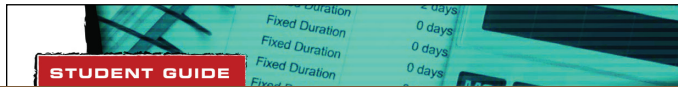


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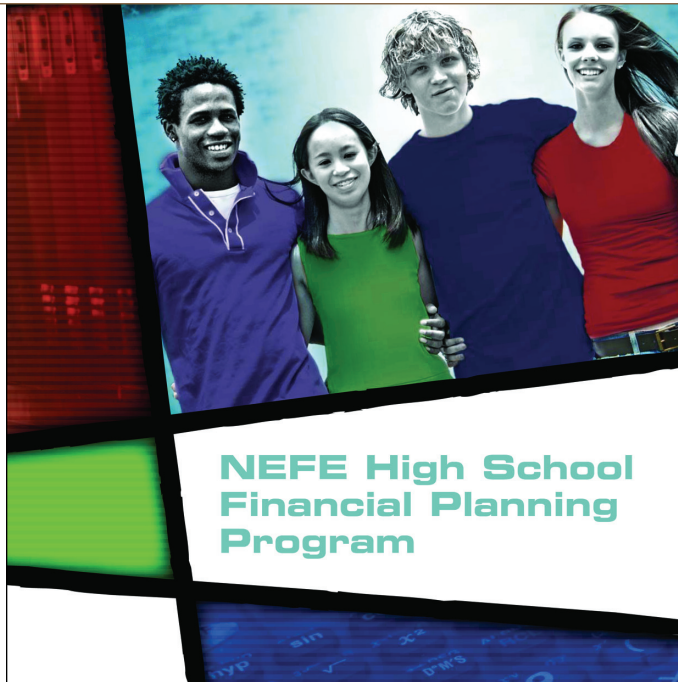
A Publication of the National Endowment for Financial Education



Revised High School Program Nears Launch

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Months of planning, dozens of committee meetings, hours of design, writing and re-writing, and several field tests will culminate soon in the rollout of an all-new NEFE High School Financial Planning Program® (HSFPP). Updated materials will be unveiled by late spring, and teens across the country will begin using the new edition in the fall.

"The revision reflects an enormous effort by many individuals who contributed their time and expertise to this project," said HSFPP director John Parfrey. "Our goal was to build on the solid foundation of a program that has been used successfully for 22 years, while adding new elements to the HSFPP that would relate to today's teens, enhance the use of technology, and assist both teachers and parents in their financial literacy efforts. I believe we have reached these goals with the revised NEFE High School Program."

The updated curriculum now is linked to education standards in 50 states, and to several national subject-area standards. While remaining a paper and pencil curriculum—which is still in demand by most teachers—it has a new, edgy look that teens respond to. In addition, the revised HSFPP is supported by a dynamic Web site that offers a large, continually changing collection of materials for teachers; online calculators, games, polls, and real-life learning exercises for students; and ideas for extending learning beyond the classroom, including a special section for parents.

The HSFPP curriculum was shaped by educators and subject matter experts working with NEFE, while the actual learning approach was created by an instructional design firm using a competency-based model. Lessons also reflect the principles of multiple-

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Nation's Youth to Benefit from NEFE-JA Partnership

Teens transitioning into today's adult world face a challenge in maintaining—not to mention improving on—the quality of life enjoyed by their parents. To meet that challenge, a critical emphasis should be placed on providing financial education for young people before they leave high school and college to make their way in life.

Toward this end, the National Endowment for Financial Education® (NEFE®) and JA Worldwide™ (Junior Achievement), a nonprofit organization devoted to inspiring and preparing young people to succeed in a global economy, have entered into an

agreement to use Junior Achievement volunteers to introduce the HSFPP to high schools. Through hands-on, experiential learning activities, students participating in the program will be exposed to the importance of financial planning as a key element to one's success.

"The top priority for the High School Financial Planning Program is to reach out to all of America's youth and help them acquire and apply personal finance skills," said Ted Beck, president and CEO of NEFE. "We welcome this alliance and believe Junior Achievement's vast volunteer network will help us meet our goals for expanding the program. By

50 states. In 2005 alone, more than 630,000 student guides were circulated to nearly 7,500 schools.

An independent evaluation of the program completed in 1998, and repeated in 2003, found that the HSFPP is highly effective in improving the personal finance knowledge, behavior, and confidence of teens.

