to eat in the dining hall only 10 times each week. Switch your plan as soon as you can. If you have money or meals left over at the end of the plan period, spend it on snacks or fruit at the campus store. Use it or lose it.

If your school offers only a debit card for you to use with meals, be sure to keep track of each expense. Especially on campus, it is very easy to overspend at the coffee shop and the vending machines.

Get a job in the dining hall. Employees usually eat for free during their shifts. You can eat and earn money!

HOW TO GET AROUND

If you live on or near campus, a car is likely not necessary. Sure, it's a great convenience, but you will pay for gas, maintenance, a parking permit and parking fines when you inevitably park in the wrong places. Our grads noted that there is usually someone going where you want to go, and all you have to do is offer to help with the gas.

BOOKS AND SUPPLIES

The message from the graduates was "buy used." It's much cheaper and the used copies sometimes include beneficial notes from the previous owner. If you miss the used books at the campus bookstore, try half.com, amazon.com, craigslist or other online vendors. If you belong to campus organizations, ask the other members if they've taken the course you will be taking and then offer to buy or borrow their book.

HOW TO SPEND YOUR SUMMERS

The consensus was to take at least one summer course. There were lots of good reasons, but the financial reason is that it might get you out a semester early, or it will reduce your load during your last semester or two for the all-important job hunt. That lighter load might also help you boost your g.p.a. just in time for the labor market scrutiny. Some of those summer courses can be taken at the community college, a cheaper alternative. A good alternative is a paid internship, which helps you gain college credit, work experience and great references.

BEST ADVICE

Get only one credit card and use it only in an emergency. Be careful with the debit card, too. Use cash. Don't be tempted by the vending machines and the coffee shop. Save money whenever you can.

Academic Competitiveness Grants (ACG) are grants awarded to students who can demonstrate that they completed a rigorous high school program of study before enrolling in college. Eligible students receive up to $750 for their first year of college, and $1,300 for the second year if they also maintain a 3.0 grade point average in college. The grant is awarded to students over and above any other grants or scholarships.

Consumer Price Index (CPI) is a measure of the prices paid by urban consumers for a market basket of consumer goods and services.

Ensuring Continued Access to Student Loans Act (ECASLA) is an act signed by President George W. Bush on May 7, 2008, designed to keep college financing channels open for families with college-bound children. It contains a variety of measures to ensure higher education financing is available during the current market conditions. It allows the Department of Education to buy back federal education loans from private lenders. It increases the unsubsidized Stafford Loan limit by $2,000, increases the scope of the Academic Competitiveness Grant (ACG) and the National Science & Mathematics Access to Retain Talent Grant (SMART), gives parents the option to defer repayment of PLUS loans until six months after the student finishes at least part-time enrollment, expands eligibility for PLUS loans to parents who are delinquent on medical or mortgage payments and allows the Department of Education to designate institutions for Lender of Last Resort (LLR) loans, which increases the ability of individual schools to expand student loan access.

Federal Family Education Loans (FFELs) is a category of loans that includes both the Stafford and PLUS federal loan programs.

Federal Pell Grants are examples of financial aid money that a student does not have to repay. Pell grants usually are awarded only to undergraduate students who have not yet earned a bachelor's or professional degree. The amount of the grant to a particular student is determined by the student's financial need, college costs and enrollment status. The maximum available amount of the grant can vary from year to year; for the 2009-10 academic year the maximum possible amount of the Pell grant is $5,350.

Federal Supplemental Education Opportunity Grant (FSEOG) is a grant available to low-income, undergraduate students. Priority in awarding these grants is given to students determined to have "exceptional need"—those with the lowest expected family contributions as determined by the FAFSA (see Q&A). The amount of FSEOG grants ranges from $100 to $4,000 per academic year.

Parent Loan for Undergraduate Students (PLUS) is a federal loan program that allows parents of dependent undergraduate students to borrow money to cover any expenses related to a student's college attendance. The amount borrowed can be up to the full cost of attendance.

Perkins Loan is a federal loan available to undergraduate students who have extreme financial need at any one of the approximately 1,800 colleges and universities that participate in the Federal Perkins Loan Program. The amount of the loan is limited to $4,000 per academic year.

