

Nefe Digest

May/June 2011

CashCourse on Campus

NEFE College Program Celebrates 500th School

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NATIONAL ENDOWMENT FOR FINANCIAL EDUCATION



With the November 2010 enrollment of the University of Utah in Salt Lake City, CashCourse®, NEFE's free financial education resource for colleges and universities, blew past the 500-school milestone and now has more than 550 schools enrolled. To celebrate, NEFE took the Utah campus by storm at the end of January, spreading the word about CashCourse and continuing its initiative to make personal finance available, fun, and relevant to college students.

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Money Booth and More

If a telephone-booth-like machine filled with swirling dollar bills doesn't catch a college student's attention, we're not sure what does. To start its campus blitz with maximum visibility, the NEFE team hosted a two-day fair in the University of Utah's student union, complete with giveaways, games, an online scavenger hunt, and the memorable money booth. NEFE also used Utah students to promote CashCourse to their peers, making the information more appealing because students heard about it from someone they could relate to.



University of Wisconsin adjunct professor Ron Smith (left) and Will VanderToolen, director of counseling and education at the nonprofit AAA Fair Credit Foundation in Salt Lake City (right), speak to students at the Financial Independence Seminar.

“One of the best things about CashCourse is that it addresses money management in language that college students understand, and addresses specific situations most college students go through,” says Amy Hartenstine, director of CashCourse. “So to introduce Utah students to the resource, we reached out to them where they spend time and with activities and resources they would appreciate.”

Preparing Students for Life After College

In addition to the fair, NEFE hosted a Financial Independence Workshop, which junior and senior students could attend to help prepare them for life after college. Ron Smith, adjunct professor at the University of Wisconsin's School of Business, presented a general session that covered topics ranging from paying yourself first and maximizing your employee benefits to insurance and good and bad debt.

Students then could attend workshops on:

- retirement and investing
- budgeting for life after college
- marriage and combining finances
- paying back student loans

More than 150 students attended the Saturday workshop, demonstrating that college students think it is important to learn how to manage their finances before they enter the real world.

“I used to work at a credit union for seven years, and I was amazed at how many people lacked basic information to make financial decisions,” said Allison Ranglack, a junior psychology and human development and family studies major at Utah who attended the workshop on managing student loans after college. “If people could just get financial education in school, they'd be better off.”

Meeting a Critical Need

When NEFE began offering CashCourse to colleges in the fall of 2007, NEFE had some knowledge of how crucial it was to provide this information to college students.

“After our research, we knew there were no other free, unaffiliated resources as comprehensive as CashCourse, and we knew this would be one of a kind,” says Hartenstine. “But now, with more than 550 schools using the program nationwide, it's very affirming to know that we are meeting a definite demand for this information.”

With CashCourse, the University of Utah has addressed its need for increased financial education on campus. NEFE hopes more schools will do the same by signing up for CashCourse as it continues to grow and improve the program. Learn more about CashCourse at www.cashcourse.org.

Cover photo: NEFE Associate Mary Hoch at the CashCourse Fair on the Utah campus.

Utah senior Dash Hixson takes a turn in the money booth game at the CashCourse Fair on the Utah campus (right).



Watch a video with highlights from the CashCourse fair and workshop at www.cashcourse.org/home/case-studies/utah.

Empowering American Indian College Students

Financial Handbooks Address Unique Needs

Brandon LaMere has a full-time job as a caterer and works part time as an intern at Little Priest Tribal College in Winnebago, Neb., where he attends classes. The 30-year-old is a single father with three young daughters, and every morning he drops off his daughters at their respective schools before beginning a 30-mile commute to campus.

“My days are nonstop,” says LaMere, who will graduate this spring with an associate degree in indigenous health science and plans to continue his studies at the University of Nebraska. “College is a lot more difficult than high school.”

LaMere is a member of the Winnebago tribe and is the first in his family to attend college. For many American Indians, the path to a degree is packed with challenges. To support them on their quest to graduate, NEFE and the American Indian College Fund have launched a series of online financial handbooks called *Developing Your Vision While Attending College*.

