American's largest, most diverse and most educated generation is challenging traditional milestones (such as marriage) and shifting cultural norms around work, transportation, travel, technology and entertainment.

Millennials are highly financially engaged; however, two-thirds of them hold at least one form of long-term debt that threatens to slow their launch into financial independence.

All that education came at a cost and, unfortunately for most Millennials, did not include any training on how to make the complex personal finance decisions facing them now and in the future.
The “SPECIAL” Generation

Shifting Responsibilities

Millennials are going to need that confidence to tackle the myriad financial challenges they face. Where their parents entered adulthood with hardly any debt, or with “good” debts such as home mortgages that quickly became assets, many Millennials now take their first steps into independence already saddled with huge amounts of student loan debt, which only becomes an asset if it can be turned into a profitable career. Faced with a big debt management problem from the get-go, Millennials also now must handle their own retirement planning and health care costs, benefits that traditionally were covered by employers. Finally, record-high living costs in many American cities and slow wage growth mean that many in this generation struggle just to make ends meet, let alone pay down debt and save for the future.

Who are Millennials?

- Largest, most diverse generation in U.S. history
- 70-80 million individuals born between the late 1970s and the mid-1990s
- 13 percent have at least one immigrant parent
- Nearly 40 percent have a college degree

(And Risks...)*

- 41 percent think financial professionals are too expensive for them, and 15 percent think it is hard to find the right financial professional for their situation.

The Financial Knowledge Gap

What Millennials think they know …
- 74 percent agreed with the statement, “I am good at dealing with day-to-day financial matters, such as checking accounts, credit and debit cards, and tracking expenses.”
- Nearly 70 percent rated themselves as having high financial knowledge (and 75 percent of men ranked themselves as “highly knowledgeable”).
- 21 percent reported that they are “very satisfied” with their current financial situation.

What Millennials actually know …
- Out of five financial literacy questions, only 8 percent answered all questions correctly.
- Only 24 percent answered 3 out of 5 questions correctly, indicating basic financial literacy.
- Only 37 percent of college-educated respondents correctly answered the most basic financial literacy questions.

The Financial Education and Help Gap

- Only 22 percent of Millennials (and 29 percent of those with college degrees) have ever received financial education from an educational institution or workplace.
- 41 percent sought at least one form of financial advice in the past five years.
- Those with higher financial literacy tend to trust financial professionals more than those who are less financially literate (46 percent vs. 39 percent).
- 60 percent think financial professionals are too expensive for them, and 15 percent think it is hard to find the right financial professional for their situation.

Where prior generations were preferably seen and not heard, Millennials grew up in an era that placed unprecedented value on children. Their parents prioritized personal development and self-esteem, leading many in this generation to possess buoyant optimism and supreme confidence in their own abilities. This means that Millennials have loftier dreams — and the potential for steeper disappointments — than their predecessors.
There is no shortage of information online about every topic from credit cards and mortgages to car loans and debt management — however, the quality and legitimacy of the information is not always clear — especially if the person seeking it does not have the financial knowledge to separate the facts from the sales pitch.

Some “financial education” is not educational at all, and amounts to little more than a checkbox for regulatory compliance by resource-strapped agencies or predatory entities. Meanwhile other well-intentioned programs fail to meet the learners where they are, and end up seeming out of touch, irrelevant or, worst of all, a waste of time.

### SCHOOL

**NEFE Resource:** Check out the High School Financial Planning Program® (www.hsfpp.org) for classroom curriculum and CashCourse® (www.cashcourse.org) for self-guided resources aimed at community college and four-year college students.

### INTERNET

**NEFE Resource:** Find useful information and resources for all stages of life on NEFE’s general consumer websites: On Your Own (www.onyourown.org), Smart About Money (www.smartaboutmoney.org) and My Retirement Paycheck (www.myretirementpaycheck.org).

### WORK

**NEFE Resource:** Smart About Money (SAM) will begin offering free online courses that employers can share with employees who want to learn about personal finance basics. Visit www.smartaboutmoney.org this summer for the latest.

### HOME

**NEFE Resource:** NEFE has two research-based quizzes to jumpstart the conversation about money: the Financial Identity Quiz and the LifeValues Quiz. Visit both at www.smartaboutmoney.org.

### COMMUNITY

**NEFE Resource:** Visit Financial Workshop Kits (www.financialworkshopkits.org) for turnkey workshops on money topics, and create a pre- and post-workshop evaluation with NEFE’s Evaluation Toolkit (Toolkit.nefe.org).
Financial education in schools only is effective if presented by teachers who have been properly trained, not just in pedagogy, but in personal finance itself.

Well-meaning supporters of school-based financial education often don’t incorporate teacher training requirements, and in fact, just assume that any teacher required to teach personal finance will be good at it.