National Science & Mathematics Access to Retain Talent Grants (SMART) are grants that can fund up to $4,000 of the third and fourth academic years for college students who show promise in math, physical and life sciences, technology, engineering or foreign language. To qualify for a SMART grant, students must already be a Pell grant recipient and maintain at least a 3.0 grade point average on a full-time degree path in one of the approved majors at an accredited four-year college. In addition, recipients must take courses in their major during each term they are subsidized by the SMART grant.

Stafford Loan (Subsidized) is a federal loan available to students who demonstrate sufficient financial need. The amount available through this program ranges from $2,625 to $18,500 per academic year, depending on factors that include an individual students' financial status and student status (year in school and number of academic years remaining). The federal government pays the interest on these loans while the student is in school and during any grace periods or deferment periods when the student is no longer in school.

Stafford Loan (Unsubsidized) is a federal loan available for which students do not have to demonstrate financial need. Like the subsidized Stafford Loan, the available amount ranges from $2,625 to $18,500. Students obtaining unsubsidized Stafford Loans are responsible for all interest payments during the life of the loan, including interest that accumulates while the student is still in school. If a student chooses not to begin repayment during the time he or she is in school, the interest that accumulates is capitalized—it is added to the principal amount of the loan and will have to be repaid at the higher interest rate.

First Aid on Financial Aid

Q. What is "financial need"?

A. Financial need is the difference between the cost of attendance for a student going to college and the amount the student and his or her family is expected to contribute toward that cost. (The terms "Financial Need," "Cost of Attendance (COA)" and "Expected Family Contribution" are commonly used during the financial aid application process.) If the amount of college aid a student receives doesn't fund the student's entire financial need, the student and his or her family must make up the difference.

Q. What is "cost of attendance"?

A. The cost of attendance, also referred to as the student expense budget, is the annual cost of attending college for a particular student. The cost of attendance includes tuition, books, fees, room and board, transportation, and out-of-pocket expenses. The cost of attendance for a particular student is used to determine that student's financial need.

Q. What are the requirements for a student to be eligible for student aid?

A. To be eligible to receive federally funded college aid, a student must be a United States citizen or legal resident. In some states, non-citizens may receive assistance through state funds to attend college.

Q. What is FAFSA?

A. FAFSA is the Free Application for Federal Student Aid, the application form that students and their parents fill out at the beginning of the financial aid application process. Along with the completed application, which is available online at www.FAFSA.ed.gov, students and their parents submit income tax forms when applying for financial aid. The information on the FAFSA is used to determine the amount a student can afford to pay for college. It is important for students and their parents to complete the form as soon as possible after Jan. 1 of each year, because federal funds for college financial aid are awarded on a first-come, first-awarded basis.

Q. After I filed a FAFSA form I received a Student Aid Report (SAR). What is the purpose of the report?

A. After receiving a completed financial aid application from a student, the government produces a Student Aid Report, which indicates the student's expected family contribution (EFC). The government sends the expected family contribution to the colleges requested by the student.

Q. How do I know how much financial aid I am getting from my college or university?

A. Colleges and universities notify students of their financial aid packages directly, by sending an award letter to the student. The award letter details the configuration of the financial aid package the school is offering and also includes any requirements attached to the financial aid offer.

Q. What is a grant?

A. A grant is money provided to a student that does not have to be repaid.

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What's Your Question?
continued from Page 7

Q. What is merit-based aid?

A. Merit-based aid is any form of financial aid awarded on the basis of a student's personal achievement or individual characteristics, without reference to financial need. Merit-based financial aid awards are also known as scholarships. Much merit-based aid is awarded based on grade point averages and national test scores, such as scores on the Scholastic Aptitude Test (SAT) and the American College Test (ACT).

Q. Can students and their families use loans to pay for college?

A. Many students and their parents use loans to pay for part of the costs of attending college. Some of the loans come from federal loan programs specifically for college; students and their parents also obtain private loans from a variety of sources.

Q. What are federal loan programs?

A. Federal loan programs allow students to borrow money to help pay for their college expenses. Loans obtained through federal loan programs may come either directly from the federal government or from a private lender. Students obtaining loans through federal loan programs must repay both the principal (the amount borrowed) and interest (fees charged for borrowing the money). The interest rate charged for federal loans is often lower than that charged for loans from other sources.

Q. What types of federal loans are there?

A. There are several different types of federal student loans: the Stafford Loan (subsidized), Stafford Loan (unsubsidized), Federal Perkins Loan and Federal Parent Plan for Undergraduate Students (PLUS) loans. Brief information about each of these types of loans is included in the glossary.

