

Nefe Digest

September/October 2016



LAND OF CONFUSION

If you are reading this, you probably already know something about financial prioritization. But put yourself in the shoes of the average American consumer: You are inundated with headlines, commercials, ads and social media posts telling you what you “should” and “must” do to get your finances in order. You are chastised for not saving, warned that you are underfunding your retirement and blamed for not teaching your children about money. It’s enough to leave anyone feeling overwhelmed and paralyzed. Where do you begin to unpack this mental burden?

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NATIONAL ENDOWMENT FOR
FINANCIAL EDUCATION

NEFE EDITORIAL

FINANCIAL STACKING: A MODERN AMERICAN BURDEN

Brent Neiser, CFP®, NEFE Senior Director of Strategic Programs and Alliances



Brent Neiser

September 20 at 4:30 pm

Hey friends! Use this great recipe for unpacking your financial stack!

Americans have a weight problem (no, not *that* weight problem). It is the ever-growing stack of financial to-dos cluttering their minds, triggering their emotions, battling for their attention and eroding their sense of well-being.

Myriad choices, opportunities and expectations generated by the financial services industry, media, advertisements, experts, employers — and even family and friends — create an amassment of jumbled priorities that often leads to inaction, frustration and despair.

At the same time, the way we manage our financial lives has shifted away from paper to the cloud. This transition to a more virtual world has made it harder to get our heads around the various obligations and opportunities we face, especially when information is flowing at us from all directions, both online and in real life.

Without a process to externalize these choices, the constant noise (the flood of emails, the pressure to buy

this product, open this account, add to that account, etc.), stack up in a person's mind, potentially heaping on stress, adding mental weight and causing paralysis. This is the person's "financial stack."

It is a vicious cycle, because the more we let the stack build, the more that emotional burden fuels regret over missed opportunities, disappointment over misplaced confidence, and lack of motivation. Just as in the paper days, if we don't make intentional time to sort, purge and organize our mental financial stack, we easily can be overwhelmed.

Now, more than ever, consumers need to learn how to tune out the noise and analyze, assess and prioritize their financial choices in order to set a realistic road map to their goals. Not only will the financial weight drop off, but financial muscle memory will develop to improve well-being and efficiency. The stack may never vanish completely, but it certainly can be managed.



Unpack That Stack!

Are you overwhelmed by your financial stack? Be connected with qualified financial unpackers in your area and purge your piles to lose the weight fast (and keep it off)!

Sign Up

1,254,698 views



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Becca shared the **Hyperbole and a Half** meme

September 20 at 4:32 pm



89,584,254 views





Jeannette

September 20 at 4:33 pm

Sometimes you can be managing your financial stack just fine until a crisis such as a job loss or illness forces you to start over.

Common disruptors include:

- Divorce
- Death of a loved one
- Caregiving (children, elderly parents)
- Long-term illness or disability
- Loss of job or benefits
- Military deployment
- Unexpected income shocks
- Property damage (natural disaster, accident)
- Fraud and scams



Cara

September 20 at 4:35 pm

Feeling a little “overstacked” at the moment ...

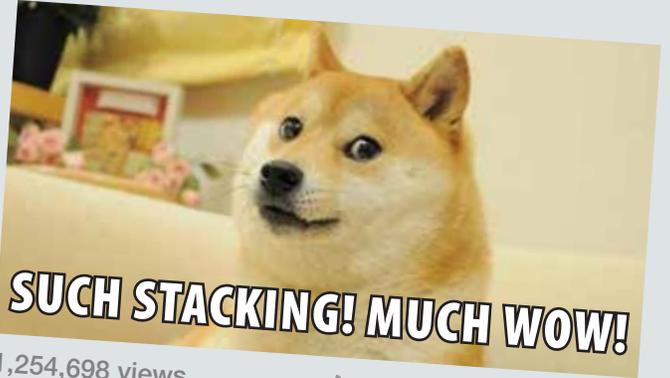
Financial Stack: A Definition

Your financial stack is made up of whatever financial issues take up your mental space. These can be immediate challenges such as paying monthly bills, or worry about the future — for example, fear that you haven’t saved enough for retirement. Not everything in the financial stack is negative. Even financial opportunities can add weight if you don’t feel empowered or prepared to take advantage of them.