However, more than 80 percent of teachers don’t feel confident in teaching personal finance, according to a 2009 NEFE-funded University of Wisconsin study. The best way to build teacher confidence, the study found, is with proper training into how to teach personal finance.

Champlain College’s Center for Financial Literacy and NEFE just completed a two-year study with 817 Vermont high school students and teachers with 45 hours of graduate-level financial literacy training to see if training teachers makes a difference in student learning outcomes — and it does.

Students taught by the well-trained teachers improved by 17 percent in financial capability knowledge and behavior, while control group students (who received no instruction) dropped by 2 percent in the same measures.

Pilot group students also showed “high financial literacy” on par with Generation Xers (ages 35-49), outperforming the control group students and older Millennials (ages 18-34) in the population at large.

So, not only did the students of trained teachers outperform their peers, but they reached the same level of financial literacy as many in their parents’ generation.

Although most states currently lack guidelines or certifications for who can teach personal finance, Billy Hensley, Ph.D., NEFE’s senior director of education, says, “Given the outstanding results of pilot teacher training programs such as the one in Vermont, such guidelines are within our reach.”

1 **Well-Trained Educator.** The educator needs to be confident, competent and knowledgeable in the content and technology.

2 **Vetted/Evaluated Program Materials.** The content should be created with the consultation of field experts and tested for the audience.

3 **Timely Instruction.** Program goals, instructional tools and topics should link to decisions that learners are readily able to make.

4 **Relevant Subject Matter.** The topics, examples and content need to be relatable to learners’ lives.

5 **Evidence of Impact (Evaluation).** Program providers should be able to show evidence of where they are having impact on behavior, knowledge and/or confidence, where students are engaged and where improvements need to be made.

The Financial Identity Quiz is a research-based tool intended for teens and young adults (approximately ages 16-24) to determine where they are on their path to financial independence. It also can be a great conversation starter for parents to begin transferring financial responsibilities.
Two new members join NEFE’s Board of Trustees: Kevin Plummer, head of school at Tampa Preparatory School in Tampa, Fla., and Greg Maged, co-founder and CEO of Maryland-based Bicycle Financial. Each will serve an initial three-year term on the 13-member board.

The board also welcomes a new chair, Michael Bedke, partner at Tampa-based DLA Piper Law, and a new vice chair, Mary “Merrell” Bailey, managing partner of Your Caring Law Firm in Maitland, Fla.

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.

Plummer grew up in Denver and attended high school at Colorado Academy before graduating from Colby College, where he was named a Lacrosse All-American. He received the prestigious Klingenstein Fellowship at the Teachers College of Columbia University, where he earned a Master of Education Administration in 1999.

As the only independent school in Tampa that is not faith-based, Tampa Prep has a diverse student body, including strong ties to nearby MacDill Military Base. In the eight years that Plummer has been head of school, Tampa Prep became an iPad one-to-one school, earning it the Apple Distinguished School designation. Most importantly, Plummer says his school encourages every student not only to achieve academically, but personally.

With his appointment to the NEFE Board, Plummer is excited to add financial capability to his student body’s skill set.

“Mean does not work in our school at all. Kindness allows our kids to have all sorts of diversity among themselves and they appreciate one another for their humanity, while celebrating themselves for their skills and passion,” Plummer says.

Greg Maged earned his bachelor’s degree from Stanford University and an MBA from The Wharton School. His earlier career included positions in Japan, Houston and San Francisco, where Maged was an executive with Charles Schwab.

Inspired to make finance more accessible, Maged co-founded his own company, Bicycle Financial, in 2012. Maged now lives outside Washington, D.C. with his wife, financial literacy advocate and author Sharon Kedar.

In his own company and his work with NEFE, Maged says he hopes to help demystify personal finance, with compassion for the emotional baggage often attached to financial issues.

In his former client-facing role at Charles Schwab, Maged says he saw “how profoundly people were lost” in managing their own finances, which drove home the need to educate about basic concepts such as compound interest. “It’s amazing that young people have such an opportunity to save and grow their wealth, but they need to understand what to do to take advantage of it.”

NEFE President and CEO Ted Beck welcomes the new board members, saying that they each bring valuable insights.

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“Kevin’s experience as a high school educator, and Greg’s unique financial strategy skills will be important resources for NEFE at this point in our history.”

As board chair, Michael Bedke is excited about two forward-thinking initiatives for 2016:

First, current and former board members as well as current staff will form a task force to tackle the question, “What can and should NEFE be in 10 years?” — an initiative that will help inform and shape NEFE’s strategic vision to stay relevant in the coming decade.

Second, with a grant from the Florida Attorney General, NEFE will implement a pilot financial coaching project that will make a meaningful positive difference in the lives of the underserved community while gathering important data about effective coaching models.

With an ambitious agenda, new leadership and two passionate new board members, 2016 will be “an exciting year at NEFE,” Bedke says.