Q. What types of private loans are available?

A. In addition to federal student loan programs, students and their parents may seek money from private loans. Such loans may come from banks, credit unions, life insurance policies or home equity loans. Whether student or parent, an individual borrowing a private loan must qualify for the loan by being credit worthy; the lender will establish the terms of the loan, with the interest rate dependent on the borrower's credit history.

Q. What are work-study programs?

A. Work-study programs are campus-based programs that provide part-time jobs for students with financial need. Individual universities and colleges award a particular amount of work-study funding and available work hours to individual students based on the award amount, class schedule and academic standing.

Q. What is an endowment?

A. Endowments are private campus-based funds that come from money given to the college from private sources, intended for a variety of purposes. Endowment funds are often intended to help some students pay for tuition. Usually private colleges have these kinds of funds available, whereas state colleges do not.

Second Quarter 2009

	Q3-'08	Q4-'08	Q1-'09	Q2-'09
Growth Rate Real Gross Domestic Product	−2.7%	−5.4%	−6.4%	−1.0%*
Inflation Rate Consumer Price Index	6.2%	−8.3%	−2.4%	1.3%
Civilian Unemployment Rate	6.1%	6.9%	8.1%	9.3%

**Second estimate*

1. What is a 529 Plan?

A 529 Plan refers to Section 529 of the Internal Revenue Code allowing states, state agencies or educational institutions to sponsor a tax-advantaged savings plan, legally known as a "qualified tuition plan." The two types of 529 Plans include the pre-paid tuition plans and college savings plans. Pre-paid plans allow savers to purchase future "credit hours" at a reduced price. The savings plans most often consist of mutual funds chosen from among funds chosen by the state.

2. What are some advantages of using a 529 plan?

A 529 Plan offers several investment funds from which to choose. The saver does not pay taxes on the money withdrawn from a 529 account when the money is used to pay for a qualified education expense. If the saver would ever claim bankruptcy, money in a 529 plan is protected from creditors, (with some limitations). Several state plans are open to savers from other states, so savers can shop around for the plan that's best for them.

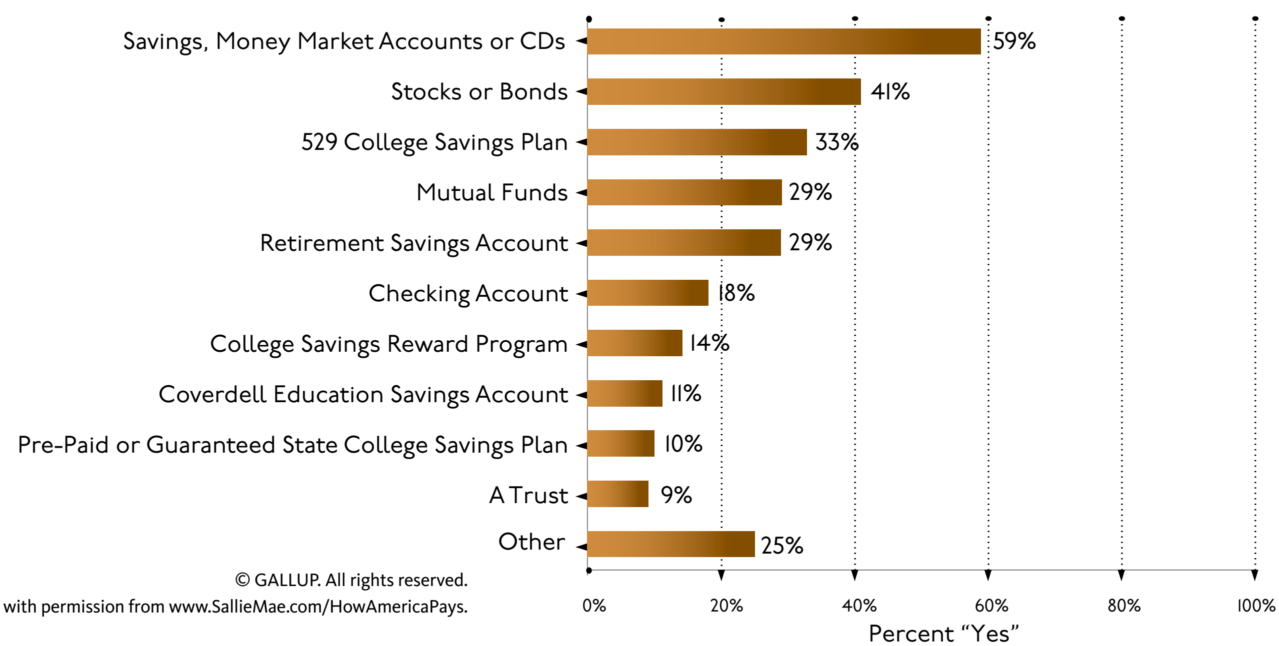
3. What are some disadvantages of using a 529 plan?