Financial Challenges of Native Students

NEFE first partnered with the College Fund in 1999 to produce a resource for the American Indian population, which College Fund leaders thought could significantly benefit from financial education support.

“Nearly twenty-six percent of Native people live below the poverty line, and that number is even higher [51 percent] on reservations,” says Dina Horwedel, director of public education at the College Fund. “It’s a real struggle for Native people to put food on the table, let alone save for and go to college. Also, many reservations are in remote areas, so if there isn’t a college nearby, the concept of leaving is a challenging one.”

To aid American Indians with their college aspirations, the College Fund provides an average of 6,000 scholarships annually for Native students and provides support to the nation’s 33 accredited tribal colleges and universities. Tribal colleges, the vast majority of which are located on or near reservations, offer accredited degrees while keeping American Indian culture and tradition at the heart of the curriculum.

NEFE and the College Fund worked under similar principles to create a resource that spoke to Native students’ backgrounds and financial situations.



Students celebrate at a graduation ceremony at Southwestern Indian Polytechnic Institute, a tribal college in Albuquerque, N.M. (Credit: American Indian College Fund)

“We wanted to provide support for the specific financial challenges Native students face to make the content as useful as possible,” says Brent Neiser, CFP®, senior director of strategic programs and alliances at NEFE, who helped create the resource.

For Native students who have saved little or nothing for college, the handbooks cover financial aid, scholarships, federal grants, and additional assistance specific to the American Indian community. For the many nontraditional or first-generation students, the handbooks provide information on everything from picking a college and options for a degree to finding a job and managing personal finances during and after school.

Expanded Content Online

The handbooks have been updated from their previous versions and expanded for the new online version, which includes worksheets, tips, and critical-thinking questions for students to answer on each step of their journey to a college degree and beyond. Topics addressed in the handbooks include:

- deciding to go to college
- paying for college with the help of financial aid
- developing money management skills
- choosing a path after graduation

The resources also include inspiring stories of Native students like LaMere who have overcome personal struggles on the path to success. Although the handbooks are tailored specifically for students attending tribal colleges, the resources are available to everyone online at the College Fund website.

Learn more and access the handbooks at www.nefe.org/aicf.

Spending on ...

... Goals using Graduation Gift Money ¹

- 27%** used for college
- 19%** put in savings
- 10%** used for travel/entertainment
- 6%** put toward a car
- 4%** paid off debt

... Impulse ²

80% people say they have made an impulse purchase in the past year for themselves, others, or their home

66% of impulse purchasers say they later regretted that decision

... Attending a Wedding ³

- 38%** people planned to spend \$100 or less
- 42%** people planned to spend \$101 to \$500
- 7%** people planned to spend \$501 to \$1,000
- 13%** people planned to spend \$1,001 or more

... Back-to-School Shopping ⁴

- 91%** parents planned to spend \$100 or more
- 44%** of them planned to spend \$300 or more

... Black Friday ⁵

- 51%** people planned to shop on Black Friday
- 47%** planned to buy electronics (TVs, computers)
- 46%** planned to buy clothes
- 38%** planned to buy toys
- 27%** planned to buy home goods (linens and small appliances)

... Holidays in December ⁵

- 69%** people don't set a budget
- 32%** of them say they just buy things that seem like good ideas for the recipients on their list
- 31%** of them say they don't spend more than they want
- 11%** of them say they go overboard

27% people do set a budget and stick to it

NEFE Gains Insight with Omnibus Surveys

Polls Delve Into Consumers' Financial Lives

NEFE always wonders what Americans really think about or what situations they're working through in their personal financial lives. Now, we have a way to find out.

Throughout 2010, NEFE commissioned New York-based research firm Harris Interactive to conduct online polling. Through the Harris QuickQuerySM omnibus survey, NEFE has gauged the opinions of the general public on issues such as budgeting, spending, and managing money.

"The Harris polls have allowed us to pinpoint what consumers are thinking, struggling with, and doing at the current moment," said Paul Golden, NEFE's media relations manager. "We've used this insight to unveil trends to the media and craft helpful tips that better address the needs of consumers."