Pat shared the **Doge meme**

September 20 at 4:34 pm



1,254,698 views



Kids Launch Money-Finding Mission Into Couch Cushions

CHICAGO—Harley and Kayla Brown announced today that they will delve deep into the unexplored crevices of the family room sofa in search of supplemental income. When asked what they will purchase with any found money, elder sister Harley replied, “Probably candy.”



Chelsea shared the **Philosoraptor meme**

September 20 at 4:36 pm



89,584,254 views



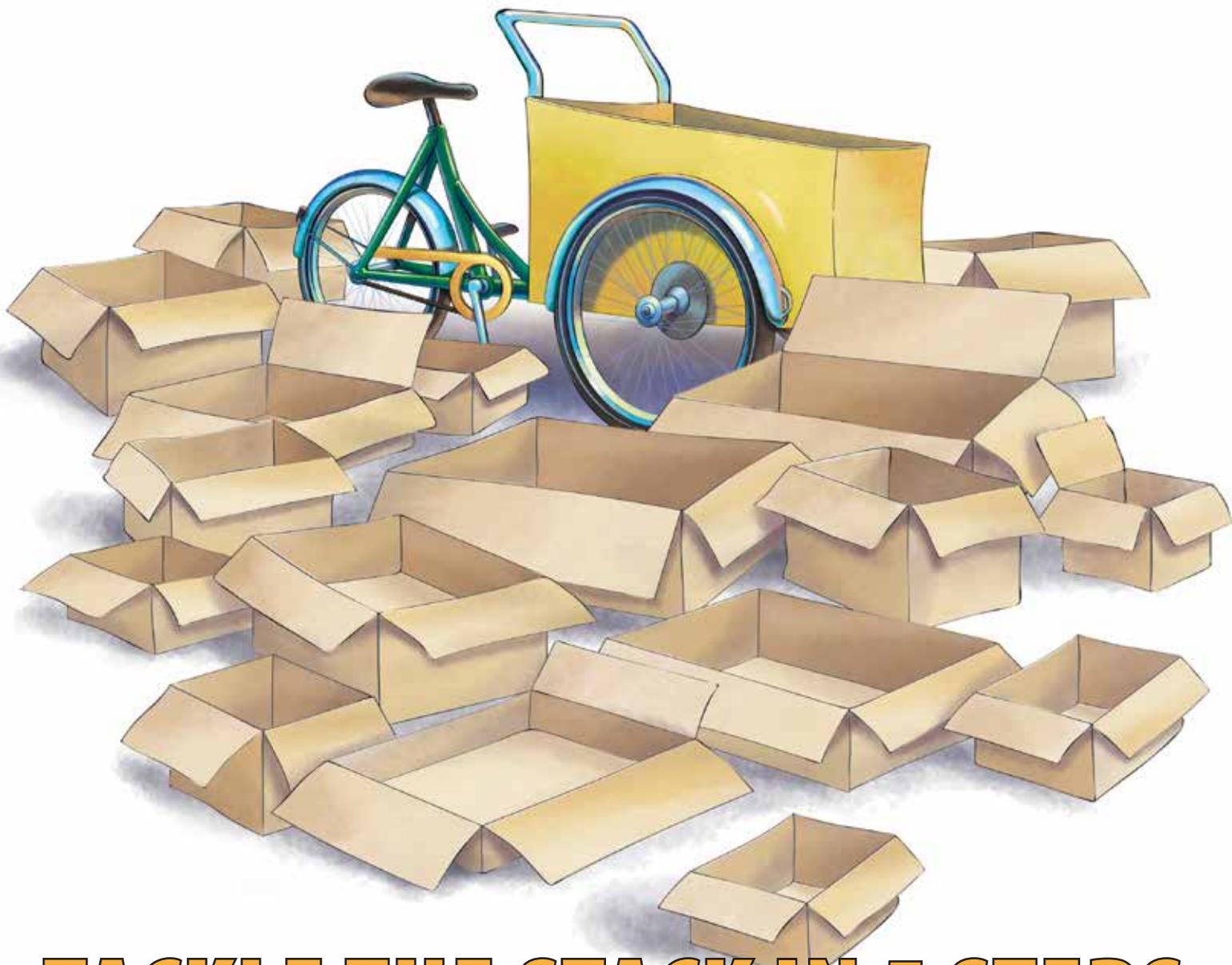
Raven shared the **Sophisticated Cat meme**