Money in a 529 plan can only be used for college expenses; money withdrawn for any other purpose is subject to taxes and penalties. The investment funds in a 529 plan are subject to the ups and downs of the stock market. The money invested is not insured like money saved in FDIC-insured savings accounts. There are many fees associated with 529 plans. A 529 plan may be counted among parents' assets and reduce the financial aid a student might otherwise have received.

4. What might explain parents' preference to save in savings accounts, money market accounts or CDs?

Parents may want to hold their savings in FDIC-insured accounts. They may not be confident that their child will go to college. Parents may feel 529 plans are too complex, both in choosing the appropriate plan and in the tax treatment.

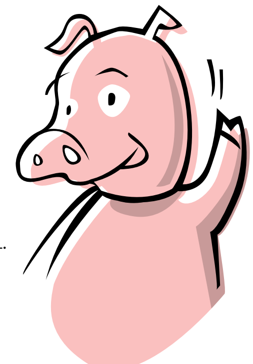
College Education Saving Vehicles



LOUISVILLE

Pig E. Bank Economics Workshop

Oct. 14, 2009
4:30 p.m. to 7 p.m.
Evansville, Ind.



Pig E. Bank is the lead character in the St. Louis Fed's *Piggy Bank Primer* lesson series, which teaches economic and financial concepts to students in grades K-4.

How to register: Contact Greg Valentine at 812-465-1610 or gvalenti@usi.edu.

Econ Camp South

Oct. 20-21, 2009
Princeton, Ind.

Econ Camp is a two-day conference for high school economics teachers. Learn about concepts identified in Indiana Economics Standards while sharing best teaching practices and promoting inclusion of economics in the high school curriculum.

How to register: Go to www.econed-in.org/econcamps.asp or contact Greg Valentine at gvalenti@usi.edu.

Great Depression Workshop

Nov. 19, 2009
4 p.m. to 7 p.m.
Murray, Ky.

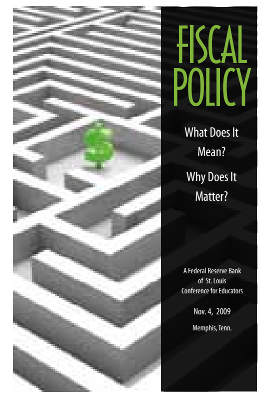
If you teach history, economics or government, this curriculum is perfect for you. The curriculum includes six stand-alone lessons allowing teachers to select those lessons most appropriate for their students. The lessons include simulations, group work and other active strategies to engage students.

How to register: Contact Patricia Lassiter at 270-293-0284.

MEMPHIS

Fiscal Policy: What Does It Mean for the Economy and Why Does It Matter to You?

Nov. 4, 2009
8 a.m. to 3:30 p.m.
Holiday Inn—University of Memphis
Memphis, Tenn.



This one-day conference, designed for educators in grades 5-12, will cover the role of fiscal policy in the economy. Robert Rasche, Executive Vice President and Senior Policy Adviser at the Federal Reserve Bank of St. Louis, will provide content. Hands-on lessons and activities for teaching will be featured in breakout sessions.

How to register: Register online at www.stlouisfed.org/education_resources.

LITTLE ROCK

Economic Summit: The Greening of the Natural State

Oct. 26, 2009
9 a.m. to 4 p.m.
University of Arkansas, Fayetteville
Fayetteville, Ark.

Going Green is the topic of this summit being held for economics, business, marketing and science teachers. Teachers will hear speakers and receive lesson plans and other resources that will help them teach economics related to this topic.

How to register: Contact Julie Kerr at 501-324-8296 or julie.a.kerr@stls.frb.org.

ST. LOUIS

The Federal Reserve Bank of St. Louis is partnering with the Cooperating School Districts of St. Louis to provide content via video conference for students.

In Plain English:

Jan. 15, 2010
9 a.m. to 10 a.m.
10:30 a.m. to 11:30 a.m.
and 1 p.m. to 2 p.m.

