

Nefe Digest

September/October 2017

Can America Compete?

1 in 5 U.S. Teens Lacks Basic Personal Finance Skills



Results from the Program for International Student Assessment (PISA) show that one in five U.S. teenage students (22 percent) lacks basic financial literacy skills. Among 15 participating countries and economies, the United States ranks 7th in the evaluation of 15-year-olds' aptitude in understanding essential financial concepts, products and risks.

China ranked number one overall, followed by Belgium and Canada. Chile, Brazil and Peru ranked as the bottom three. The Russian Federation and Italy showed measurable gains in average scores, while Poland, the Slovak Republic, Australia and Spain showed measurable declines.

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NATIONAL ENDOWMENT FOR
FINANCIAL EDUCATION

Completely Average – Again

American Teens' PISA Financial Literacy Scores

U.S. high school students tested on financial literacy have made no appreciable gains in the three years since the previous study by the Program for International Student Assessment (PISA) in 2012.

The field heralded the first PISA study of 2012 as a benchmark for financial capability among the world's 15-year-olds. The study, coordinated by the Organization for Economic Cooperation and Development (OECD), evaluates the financial

literacy of teens from 15 countries. In 2012, the United States ranked near the world average, 9th out of 18 countries and economies.

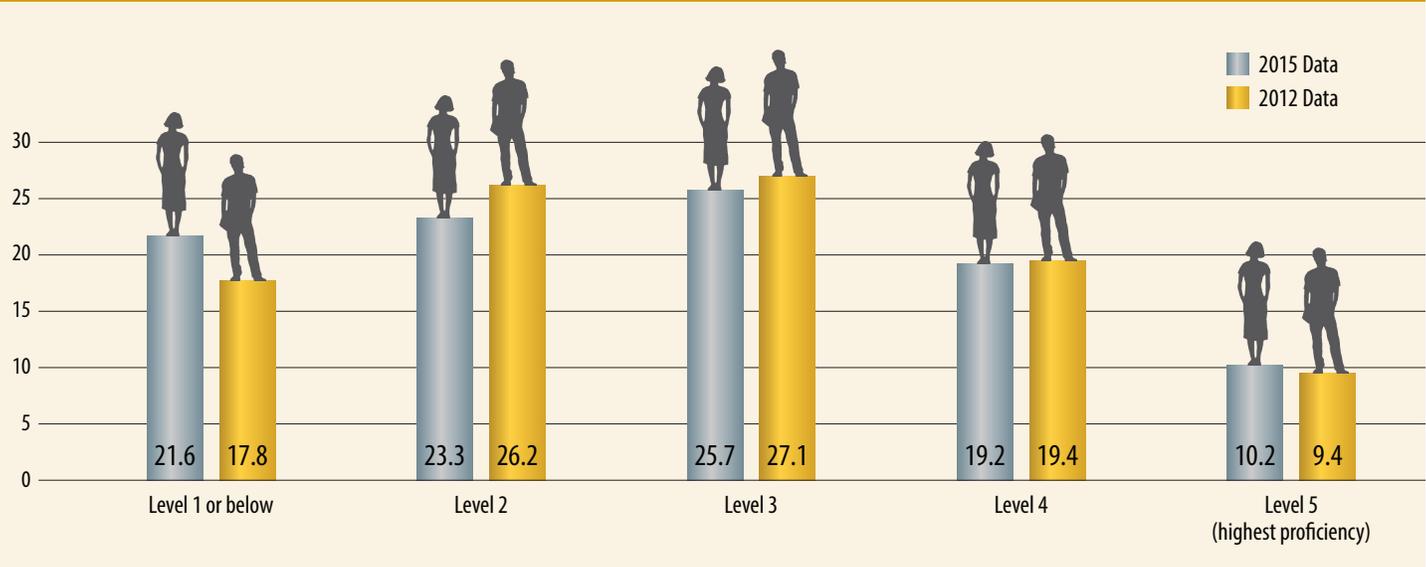
When the 2015 data was released this summer, financial educators hoped to see gains in American teens' performance, but they were disappointed. The U.S. again mirrored the OECD average, 7th out of 15 countries and economies. And, although slightly more students scored at the top in this study (10.2 vs. 9.4 percent in 2012), quite a few more scored at the bottom (21.6 vs. 17.8 percent in 2012).



U.S. PISA Scores 2012 and 2015 Compared

The latest PISA release finds only about one in 10 students in the U.S. achieved the highest proficiency level as a top performer, defined by the report as students who can look ahead to solve financial problems or make the kinds of financial decisions that will be relevant to them in the future. The average score among U.S. teens was not different than the OECD average.