September 20 at 4:37 pm



20,258 views





TACKLE THE STACK IN 5 STEPS

Seldom are consumers guided to slow down decision making, or taught how to align their life situation and financial goals with appropriate products and services. Financial planners and coaches can help, but in this era of individual responsibility and information overload, consumers need to develop their own mechanisms for managing their financial stacks and discerning which information is worthy of their attention.

Financial education, especially targeted to goals and decisions that the consumer feels pressured to make right now, can help relieve the burden. Consumers can lighten their financial stacks by seeking out educational opportunities — whether it is taking a class or workshop, reading books or blogs, or exploring trustworthy online resources.

The financial capability field can help by letting consumers know that they are not alone in feeling overwhelmed. Their financial stacks can get lighter and more manageable through focus, prioritization and discernment.

As we manage our financial stacks, the weight of excessive choice and decision lifts. The future seems clearer. Situational awareness grows. Recalibrating and, most importantly, learning and honing financial judgment through experience provides direction and lessens financial fatigue. ▀

Brent Neiser tackles financial stacks as a CFP®, member of the National Academy of Social Insurance, and with NEFE in public policy, strategic intelligence, collaborative partnerships/alliances and outreach.

Step 1: Weigh and Thin

Determine what is in your current financial stack. Make a list of the financial problems you are trying to solve and the opportunities that will help you address them. Take inventory of your current financial engagements. Gather data on your income, assets, expenses and debts.

Tip

You could make your financial stack more tactile by writing out your current financial challenges and goals on color-coded notecards to get these issues out of your head and into a more manageable model.

Step 2: Sort and Sequence

Start to prioritize the items in your financial stack. Which items could you easily take action on now? Are there any areas where you are especially vulnerable or imbalanced? Where could you focus your attention to have the most positive impact? What is your biggest financial gap or potential missed opportunity?

Tip

Most people will focus first on basics such as reducing spending, paying down debt and building up savings. List the implications and contingencies of taking action (or not) on each item in your stack.

Step 3: Choose and Let Go

Once you choose where to begin in your financial stack, give yourself permission to set aside the other things for the time being. Choose what to focus on first, and then let go of everything else. The financial stack causes so much worry and strain because we feel that we need to take action on all fronts all at once, which just isn't reasonable.

Tip

Differentiate between short-term and long-term risks. If you are worried about missing a car payment (and potentially losing your car) and also worried about the long-term risk of not having enough saved for retirement, you probably want to focus on the immediate risk and put the long-term risk on the shelf for the moment.

Step 4: Fund and Act

Often financial problems feel insurmountable because we want them to be fixed right away, but that's just not how it works most of the time. Set meaningful, reasonable and attainable goals, then take small actions toward those goals on a regular basis.

Tip

Even small actions can relieve stress and help your financial stack feel more manageable. In the beginning, your action items might simply be to research opportunities. For example, your first step toward increasing your income might be to research tax credits you are missing out on or ask about skills training at your current employer. Share your goals with a friend to help hold you accountable.

Step 5: Learn and Repeat

Once you make progress on one item in your financial stack, focus on the next financial goal or challenge. Resolve to further educate yourself on a topic that will get you closer to your goals. Seek out a workshop or online course; make an appointment to talk to an unbiased expert.

