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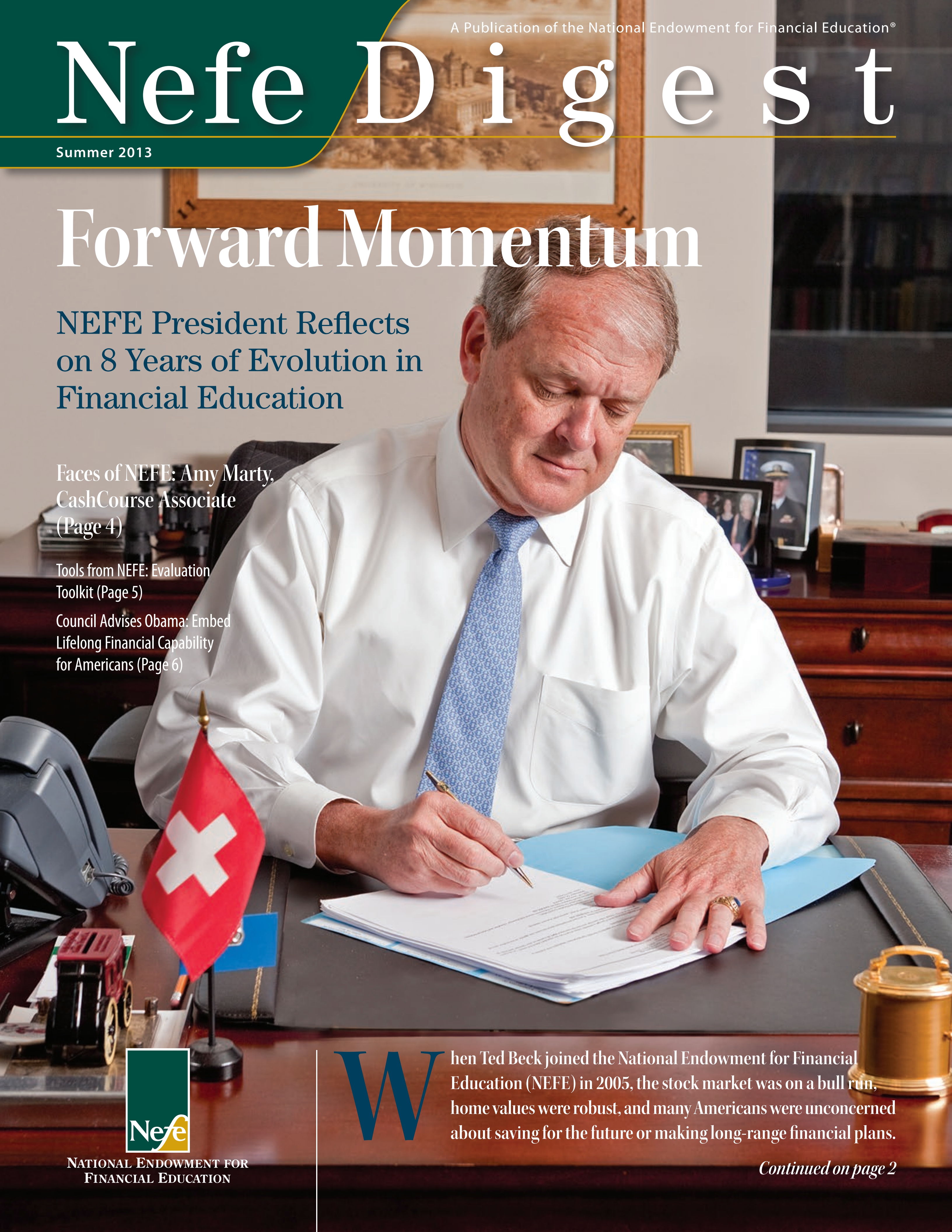
Nefe Digest

Summer 2013



Forward Momentum

NEFE President Reflects on 8 Years of Evolution in Financial Education

When Ted Beck joined the National Endowment for Financial Education (NEFE) in 2005, the stock market was on a bull run, home values were robust, and many Americans were unconcerned about saving for the future or making long-range financial plans.