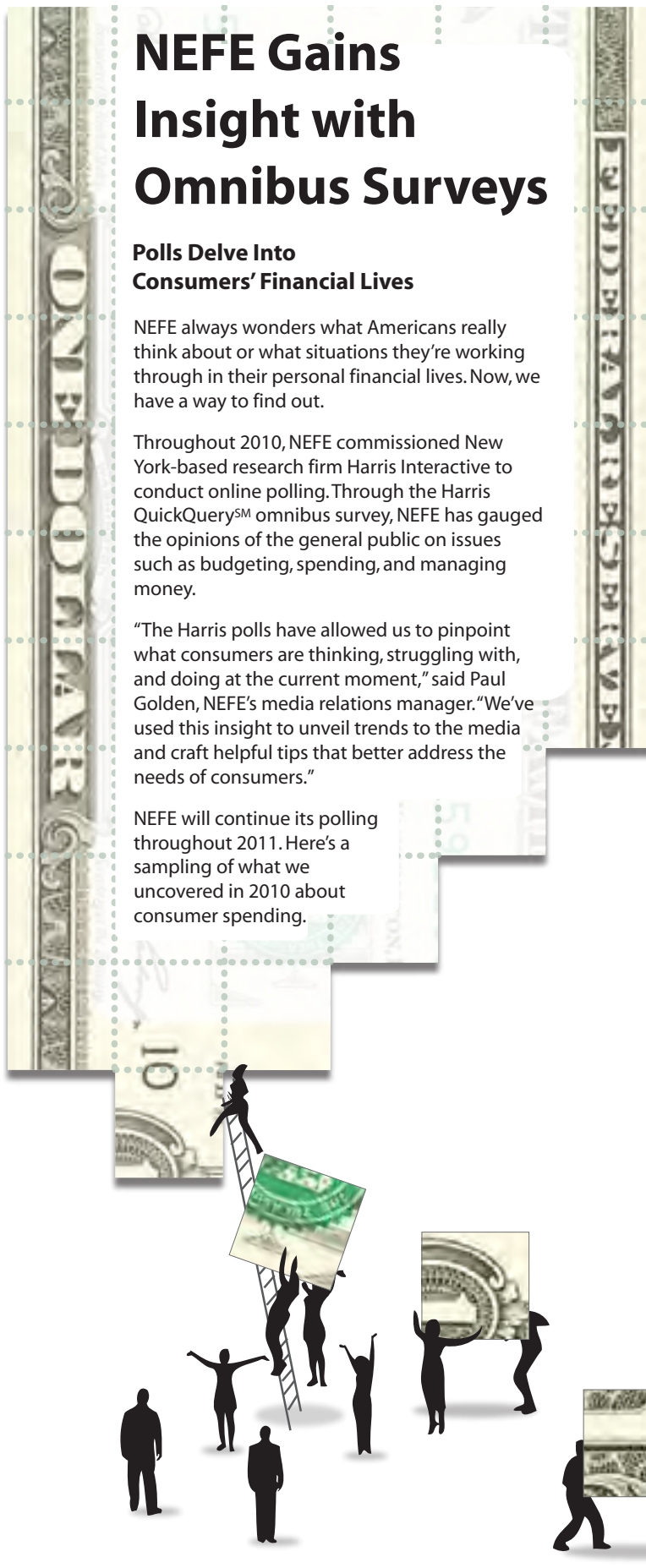
NEFE will continue its polling throughout 2011. Here's a sampling of what we uncovered in 2010 about consumer spending.

... Credit Cards and College-Age Kids ⁶

- 61%** parents said they would not co-sign for their children to have a credit card
- 16%** said they were not sure if they would co-sign for their children to have a credit card
- 4%** said they already have co-signed for their children to have a credit card

... Couples and Money ⁷

- 31%** people in a relationship had lied to their spouse/partner about money
- 58%** of them hid cash
- 54%** of them hid a purchase
- 34%** of them lied about finances, debt, money earned
- 30%** of them hid a statement or bill
- 15%** of them hid a bank account
- 68%** people say a current or past relationship was affected by financial deceptions
- 67%** of them say caused an argument
- 42%** of them say caused less trust in relationship
- 19%** of them say led to separation of combined finances
- 16%** of them say led to divorce
- 15%** of them say caused them to become closer/grow together
- 9%** of them say caused less privacy in their relationship