Tip

Throughout this process, take notes on what works for you and don't feel that you need to fully resolve an issue in your financial stack before moving on. The important thing is to take enough action on a specific item to reduce your stress for the time being and then to continuously review your priorities. Don't forget to celebrate when you reach your milestones.

News and Views from the National Endowment for Financial Education

Get Smart About Money With the New SAM

In July, Smart About Money (SmartAboutMoney.org) launched a redesigned website, making it mobile responsive for better viewing on smartphones and tablets and adding free online financial education coursework. In addition to articles, calculators and worksheets, the new SAM features:

- Three in-depth learning modules: Emergency Fund Plan, Housing Plan and Transportation Plan. These self-selected, self-paced courses help users make empowered decisions to improve their financial lives.
- Five Money Basics courses form the foundation for fundamental personal finance concepts, including Credit/Debt, Employment, Insurance, Investing and Spending/Saving.
- A new section called Common Money Questions gives guidance on some common scenarios, including what to do in times of transition and crisis. 📌

Check out the new site at www.smartaboutmoney.org and look for more courses to be added in 2016-2017. 🖱️

SAM Financial Courses



SAM Money Basics Courses



NEFE Sponsors Cherry Blossom Financial Literacy Institute



Presenters at the 2016 Cherry Blossom Financial Literacy Institute

NEFE sponsored the second annual Cherry Blossom Financial Literacy Institute at George Washington University's Global Financial Literacy Excellence Center (GFLEC) on April 15. "We are especially attracted to initiatives that advance dialogue and collaboration among top financial literacy researchers" says Billy Hensley, Ph.D., NEFE's senior director of education. "We make our field stronger by supporting

"We make our field stronger by supporting opportunities to share ideas."

— Billy Hensley, Ph.D.

opportunities to share ideas." Thirteen presentations and abstracts — selected from more than 100 submissions — anchored the Institute, which drew participants from across the United States and around the world and featured a keynote address by former Italian Minister of Labor Elsa Fornero. 📌

To read the papers, visit www.gflec.org. 🖱️

News and Views from the National Endowment for Financial Education (continued)



Tina Martin, WGBH Boston



Jillian Berman, MarketWatch New York



Chris Vanderveen, KUSA Denver



Courtney Collins, KERA Dallas

NEFE Presents Annual Financial Reporting Awards

NEFE, through its partnership with the Radio Television Digital News Association (RTDNA), announces the winners of the fifth annual RTDNA-NEFE Excellence in Personal Finance Reporting Awards. The awards recognize outstanding journalistic achievement among radio, TV and digital platforms that help consumers navigate financial challenges.

In the television category, Chris Vanderveen of NBC affiliate KUSA in Denver took home the award for his series “BuyER Beware,” an exposé on the high cost of freestanding emergency rooms in Colorado. Tina Martin of WGBH public radio in Boston won for her story titled “Debt Collectors Have Rules Too,” explaining what consumers can do if they feel harassed by debt collectors. In the digital/online category, Jillian Berman of MarketWatch won for her series about the

impacts of a three-decade-long struggle with student loan debt.

Winners of the RTDNA-NEFE award receive a \$1,000 cash prize and a trip to this year’s Excellence in Journalism conference in New Orleans, where they will share their award-winning entries.

In June, NEFE and the Public Radio News Directors Inc. (PRNDI) recognized Courtney Collins of KERA in Dallas with the public radio Excellence in Personal Finance Reporting Award at the PRNDI conference in St. Louis. Collins and her team won for “One Crisis Away at the Holidays: A Tale of Two Shoppers Making Tough Decisions at the Register,” which follows two individuals with different strategies to stay within budget despite the stress of holiday gift-giving. 📺

New Workshops Encourage Retirement Paycheck Preparation

Serving Americans with modest or no retirement savings, Financial Workshop Kits (FinancialWorkshopKits.org) launched eight new workshops, the Retirement Series, in July.