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This apathetic American mindset didn't discourage financial literacy organizations from trying to reach consumers, however. There were many, including NEFE, each touting particularly prescriptive messaging, letting consumers in on various and all-purpose formulas for financial success. But this approach didn't always take, as Beck soon would observe quite candidly during a focus group early on in his tenure.

"After joining NEFE, I was surprised at how few organizations were able, in an unbiased way, to respond to consumers' financial questions," recalls Beck, president and CEO of NEFE. "There are a lot of really good nonprofits out there, but many are small and underfunded, and all of them compete for consumers' attention alongside well-funded for-profit financial product providers."

In the same time period, although members of the financial education field recognized the need for cooperation and thought leadership, they lacked a collaborative force—that is until the Great Recession catapulted financial literacy to the forefront of people's minds. Drawn together by economic crisis, leaders in the financial services industry, government, education, and nonprofit arenas gathered as a community, focused on helping Americans cope with the calamity and establish healthier goals and behaviors.

NEFE and Beck have helped drive this effort, sparking momentum both within NEFE and the financial community at large. The recently concluded President's Advisory Council on Financial Capability, of which Beck was a member, is one piece of visible evidence of this new wave of collaboration. So is the Jump$tart Teacher Training Alliance, of which NEFE is a founding member.

Today, practitioners and educators agree financial education must be rooted in research and reach individuals at key points throughout their lifetimes. Organizations are veering away from a one-size-fits-all approach to planning, encouraging people to apply basic financial principles based on their own unique situations and values. And consumers … well, they're listening, recognizing the need for financial capability in their own lives and the lives of their loved ones.

We recently caught up with Beck to learn, in his words, how the community and NEFE have evolved in the past eight years.

How has NEFE changed since you took the helm?

Beck: We were primarily focused on our high school program when I arrived. That's still a key piece of what we do, but we recognized there was an opportunity to become a critical voice for consumers facing new challenges, such as young adults who have graduated college with poor job prospects and student loans to pay off. We have a much broader agenda now.

What hasn't changed is NEFE's objectivity. I have a Swiss flag sitting on my desk to remind me, and everyone who comes and talks to me, that we are politically neutral. Some groups will try to pull us into this bill or that bill. But our goal is to improve the financial position of all Americans, regardless of their age, income, backgrounds, or goals—not politics.

That's a major undertaking. How do you reach so many people?

Beck: So much of what we do is a team effort. NEFE has partnered with universities and other nonprofits both on research and on designing programs directed at specific audiences. Collectively, we are reaching out to children, college students, teachers, employee groups, seniors, families displaced by disaster, and people with specific health concerns or disabilities.

In addition, we see media as a significant educational tool. We distribute our research findings to media outlets and provide timely story ideas and guest commentary. We're also using social media more. The goal of this exposure is to encourage consumers to seek more information from us, from our partners, or from a personal advisor. That said, there are people we are not reaching, and that's a continued focus and challenge for NEFE.

For example, one-third of the population lacks in-home Internet access. And many schools don't have the bandwidth to embed electronic education in the classroom, nor do they have computers their students can check out. That's why printing our high school curriculum remains one of our biggest expenses.

How has the messaging changed on personal finance?

Beck: There are some core concepts we all share, such as the basic knowledge of how interest rates work. That's mechanical information. How each person applies that information, however, needs to work for him or her. To connect with consumers, the information needs to fit in with their lifestyles and values.

When I first joined NEFE, I attended a meeting of financial professionals. The meeting organizers convened a panel of consumers with diverse ages and backgrounds and asked them to share their perspectives and questions about money. Very quickly, practitioners in the audience started telling the panelists what they should do. Those consumers responded, saying, "You don't know me. You don't know what my values are." The education then was very prescribed. You could see the conflict.

Prescriptive advice still is embedded in a lot of the quick-hit information out there, such as "the percentage of your income that should go to your mortgage payment." That assumes everyone should buy a home. Not everyone wants to or should buy a home.