¹ Percentages reflect answers from U.S. adults who in May 2010 had graduated, or had a child graduate, from high school during the past five years and had received some graduation money. ² Percentages reflect U.S. adults who in August 2010 had made an impulse purchase during the past 12 months. ³ Percentages reflect U.S. adults who in May 2010 planned to spend money to attend one or more weddings during the next 12 months. ⁴ Percentages reflect U.S. adults who in August 2010 planned to spend money on K-12 back-to-school or education-related expenses. ⁵ Percentages reflect U.S. adults who in November 2010 planned to do some holiday shopping. ⁶ Percentages reflect U.S. adults who in July 2010 had a child age 18-20 years old. ⁷ Percentages reflect U.S. adults who in December 2010 had combined finances with a spouse or partner.

Quarter Century Project Update

Searchable Database Showcases Top Research in Financial Education



NEFE and the Financial Literacy Center — a consortium of Dartmouth College, the University of Pennsylvania’s Wharton School, and the RAND Corporation — have launched a searchable database of the most important personal finance research from the past 25 years, as identified by academic experts. Such a comprehensive tool has not existed until now, partly due to the large amount of diverse research the field has produced.

During the past several decades, research on personal finance topics has spanned multiple disciplines, from consumer affairs and behavioral economics to mathematics, psychology, anthropology, and linguistics. For researchers and practitioners looking to contribute research to or develop programs for this field, reviewing what already has been done is a daunting task.

“Many people are unaware of the large amount of research that exists,” says Annamaria Lusardi, Ph.D., director of the Financial Literacy Center. “With the database, we are working to organize the information to help the researchers look for specific things.”

Research Analysis Overview Now Available

The database stemmed from NEFE’s Quarter Century Project, which NEFE established in 2010 to help push the financial literacy field forward.

“To make our collective efforts more efficient, we felt there needed to be a definitive resource for people to look to when generating future research and programs,” says Billy Hensley, Ph.D., director of education for NEFE.

The project started with a review of hundreds of studies from the past 25 years of personal finance research. Quarter Century Project team members then highlighted the most significant findings in four summary papers, which they shared

with 50 of the field’s top researchers, policymakers, and practitioners at a colloquium NEFE held in Denver in August 2010.

“We didn’t just want to compile the research and be done with the project,” says Hensley. “We wanted to create something that is intrinsic and can continue to be built upon as the research in the field expands.”

The colloquium helped identify research gaps, expertise from the field, and many priorities and possible courses of action for research and programs. The attendees’ feedback, along with the research conclusions, has since been compiled into an academic review available on NEFE’s website.

A Tool for Searching Through the Body of Work

With the Financial Literacy Research Library, researchers can search by keyword, date, or author to find references and abstracts for the entire collection of personal finance research aggregated by the Quarter Century Project. This will allow them to:

- identify topics that have been thoroughly covered, thereby avoiding potential repetition
- build off what already has been done and add to the community of understanding
- more easily pinpoint and quantify gaps in the research, which are potential areas for growth

NEFE and the Financial Literacy Center will expand the database as the field produces additional relevant research. Access the Financial Literacy Research Library at www.flresearch.org.

Read more about the Quarter Century Project at www.nefe.org/quartercenturyproject.



HOLIDAY CLOSINGS
NEFE will be closed on May 30 for Memorial Day.

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National Association of Colleges and Employers (NACE) Conference May 31 - June 3	Dallas, TX
Federal Benefits Conference June 5 - 10	New Orleans, LA
Center for Financial Services Innovation (CFSI) Underbanked Financial Services Forum June 8 - 10	New Orleans, LA
Adult Education Research Conference (AERC) June 10 - 12	Toronto, Canada
American Association of Family and Consumer Sciences (AAFCS) Conference June 23 - 25	Phoenix, AZ
Boulder Summer Conference on Consumer Financial Decision Making June 26 - 28	Boulder, CO
Society for Human Resource Management (SHRM) Conference June 26 - 29	Las Vegas, NV

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