What will financial education look like in the year 2050? What could it look like? What if we put our most innovative thinkers in financial education, classroom teaching, online education, technology and behavioral science to work preparing the next generation of Americans to not only survive, but to thrive financially?

This year NEFE will tap experts, examine research and survey our communities to explore the role of technology in shaping the financial capability of future Americans. In this issue, we start by seeing how far we already have come. Stay tuned throughout 2015 for opportunities to join the conversation.
The board also welcomes a new chair for 2014, Karen Vahouny, communications consultant and adjunct professor at both George Washington University and Marymount University in the Washington, D.C. area. Michael Bedke, partner at the DLA Piper law firm, Tampa, Fla., is vice chair. Bedke is recognized nationally as a leader in the area of sustainability and the “triple bottom line,” and has received numerous recognitions for his pro bono and volunteer work.

In January the two new board members and newly appointed chair attended a day-long orientation at NEFE’s headquarters in downtown Denver where they met NEFE staff and shared stories of how personal finance has affected their lives.

Vahouny, Norris and Walker not only divulged their Spendster bad spending habits (lattes, cowboy boots and specialty vitamins); they discussed what attracted them to NEFE.

Norris found her passion for financial education through her work in higher education. “More students than you think are one flat tire away from dropping out of school. A flat tire may not seem like much, but it can be the difference between dropping out or continuing to pursue an education,” says Norris.

Norris says she has noticed a shift over the past 15 years from students primarily receiving free aid such as grants, to more students taking on large amounts of debt to fund their education. Norris believes today’s students — especially first generation and low-income — face complex challenges that prior generations did not.

Walker first became aware of the critical need for financial literacy through witnessing her family’s financial instability as a child. That prompted her and her husband to make a conscious decision early in their marriage to set a budget and plan for retirement. She says investing in their future was the best decision she and her husband made as a young couple.

As someone who learned through experience, Walker strongly promotes accessible formal financial education for children, enabling them to practice sound money management as adults.

Both Norris and Walker also expressed a strong desire to encourage women to enter the science, technology, engineering and math (STEM) fields. As women who pursued their education and careers in IT and STEM and experienced pushback along the way, they believe in empowering women to pursue any subject matter.

Vahouny says that after years of working in the corporate world, she is determined to give back. Her goal is to spend one-third of her time and expertise on professional boards, pro bono communications work, and charitable initiatives. Vahouny says she looks forward to what this coming year has in store for NEFE programs and initiatives. “Our board wants to keep setting the bar higher, especially as we more actively integrate the perspectives of young people and increase our support to underserved communities.

I believe that 2015 will be a great year for NEFE,” says Vahouny.

“The expertise of our new trustees are a great complement to the other highly accomplished professionals that make up the leadership of our board,” says Ted Beck, president and CEO of NEFE. “We are fortunate to have such dedicated trustees to help us further our mission of inspiring educated financial decision making for all Americans.”
Leaps of Imagination
The Evolving Meaning of Money

In the 19th century, newly minted Americans were hungry to expand their borders. Whole towns sprung up overnight as pioneers packed their belongings and headed west. In order to build their homes and businesses, settlers needed to quickly buy and sell goods, but there was no clear-cut method for conducting those transactions.

Precious metals such as gold and silver, called “hard currency” or specie, had been the chosen currency of Western civilization for centuries. The problem was, until the discovery of gold in the United States in the 1840s, there just wasn’t enough hard currency to keep up with booming expansion. In lieu of specie, institutions ranging from banks to factories and canals to railroads issued their own paper certificates as stand-ins. Because it was backed by real money, this “soft currency” was considered “as good as gold.”

It took a leap of imagination to accept that a piece of paper with no inherent value suddenly could stand in for precious metals, but America’s budding entrepreneurs and homesteaders weren’t interested in formalities. They had a nation to build, and that required access to fast cash.

Hundreds of separate banks and other institutions issued their own paper money at the same time—each in different colors and different styles—making regulation a monumental challenge. Ironically, it wasn’t until the Southern states seceded from the Union that the U.S. declared a common national currency, a necessary step to fund the impending Civil War. For the first time, Americans from Philadelphia to the edge of the frontier carried the same money.