In commenting on the new agreement, John Parfrey, director of the NEFE High School Financial Planning Program, said, "More than ever, America's youth need a solid footing in the principles of personal finance. The HSFPP has been proven to be a powerful tool in accomplishing that goal. I am pleased that Junior Achievement, with its highly regarded volunteer network and reach to four million students in the United States, will become yet another avenue for young people to begin the road to sound financial maturity through the use of our program."

"We're thrilled to join forces with NEFE and its HSFPP partners to provide young people with practical money management skills."

David S. Chernow

agreement to help teens reach their financial goals.

The two organizations will work together to extend the reach of the NEFE High School Financial Planning Program® (HSFPP), a practical and noncommercial course that is available at no cost to public and private high schools throughout the country. It is made available by NEFE in partnership with the Cooperative State, Research, Education, and Extension Services, (CSREES), USDA, and Participating Land-Grant University Cooperative Extension Services, the Credit Union National Association, (CUNA), and America's Credit Unions.

The five-year affiliation was conceived through the organizations' mutual belief that teens with financial education are better prepared for the challenges they will face while striving to achieve their life goals. The collaboration intends

working in concert, our two organizations can achieve a synergism that, ultimately, enhances the financial well-being of this country's young people."

"We're thrilled to join forces with NEFE and its HSFPP partners to provide young people with practical money management skills," added David S. Chernow, president and CEO of JA Worldwide. "Together, we can give students valuable personal finance tools so they will have a head start on the way to a healthy financial future."

The NEFE High School Financial Planning Program is a six-unit course that teaches the essentials of money management to teens at a time when they are developing habits and attitudes about money which will influence them for the rest of their lives.

Since its inception in 1984, more than 4.6 million HSFPP workbooks have been distributed in schools across all

For more information about the National Endowment for Financial Education and the NEFE High School Financial Planning Program, visit www.nefe.org and click on the Education Programs section.

JA Worldwide is the world's largest organization that aims to inspire young people to succeed in a global economy. Through a dedicated volunteer network, JA Worldwide provides programs that focus on seven key content areas: business, citizenship, economics, entrepreneurship, ethics/character, financial literacy, and career development for students in grades K-12. For more information, visit www.ja.org.

Holiday Closings

NEFE will be closed on January 1 for New Year's Day and February 19 for President's Day.

NEFE CEO Testifies on Financial Literacy in Washington, D.C.



Ted Beck, president and CEO of the National Endowment for Financial Education, recently was invited to testify before the Committee on Financial Services' Subcommittee on Financial Institution and Consumer Credit of the United States House of Representatives.

The hearing provided NEFE and other members of the financial literacy community the opportunity to share

their experiences in coordinating private-sector efforts to promote financial literacy, and to explore ways in which the federal government can help enhance the effectiveness of these efforts.

Written testimony submitted by NEFE in support of Beck's remarks was specifically recognized by U.S. Representative Rubén Hinojosa (D-Texas), co-chair and co-founder of the

Financial and Economic Literacy Caucus, for the quality of the testimony and the suggestions made to the federal government.

Beck appeared on a panel with Elisse B. Walter, senior executive vice president, Regulatory Policy and Programs, NASD; and David S. Chernow, president and CEO, JA Worldwide. There also was a second panel of representatives who testified on behalf of the American Bankers Association Education Foundation, Mortgage Bankers Association, Credit Union National Association, Securities Industry Association, Consumer Federation of America, and National Association of Federal Credit Unions.

To view a copy of Beck's testimony, visit <http://financialservices.house.gov/hearings.asp>. The hearing is under the "All Hearings" section and is titled "Improving Financial Literacy: Working Together to Develop Private Sector Coordination and Solutions."

High School Students Join NEFE Teen Advisory Board

The 2006-2007 Teen Advisory Board (TAB) recently was selected by the NEFE fellows. The TAB members, under the guidance of the fellows, will help maintain and update the NEFE Teen Resource Bureau® (NTRB®) Web site.

The NTRB site was created by young people to increase financial literacy among America's youth. The TAB program was established in 2001 to ensure that the Web site and its programs reflect insightful, original, and relevant information that will encourage teens to take a more active role in managing their money.

TAB members, who are qualified high school students, will be asked to submit projects designed to improve the NTRB Web site, act as NTRB ambassadors in their local community, and participate in focus groups and conference calls about teens' relationship to money. These projects and research results will be uploaded to the NTRB Web site at www.ntrbonline.org.

The new TAB members include: Kimberly Fejes of New Fairfield, Connecticut; Thomas Galanek of Manhasset, New York; Erin Seivley from Westminster, Colorado; Whitney Newman of Kitty Hawk, North Carolina; and David Hanley of Englewood, Colorado.