For people who have money to manage, the industry does a very good job, and it's pretty efficient. The question is how to take those effective tools to reach the population at large. That's where the "chopsticks theory" comes in.

What is the chopsticks theory?

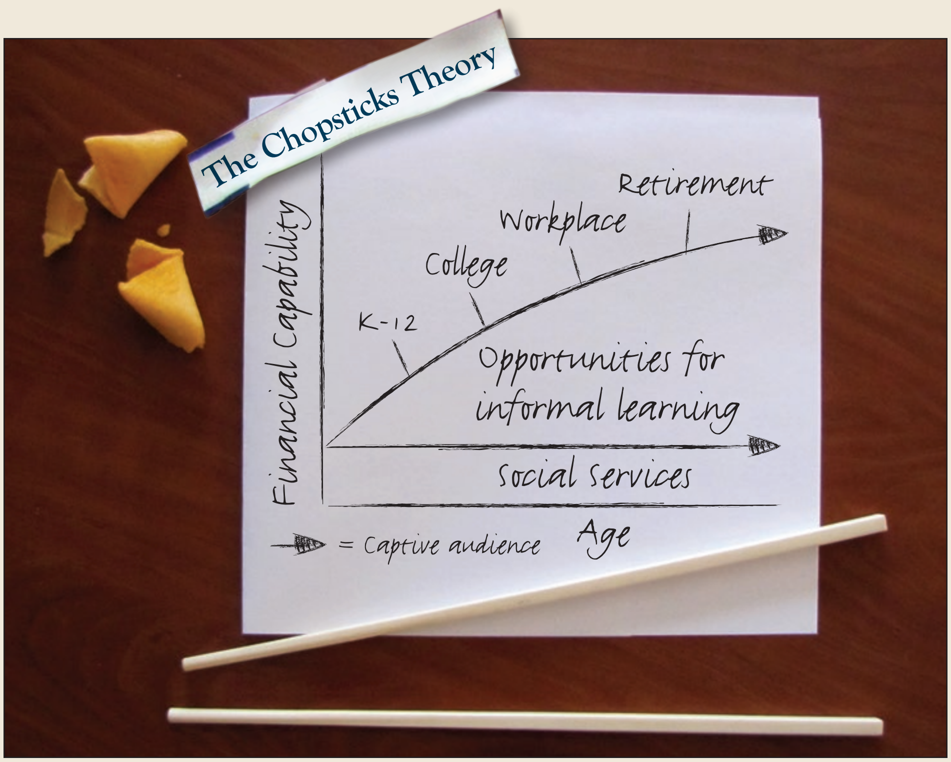
Beck: The chopsticks theory is something I came up with in a Chinese restaurant a few years ago where I literally used chopsticks to visualize the audiences we serve. The chopsticks are two lines starting at an axis point, one horizontal and one shooting up diagonally.

The diagonal line represents the conventional model: Financial education historically has been designed for captive audiences—a class here and there in high school and college, a 401(k) information session at work. You learn about saving and retirement planning. It's the traditional success path.

The horizontal chopstick is social services: the safety net. Again you have a captive audience in which people can learn about what benefits they're eligible for to keep them stable and safe.

Between the chopsticks is everybody else. These are military folks, single-parent households, and high school graduates working job-to-job. How do you get messages about finance to them in ways they can absorb it and use it? How do you reach this population to set them up to have the highest probability of success as they define it? These are the people NEFE is most concerned about.

To learn more about where NEFE is headed and the man behind the Swiss flag, please read the second half of our Q&A online at www.nefe.org/press-room/news.



Faces of NEFE: **Amy Marty,** CashCourse Associate

Throughout their careers, many nonprofit professionals develop into Jacks and Jills of all trades, tackling myriad projects and becoming experts in just about everything. That's certainly what NEFE gained with its new associate, Amy Marty, whose experience ranges from writing, editing, and design to content, website, and social media management.

While earning her Bachelor of Science in journalism from the University of Florida (2010) and her Master of Science in marketing from the University of Denver (2012), Marty interned and freelanced for numerous organizations; several were within the nonprofit community, including a government-owned power company, a marketing agency focused on helping nonprofits promote behavior change, and NEFE.