“Most people do not have \$1 million dollar nest eggs,” says Brent Neiser, CFP®, senior director of strategic programs and alliances at NEFE, “but they can construct a livable retirement paycheck from their own resources with guidance from these new workshops.”

Based on NEFE’s consumer website MyRetirementPaycheck.org, these workshops explore eight decision areas that work together to produce or reduce an individual’s retirement income: Debt, Fraud, Home and Mortgage, Insurance, Retirement Plans, Savings and Investments, Social Security, and Work.

“Financial educators can run these workshops straight out of the box, or choose and adapt any of the slides, scripts and worksheets to suit their learners,” says Neiser. “And because there is no one ‘right way’ to build a stream of retirement income, we can encourage people to personalize what they learn so it works best for them.”

Familiarize yourself with the new Retirement Series workshops at www.financialworkshopkits.org/retirement-series. 📺



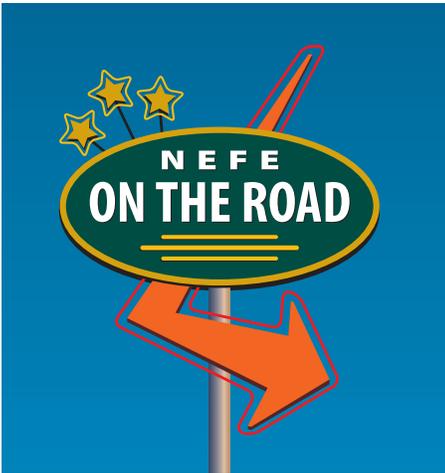


HOLIDAY CLOSING

NEFE will be closed September 5 for Labor Day.



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

Council for Opportunity in Education (COE) Conference	Aug. 31-Sept. 3	San Diego
National Conference on Financial Resiliency and Mobility	Sept. 7-8	Kansas City, Mo.
Consumer Financial Protection Bureau (CFPB) Financial Education Exchange (FinEx) Conference	Sept. 8	Washington, D.C.
National Extension Association of Family and Consumer Sciences (NEAFCS) Conference.	Sept. 12-16	Big Sky, Mont.
Financial Planning Association (FPA) Annual Conference	Sept. 14-16	Baltimore
Online News Association Conference	Sept. 15-17	Denver
Excellence in Journalism Conference	Sept. 18-20	New Orleans
Financial Bloggers (FinCon) Conference	Sept. 21-24	San Diego
Assets Learning Conference	Sept. 28-30	Washington, D.C.
NEFE-SABEW Personal Finance Reporting Workshop and Conference.	Oct. 6-7	New York
Council for Economic Education (CEE) Conference.	Oct. 6-8	Phoenix
Hispanic Association of Colleges and Universities (HACU) Conference.	Oct. 8-10	San Antonio
Radio Television Digital News Association Murrow Awards	Oct. 10	New York
CFA Institute Americas Regional Meeting	Oct. 13-15	Miami
Financial Beginnings Financial Literacy Conference	Oct. 14-15	Salem, Ore.
National Center for Family Literacy Conference.	Oct. 16-19	Detroit
Society for Financial Education and Professional Development (SFE&PD) Annual Conference	Oct. 17-18	Atlanta
Colorado Nonprofit Association Fall Conference	Oct. 20-21	Denver
Colorado Association of Libraries	Oct. 20-22	Loveland, Colo.
Public Relations Society of America (PRSA) International Conference	Oct. 23-25	Indianapolis
Federal Deposit Insurance Corporation (FDIC) Consumer Research Symposium	Oct. 27-28	Arlington, Va.

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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.

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All questions regarding *NEFE Digest* may be addressed to the Marketing and Communications department. Editor: Cara Hopkins. NEFE is open Monday through Friday, from 8:30 a.m. to 5 p.m. Mountain Time. The main telephone number is 303-741-6333; the fax number is 303-220-0838.