What is the Federal Reserve and what does it do? We can't wait to talk to your students about our nation's central bank—The Federal Reserve. Certainly you and your students have some questions. Please join us on Jan. 15.

The Great Depression

April 6, 2010

David Wheelock, Vice President and Research Economist of the Federal Reserve Bank of St. Louis will discuss the Depression, from this country's deepest, darkest days to its escape into a sound and functioning economy.

To register your classroom for a video conference: Go to http://csdtechpd.wordpress.com or e-mail Rebecca Morrison at rmorrison@csd.org.

Entreprecation: Arkansas Style

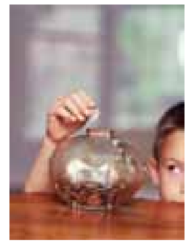
Jan. 26, 2010
9 a.m. to 3:30 p.m.
Mosaic Templars, Little Rock, Ark.

The topic for this workshop is African-American entrepreneurs from Arkansas. Integrate economics, Arkansas history and famous Arkansans into your lessons just in time to celebrate Black History Month in February.

How to register: Contact Julie Kerr at 501-324-8296 or julie.a.kerr@stls.frb.org.

Kids, Money and Children's Literature

Saturday, Dec. 5, 2009
9 a.m. to 3:30 p.m.
Itawamba Community College—Tupelo Campus
Advanced Education Center
Tupelo, Miss.



This one-day professional development workshop is especially designed for educators in grades K-6. CEU credit will be awarded to attendees.

How to register: Call 662-620-5240 or e-mail jeannette.n.bennett@stls.frb.org.

If you are looking for resources for teaching economics or personal finance, please visit our web site. We have lesson plans, articles, curricula, online courses and more. Our web site address is: **www.stlouisfed.org/education_resources**.

Are you interested in professional development for yourself, for your school, for your school district? If so, contact:

Little Rock:
Billy Britt at billy.j.britt@stls.frb.org

Louisville:
Caryn Rossiter at caryn.j.rossiter@stls.frb.org

Memphis:
Jeannette Bennett at jeannette.n.bennett@stls.frb.org

St. Louis:
Barb Flowers at barbara.flowers@stls.frb.org

Join Our E-mail List!

All of us would like to have fewer postcards, advertisements and brochures stuffed in our mailboxes. So, in the spirit of reducing the clutter on your counter top, desk, kitchen table, etc., we would like to contact you by e-mail, whenever practical.

Please go to our web site and join our mailing list. **www.stlouisfed.org/education_resources/subscribe.cfm**

Bank Contacts

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Billy Britt
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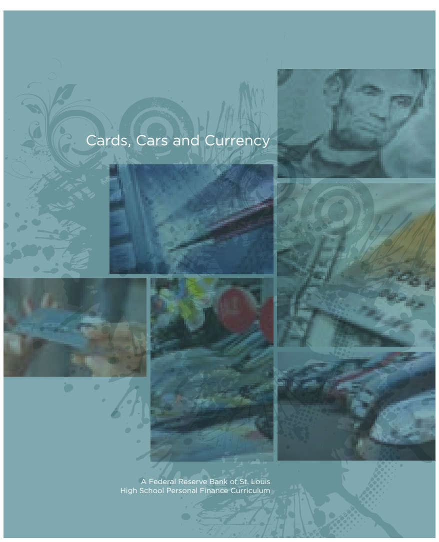
Inside the Vault is written by economic education staff at the Federal Reserve Bank of St. Louis, P.O. Box 442, St. Louis, Mo., 63166. The views expressed are those of the authors and are not necessarily those of the Federal Reserve Bank of St. Louis or the Federal Reserve System. Please direct all comments and questions about the publication to 314-444-8421 or barbara.flowers@stls.frb.org.

FEATURED **RESOURCES**



Cards, Cars and Currency

Cards, Cars and Currency is a curriculum unit for use in high school personal finance classes. The curriculum challenges students to learn about three specific areas of personal finance: credit cards, debit cards and purchasing a car. The unit is divided into five lesson plans. The activities in each lesson plan are designed to address problem-solving, critical thinking and higher levels of learning, using real-world scenarios.

The lessons can be downloaded at:

www.stlouisfed.org/education_resources/curriculum_units.cfm

Economic educators at the Federal Reserve Bank of St. Louis offer workshops on *Cards, Cars and Currency*. For information contact:

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