Americans in the first 50 years of the 21st century are poised to experience another big shift, this time toward a world where financial transactions are conducted without any contact at all, where purchases are made with an eye scan or a measure of the pulse. The only place Americans in 2050 likely will see paper money is in a museum.

“\In a very real sense, our early economy was built on thin air, on promises to pay, on optimism, on lack of viable alternatives and by sheer will. And the miracle is that the whole thing worked.\”

— R.G. Doty, Former senior curator of numismatics, Smithsonian Institution

Everything — from their homes and cars to the roads they drive on and the clothes on their backs — will be connected to a network. Today’s kindergartners likely never will possess a plastic credit card; their entire financial lives will exist exclusively in digital form.

How will Americans view their spending differently when every purchase they ever make is tracked and recorded on a wearable? How will they view money when they never hold it in their hands, when it exists purely as digital currency in their e-wallets?

Just as it took a leap of imagination to accept paper bills in lieu of gold or silver, new ways to manage and understand money in the future will require a shift in perspective.

But even as technology continues to evolve, the competencies for successful financial decision making likely will remain constant. Regardless of whether you hand over a dollar bill, write a check, swipe a plastic card or flash a biometric wearable, you will make better financial decisions if you have a propensity to plan and possess basic numeracy skills. You will save more and spend less if you understand the value of delayed gratification.

The way we talk about and interact with money undoubtedly will evolve in the decades to come. Rapidly changing technology means financial education of the future will not look the same as it has in the past. The question is: Will it be more effective — or just different?
Brent Neiser Elected to the National Academy of Social Insurance

Brent Neiser, CFP®, senior director of strategic programs and alliances at NEFE, has been elected to the National Academy of Social Insurance (NASI). Academy members are recognized experts in Social Security, Medicare and health coverage, workers’ compensation, unemployment insurance and related social assistance, and private employee benefits.

NASI is a nonprofit, nonpartisan organization that promotes understanding and informed policymaking on social insurance and related programs through research, public education, training and the open exchange of ideas.

See more at www.nasi.org.

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

President’s Advisory Council on Financial Capability for Young Americans . . . . . . . Mar. 3
California Council for Student Studies . . . . . . . Mar. 6-8
Radio Television Digital News Association (RTDNA) First Amendment Awards . . . . . . . Mar. 11
Consumer Federation of America
Consumer Assembly . . . . . . . . . . . . . . Mar. 12-13
National Center for Family Literacy . . . . . . . Mar. 15-18
Student Affairs Administrators in Higher Education (NASPA) . . . . . . . . . . . . . Mar. 22-24
Habitat for Humanity Affiliate Conference . . . . . . . Mar. 22-27
Aging in America Conference (American Society on Aging) . . . . . . . . . . . . . Mar. 24-27
New England Educational Opportunity Association . . . . . . . . . . . . . Mar. 31-Apr. 2
National Business Education Association (NBEA) . . . . . . . . . . . . . Mar. 31-Apr. 4
Asset Funders Network Conference . . . . . . . Apr. 7-9
National Association of Broadcasters Show . . . . . . . . . . . . . Apr. 11-16
Western Association of Student Financial Aid Administrators (WASFAA) . . . . . . . Apr. 12-14
American Savings Education Council Partners Meeting . . . . . . . . . . . . . Apr. 15
National Council for Teachers of Mathematics (NCTM) . . . . . . . . . . . . . Apr. 15-18
American Association of Community Colleges (AACC) Annual Conference . . . . . . . Apr. 18-21
Commission on Adult Basic Education . . . . . . . Apr. 21-24
Jump$tart National Meeting . . . . . . . . . . . . . Apr. 22-23
Society of American Business Editors and Writers (SABEW) Spring Conference . . . . . . . Apr. 23-25
Financial Literacy Day on Capitol Hill . . . . . . . Apr. 24
Association for Equality and Excellence in Education (AEEE) . . . . . . . . . . . . . May 3-6
Colorado Conference on Poverty . . . . . . . . . May 12-14
Eastern Association of Student Financial Aid Administrators (EASFAA) . . . . . . . May 19-22

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