"Business school gave me new context for my communication skills, but it was while pursing coursework in traditional, sales-based marketing that I realized how much I valued the public service aspects of my previous jobs," says Marty. "And I knew this was the professional track for me when I started working as an intern for NEFE."

Earlier this year, Marty returned to NEFE to support CashCourse (www.cashcourse.org), NEFE's money management resource for colleges and universities—and she already has been hard at work.

If you were to describe your job to a fifth-grader, what would you say?

Marty: I help colleges teach their students how to spend money wisely, pay for their educations, and plan for their futures. College is the first time that many young people start to see how tough it is to manage their money, pay their bills, keep a job, and go to school all at the same time. CashCourse is a resource that teaches students what they need to know about personal finance.

My job is to make sure that the technology we use always works like it's supposed to and that the colleges using CashCourse get the most out of the program. I spend part of every day talking to users, answering their questions about CashCourse and showing them the best way to use the website on campus. I also write our monthly e-newsletter and track data on the program's usage and growth.

What has been an accomplishment you're most proud of from your time at NEFE?

Marty: One of the first major projects I worked on during my internship with NEFE was creating a best practices guide for our social media properties that each department can use when they communicate via Facebook and Twitter. After a few months of using the guide, the Smart About Money Facebook page had increased traffic and user engagement, which I was really proud of. And I have continued to use the guide as I promote CashCourse on social media.

What personally drove you toward financial education nonprofit work or nonprofit work in general?

Marty: While I loved studying journalism, and I still love to write, I knew pretty early on that the life of a reporter wasn't for me. My interests logically drifted to marketing communications, where I could focus on using my natural (and college-honed) communication skills to help individual companies reach their constituencies. I know that driving sales has never been something that motives me, but improving people's lives—and helping them understand vital things that can be, at times, very confusing—is incredibly rewarding.

Can you describe one special memory that you have from your work with NEFE?

Marty: Soon after starting at NEFE (both in 2012 as an intern and in 2013 as a staff member), I met the year's new board members at the annual luncheon. It was cool to see people with such diverse backgrounds all supporting NEFE's mission, and to hear their stories of why they feel that personal finance and financial capability are such important parts of life.

HOLIDAY CLOSINGS

NEFE will be closed on May 27 for Memorial Day and July 4 for Independence Day.

Financial Education Evaluation Toolkit

Seize the Summer Months for Program Evaluation and Improvement

School may be out but educators can put their summer breaks to good use; this time of year offers the perfect opportunity to evaluate program effectiveness. For some, evaluation may seem daunting, but NEFE's Financial Education Evaluation Toolkit® (http://toolkit.nefe.org) is here to help.

Who Should Use the Toolkit

The Evaluation Toolkit was built by educators for educators. Developed in 2007 through a NEFE-funded research project at the University of Georgia, the toolkit offers financial educators at schools and nonprofit organizations a chance to apply successful evaluation techniques to their unique programs.

What is the Toolkit

The Evaluation Toolkit is comprised of two parts, the evaluation manual (and user-friendly Quick Start Guide) and the evaluation database. The manual explains basic evaluation principles and techniques while providing step-by-step instructions on how to create an effective program evaluation. The database provides evaluation templates and questions for various program formats that users can customize to meet the needs of their specific programs and audiences.

How to Get Started

Educators can visit http://toolkit.nefe.org to create a username and password. After they log in, the toolkit guides them through creating an effective evaluation. The database provides users full control over the design and type of evaluation that best meets their needs. Options include:

- The type of evaluation
- The impact indicators
- Knowledge questions and behavior statements
- Open-ended questions for qualitative information
- Demographic questions

Once they create the evaluation, users can download the document and disseminate it to their audience.

Why Evaluate

Documentation of program impact is essential to ensure that financial education programs meet the needs of their audiences and secure support from their stakeholders. The current economic climate makes the evaluation of financial education programming vital. By utilizing these trusted evaluation techniques, educators can improve program impact and make sure that financial education be seen as valuable enough to be embedded in K–12 education.