U.S. PISA Scores 2012 to 2015 Compared by Percentage



“More and better training is available to build teachers’ confidence and expertise. But there is no question that there is significant work yet to be done.”

“These average results are concerning,” says NEFE CEO Ted Beck. “Looking only at the numbers, the United States has gone nowhere in three years. And the next PISA financial literacy study is coming up in 2018. Will we be able to show any progress then?”

“Of course, the financial education situation in the U.S. is more nuanced than these scores reflect,” Beck continues. “Numerous programs in high schools and colleges are doing an excellent job of teaching our young people good financial management skills. More and better training is available to build teachers’ confidence and expertise. But there is no question that there is significant work yet to be done.”

The PISA study also reports just 3 percent of U.S. students from lower-income schools were high performers compared to 45 percent of students from higher-income schools.

Among the lowest performers, 38 percent were from lower-income schools compared to 16 percent from higher-income schools.

One distinction is relatively easy to achieve. Among the U.S. students, 53 percent report that they have a bank account – and students with a bank account scored on average 42 points higher than students who do not have a bank account.

“Parents, get your child involved with a bank or credit union by having an account and learning to manage it during their teenage years,” says Beck. “We shouldn’t assume kids receive this education in schools. We need to step up and involve our children in regular, meaningful interactions with money.”

Programs meeting NEFE’s Five Factors for Effective Financial Education will have the most impact on learners, says Billy Hensley, Ph.D., senior director of education for NEFE. “Games and brochures definitely aren’t enough,” he says, “they can be used to supplement a robust curriculum but they can’t stand alone.”

About PISA

PISA is a triennial international survey which aims to evaluate education systems worldwide by testing the skills and knowledge of 15-year-old students in science, reading and mathematics. For the first time in 2012 it included an assessment of financial literacy, which was repeated in 2015. Approximately 53,000 students were assessed in financial literacy in 2015, representing about 12 million 15-year-olds in the schools of the 15 participating countries.

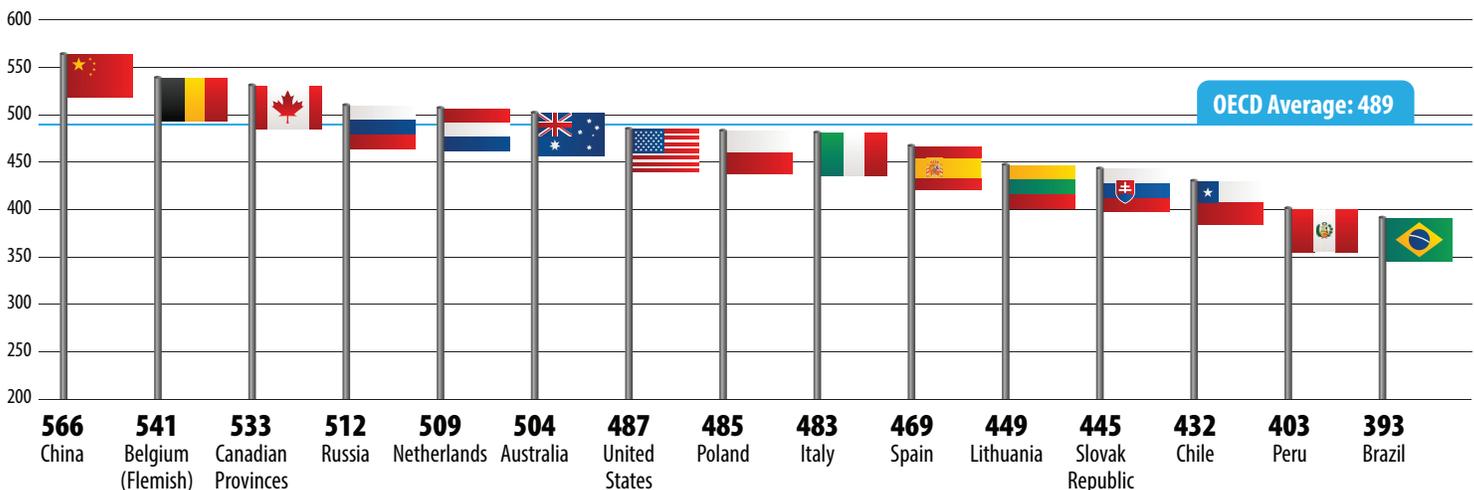
For more information about the study, visit <http://www.oecd.org/pisa/aboutpisa>.