New NEFE Grants Cycle Announced

Beginning in 2007, the NEFE Grants program will include two, rather than three, grant cycles with the June cycle removed. The April and October cycles will continue as before. The grants that were submitted by December 5, 2006, will be reviewed for the April cycle. The next deadline for grant proposals is June 5, 2007, for the October grant cycle. To learn more about the NEFE Grants program, visit www.nefe.org and click on the Grantmaking section.

USA TODAY and NEFE Work Together to Help “Twenty-Somethings”

The National Endowment for Financial Education and USA TODAY recently collaborated to co-sponsor a survey about the personal finance challenges that young adults face. The poll served as the basis for a series of articles USA TODAY wrote about young people who were coping with a variety of personal finance issues. The series was intended to help young adults gain a better understanding of money management.

The Gallup Organization conducted the survey by telephone with a nationally representative sample of 22-29 year olds, while USA TODAY hand-picked several young people

whose financial situations were showcased during the series. Additionally, the Financial Planning Association



(FPA) offered free financial planning advice to the young adults highlighted in the articles.

The series of articles was published in USA TODAY every Monday and Friday

from November 20 to December 29. The poll results were released on November 20.

The survey questions covered a range of personal finance issues, such as housing concerns, health insurance, planning for future goals, credit card and student loan debt, budgeting, and saving for retirement.

The complete results of the poll, along with the USA TODAY articles featuring the young adults, can be found at www.nefe.org under the Welcome to NEFE heading within the green box in NEFE News.

NEFE Guidebook Updated to Reflect Pension Protection Act

Good news for baby boomers, late savers, and younger employees came with the signing of the Pension Protection Act of 2006, which outlines improved benefits that will help workers achieve a secure financial future in retirement.

In response to the latest changes, the National Endowment for Financial Education has updated the *Guidebook to Help Late Savers Prepare for Retirement*, a free resource to assist Americans in boosting their retirement savings. The guidebook was developed through a grant from NEFE in 2002 to provide more than a dozen catch-up strategies for workers—especially those 50 and older—who have not saved enough for retirement.

“Time is an important element in achieving security for retirement. But, no matter what the age, there are ways to help individuals save for the future,” said Ted Beck, president and CEO of NEFE. “Consumers just need to know all of the options and plan accordingly.”

The new pension legislation aims to help everyone from people who have recently entered the workforce to those who will retire in a few years. For younger and middle-aged employees, the bill asks employers to increase participation in defined contribution retirement plans, such as 401(k)s, by automatically enrolling workers in the plan rather than requesting them to opt into it.

The act also allows for automatic yearly contribution increases into the retirement account, which will make it easier for the worker to save more for retirement.

Additionally, this legislation would offer simple methods for employees to save for their or their children’s education expenses.

Those who are close to retiring will see benefits through better reporting of information by companies about their pension plans. Also, corporations will be required to fund their plans adequately and stop the practice of making plans seem better than they are.

The *Guidebook to Help Late Savers Prepare for Retirement* was written, as well as recently updated, by Barbara O’Neill, Ph.D., professor and cooperative extension specialist at Rutgers University, in cooperation with Utah State University and Jean Lown, Ph.D., professor. The guidebook offers numerous worksheets, including one to help late savers develop a custom action plan by selecting financial strategies to meet personal goals. In addition, the publication provides a resource section with more than 40 books and retirement-related Web sites to guide individuals in making informed choices about saving and investing wisely for the future.

To access or download the *Guidebook to Help Late Savers Prepare for Retirement*, search the NEFE Financial Literacy Resource CenterSM under the topic of retirement at www.smartaboutmoney.org.

Collaborative Booklet Helps Homeowners Budget for Utility Costs

With the price of electricity, natural gas, and other fuels on the rise in recent years, it is no wonder that many Americans, particularly low-income individuals, are struggling to pay their utility bills.

To help new homeowners anticipate, budget for, and minimize utility costs, the National Endowment for Financial Education collaborated with the National Fuel Funds Network (NFFN) to create the booklet *Owning is Just the Beginning: Learning to Budget the Utility Costs of Your New Home*.

“For new homeowners who may find themselves already strapped financially, this booklet can make all the difference. It even could help them avoid a potential foreclosure due to high utility bills,” says Brent A. Neiser, CFP®, NEFE director of Collaborative Programs.

A former NFFN board member, Roger Colton, principle of the economics firm Fisher, Sheehan & Colton, initiated the collaboration between NEFE and NFFN. Prior to approaching NEFE, Colton had completed extensive research regarding low-income families and utility bills. He found that while the average household pays between 2 percent to 4 percent of its income in energy bills and between 1 percent to 2 percent in sewer and water bills, low-income families use a

significantly higher percentage of their income to pay for utilities.