Online Evaluations Now Available

NEFE recently debuted an updated evaluation toolkit, complete with online evaluations that make collecting data easier for users.

"We wanted to respond to user feedback and make it easier for educators to disseminate their evaluations to students," says NEFE Grants Manager Greta Holtz. "This redesign meets those goals."

With the updated toolkit, educators are able to generate an online version of their surveys complete with their own URLs. This allows users to issue the survey to students online, while tracking respondents' names, email addresses, and responses to evaluation questions.

About the Series: *Tools from NEFE shares the vast collection of resources available from NEFE to help our readers in the financial capability community educate and inspire positive change among the populations they serve, from high school students and employees to adult learners and retirees. See previous entries in the Digest archive at www.nefe.org/press-room/nefe-digest. For additional educational tools, visit www.financialworkshopkits.org.*

Council Advises Obama: Embed Lifelong Financial Capability for Americans

The bipartisan membership of the President's Advisory Council on Financial Capability Feb. 19 issued its final report to President Barack Obama, offering 15 recommendations designed to assist Americans in better understanding financial matters and making informed financial decisions.

"Financial capability must be woven into the fabric of our lives," the Council pronounced, enumerating specific opportunities and policies to make Americans money smart.

"One of our most significant understandings as a result of our two years of work is that financial capability is balanced like a tripod: financial education, effective regulation, and choice architecture," says Ted Beck, council member and NEFE president and CEO. "We can't rely on stand-alone solutions in our complex financial environment."

The Council's four top recommendations focused on the consistent and continuing integration of financial education into Americans' lives: in families and schools; in workplaces; in local communities; and through an appropriate balance of research-based education, regulation, and product design to benefit consumers. Several resources endorsed by the Council are available free to the public, including Money As You Grow (www.moneyasyougrow.org), and the Creating Financially Capable Communities and Financial Capability at Work blueprint booklets. The Council also laid the foundation for an initiative to incorporate personal finance competencies into teaching of the Common Core State Standards for English and Mathematics in grades K–12.

The presentation of its report and official recommendations concludes the work of the Council, which President Obama issued under Executive Order 13530 on Jan. 29, 2010.

To read the final report and learn more about the Council, visit www.treasury.gov/resource-center/financial-education/Pages/Advisory.aspx.

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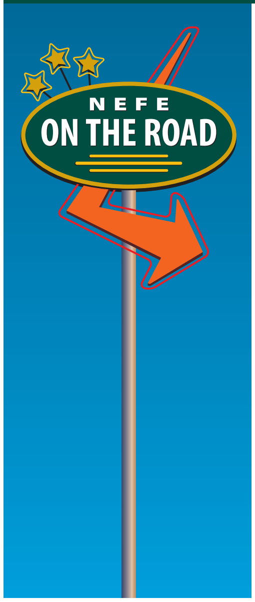
Stop by our booth or look for us at the following conferences:



2013 Boulder Summer Conference on Consumer Financial Decision Making	May 19–21	Boulder, Colo.
Florida Prosperity Partnership Annual Statewide Conference	May 29–31	Orlando, Fla.
Underbanked Financial Services Forum	June 5–7	Miami
Society for Human Resource Management (SHRM) Annual Conference	June 16–19	Chicago
American Association of Family and Consumer Sciences (AAFCS) Conference	June 26–29	Houston
National Association of Student Financial Aid Administrators (NASFAA)	June 14–17	Las Vegas
American School Counselor Association (ASCA) Annual Conference	June 30–July 2	Philadelphia
National Youth Involvement Board (NYIB) Annual Conference	July 29–Aug. 1	San Diego
Colorado Community Action Association 2013 Colorado Conference on Poverty	Aug. 13–16	Grand Junction, Colo.
Excellence in Journalism Conference	Aug. 24–26	Anaheim, Calif.

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The mission of the National Endowment for Financial Education is to inspire empowered financial decision making for individuals and families through every stage of life.

All questions regarding *NEFE Digest* may be addressed to the Marketing and Communications department. Editor: Lauren Burke. 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.