NEFE’s Five Factors for Effective Financial Education

- 1 A well-trained educator or e-learning protocol
- 2 Vetted and evaluated program materials
- 3 Timely instruction
- 4 Relevant subject matter
- 5 Ongoing evaluation and continuous improvement of program and materials

Mean Scores by Country 2015

Mean score in PISA 2015



Get Schooled: College Financial Education that

Q&A with 2017 CashCourse Educator of the Year



Paul Goebel,
Director of the
University of
North Texas (UNT)
Student Money
Management Center

In the summer of 2005, Paul Goebel had a chance encounter with his school's vice president of student affairs, which led to his appointment as assistant director of a new campus financial literacy program.

Twelve years later, Goebel still runs the program, which offers peer coaching, about 150 outreach events a year, and robust online personal finance resources, including NEFE's CashCourse.

NEFE: What are you most proud of in your work in financial education?

Paul Goebel: My greatest point of pride is our peer mentor program. I always envisioned the dynamic engagement we could realize having students serving as peer mentors on our team. It just took us longer to see our dreams turn into realities.

With the funding support of a foundation grant, we were able to pilot a peer mentor program in the fall of 2008. Since that time we have welcomed an incredible cadre of mentors from a variety of degree programs and backgrounds. Our peer mentors bring such creativity and responsibility to their work. They have far exceeded any expectations that I may have had on what I thought peers could accomplish. Our students can walk into any classroom and make an immediate connection with other students. Seeing that immediate connection is inspirational.

I'm also incredibly proud that today all of our marketing materials and social media posts are created by our peer mentors and graduate assistant. Having marketing materials that are both student-centered and student-designed is incredibly rewarding.

NEFE: Do you have any advice for other schools implementing financial education?

PG: When it comes to program development, I live by one mantra: Don't reinvent the wheel when you can steal the whole cart. There are some incredible best practices in financial literacy/wellness out there. Don't just respect them, steal them. Bring ideas and materials back to your school as you transition them into a dynamic and diverse program.

My other piece of advice is that one size does not fit all. All students do not learn by one common resource or medium. Any student programming needs to be diverse in message and means. Some students will learn by coming to a presentation, others will learn online, while other students need that one-on-one coaching opportunity. Finding the right combination of programming types and timing is the ongoing challenge and holy grail facing any student service on any campus: How do we connect with all students?

“Being the leader of my campus’s financial literacy programming and team has been one of the most rewarding experiences in my life. To see hope return to the faces of students who thought their financial situations were hopeless is unbelievably rewarding. Even after nearly 12 years, being able to say that I truly love my job is priceless.”

Really Works

Remember to engage students not only as customers, but also as partners. Students can provide great insights as members of a steering or advisory committee. Students can provide greater support as mentors and student employees. I truly believe that more than half of the staffing of any campus-based student services office should be represented by student workers.

Don't forget that a good portion of your time will be spent in marketing and promoting your programs. Financial literacy/wellness programming is still a relatively new concept throughout higher education. You will be competing with all of the opportunities students have on your college campus for their free time outside of the classroom. Find ways to promote your programs and services to students. Use every means of communication channel available. Let students create your marketing materials to cut through the clutter of messaging from other on-campus departments. Be patient and persistent.

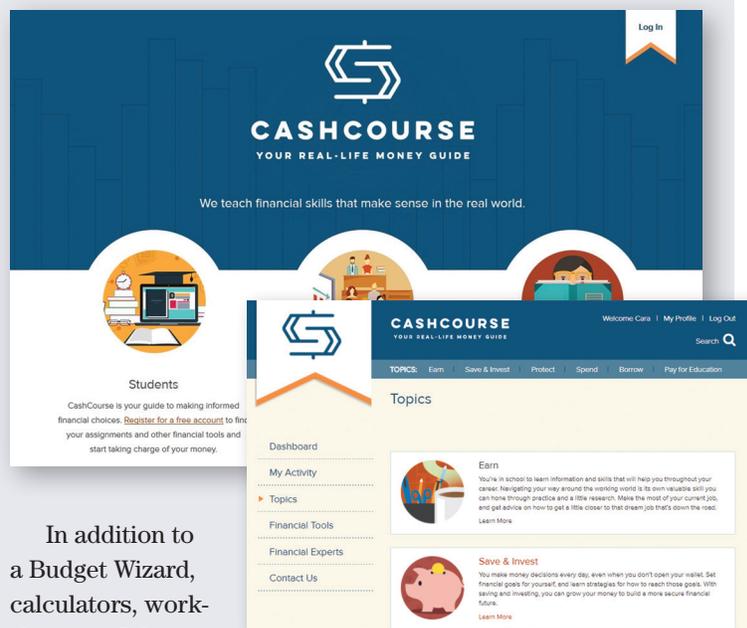
Paul's Three Essentials for a Successful Program