“Concerning poor families, we are seeing that many are paying 40 percent to 60 percent of their income in utility bills,” Colton says. “When you consider that, it’s not surprising that some low-income families have a hard time paying for their utilities.”

Owning is Just the Beginning aims to provide families with the information they need to avoid this situation. The 53-page guide is divided into two sections. The first section explains how to set goals, create a spending plan, and use credit responsibly. The second half of the booklet focuses entirely on home utilities. It begins by giving homeowners a detailed explanation of utility costs, such as energy and water.

The guide also offers information about budgeting and managing utility expenses. It illustrates how to read a utility bill and what to do if the bill is incorrect. Additionally, the booklet lists techniques for keeping utility bills as low as possible. This includes completing home maintenance, ensuring the home is well-insulated, and employing energy-saving tactics.

Readers also learn methods available for handling their bill payments, such

as asking for a level bill—in which payments are steady from month to month—and choosing their billing date. At the end of the booklet, new homeowners find out about where they can seek help if they are unable to pay their utility bills.

In order to distribute the free booklets to those who need it most, NFFN enlisted the help of the U.S. Department of Housing and Urban Development (HUD), which used its national distribution network to provide them to local nonprofits and other organizations that offer homeownership classes to low-income individuals. In only two months, the majority of the 100,000 booklets produced were in the hands of consumers.

“We were astounded by the demand,” says George Coling, executive director of NFFN. “It demonstrates the great need that exists for such a resource.”

Owning is Just the Beginning is available on the NFFN Web site, at www.nationalfuel Funds.org. The National Fuel Funds Network is an organization that promotes all types of energy assistance programs—including fuel funds—and advocates for fair home energy policies.

For more information about NEFE’s Collaborative Programs, log on to www.nefe.org.

NEFE CEO Invited to Serve on FDIC Committee

Ted Beck, president and CEO of the National Endowment for Financial Education, has been named a member of the newly-formed Federal Deposit Insurance Corporation’s (FDIC) Advisory Committee on Economic Inclusion. The Advisory Committee was created to offer guidance and suggestions to the FDIC on how to expand access for underserved populations in banking and financial services.

In commenting on the work of the committee, FDIC Chairman Sheila C. Bair said, “I look forward to recommendations

from the Advisory Committee on how best to advance our effort to provide all consumers with reasonable access to full-service banking and other financial services. We would also like to create ways to encourage individual and household savings. I see this as a win-win proposition for both the industry and consumers.”

The members of the Advisory Committee represent a wide variety of interests from the banking industry, academia, state regulatory authorities, government, community-based groups, and consumer or public advocacy organizations.

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All questions regarding *NEFE Digest* may be addressed to the Communications department, *Editor: Ayelet Drori*. NEFE is open Monday through Friday, from 8:30 a.m. to 5:00 p.m. Mountain Time. The main telephone number is (303) 741-6333; the fax number is (303) 220-0838. Visit the NEFE Web site at www.nefe.org.

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Revised High School Program Approaches Rollout

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intelligence learning, encourage a cycle of learning activities involving parents and outside professionals supporting the classroom experience, and challenge students to expand their thoughts about the issues and apply these newly acquired skills to sound money management in their own lives.

Free teacher training will be available in-person and online, along with step-by-step teaching plans. Additionally, the effectiveness of the revised program will be evaluated by university researchers, school districts, and teachers.

Parfrey credited much of the project's success to the HSFPP Revision Task Force, which assisted NEFE by

reviewing the current edition, making recommendations for improvements, assessing new materials, and helping to plan the national launch of the program. The 14-member task force was composed of representatives from NEFE and its two HSFPP partners—the Credit Union National Association (CUNA) and the Cooperative State, Research, Education, and Extension Services, (CSREES), USDA, and participating Land-Grant University Cooperative Extension Services—as well as individuals from state government, the Junior Reserve Officers Training Corps (JROTC), and the Workforce Investment Boards. In addition, a technology expert from the InCharge Institute and an educational

consultant from Worldwide Instructional Design System (WIDS) participated in task force meetings.

Independent studies in 1998 and 2003 have shown conclusively that the HSFPP produces statistically significant improvement in financial knowledge, confidence, and behavior among teens who have completed the program. The HSFPP is a noncommercial, fully-developed program that can be taken immediately into schools free of charge. Since its introduction in 1984, the program has reached more than 4.6 million students in youth organizations and schools in all 50 states and the District of Columbia.

For more information about the NEFE HSFPP, log on to the Education Programs section at www.nefe.org.