- 1 Senior administration advocacy and buy-in.** I was very fortunate to have support from my first day on campus through our then Vice President of Student Affairs, Dr. Bonita Jacobs. Without her support and vision, our center would not have succeeded.
- 2 Teamwork.** UNT prides itself on being a student-centered campus. As such I have made a commitment that under my leadership more than half of our team will always be represented by students. I cannot stress enough the incredible creativity, energy and innovation that our student team members bring to our services, programs and events.
- 3 Collaboration.** If you are the only person on your campus advocating for your program, I doubt you will be employed for long. It truly takes an entire campus to sustain any type of new programming, especially one that cuts across institutional org charts, divisions and silos. From our first semester we reached out to form collaborations with other departments. We have more than 70 different partnerships this academic year alone with both on-campus departments and off-campus partners. Through this spirit of collaboration we have been able to enhance and expand our services to better serve students.

For more success stories, program information and helpful tips, sign up for the monthly CashCourse e-newsletter at www.CashCourse.org.

CashCourse Launches Redesigned Website

CashCourse® (www.cashcourse.org) is a free online resource that helps young people track spending, create budgets and, most importantly, understand how their current decisions will affect their future financial well-being.



In addition to a Budget Wizard, calculators, worksheets and the Financial Experts Wall, where students can get answers to their real-world financial questions, CashCourse has articles on everything from repaying student loans and living with roommates to choosing a career and making sense of workplace benefits.

About CashCourse

Launched in 2007 by the National Endowment for Financial Education® (NEFE®), CashCourse is nonprofit and noncommercial — the program never charges for resources. The sole purpose of CashCourse is to give young adults the information they need to make informed, thoughtful and beneficial financial decisions aligned with their values.

CashCourse is used in more than 1,000 schools — including small private colleges, large public universities, and both two-year and four-year programs — in all 50 states. About 40 percent of CashCourse schools are community colleges.

Many schools use CashCourse in freshman orientation sessions to help new students think about how they will manage their money during their college years.

Sharing CashCourse

CashCourse's program director, Amy Marty Conrad, says the best time to introduce your young adult to CashCourse is

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NEFE Presents Annual Financial Reporting Awards

NEFE, in partnership with the Radio Television Digital News Association (RTDNA), proudly announces the winners of the 2017 RTDNA/NEFE Excellence in Personal Finance Reporting Awards. As part of the two organizations' ongoing efforts to encourage radio, television and online news outlets to report on personal finance issues, winners from three newsrooms have been chosen for their outstanding work.



Radio:

Leoneda Inge,
WUNC Public Radio, Chapel Hill, N.C.
Black Bank Movement, Fad or Here to Stay

Inge is WUNC's race and southern culture reporter. She is the first public radio journalist in the South to hold such a position, which explores modern and historical constructs to tell stories of poverty and wealth, health and food culture, education and racial identity. Her winning entry looked at the phenomenon of black-owned financial institutions and their recent growth.



Television:

Michelle Mortensen and Sarita Kichok,
KLAS-TV, Las Vegas, Nev.

On Your Side: Saving You Time & Money

Mortensen and Kichok focus on consumer news. Each week, they help viewers solve problems, get their money back when they've been ripped off, and warn about the biggest scams in the area. Their winning entry included examples of their work over the past year. This is the second RTDNA/NEFE award for Mortensen and Kichok.



Digital/Online:

Richard Eisenberg,
PBS Next Avenue

Sorry, Nobody Wants Your Parents' Stuff

Eisenberg is senior web editor of the Money & Security and Work & Purpose channels of Next Avenue. He also is managing editor for the site. His winning entry focused on advice for boomers desperate to unload family heirlooms.

Each winner receives \$1,000 and will co-present a session at Excellence in Journalism 2017, the national convention of RTDNA, the Society of Professional Journalists and the National Association of Hispanic Journalists, September 7-9, in Anaheim, Calif.

For a list of previous winners and more about the RTDNA/NEFE Excellence in Personal Finance Reporting Award, visit www.rtdna.org/content/nefe_award.

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The annual SABEW/NEFE Personal Finance Reporting Workshop in New York City offers insight into the most relevant personal finance trends and secrets of the industry. Journalists come away from this collaborative setting with innovative story ideas, an understanding of research initiatives in behavioral finance, an assessment of the future of personal finance, and new industry connections.

2017 Program Highlights

- Trump's Economic Agenda and the Impact on Personal Finance
- Effective Reporting on Consumer Health Care Issues
- Income Shocks: The New Barrier Impacting Retirement Savings

For more information, visit sabewnefenyc17.sched.com.



NEFE Presents Annual Financial Reporting Awards, continued from page 6

Oregon Reporter Wins Public Media Award

In June, NEFE and the Public Radio News Directors Inc. (PRNDI) awarded **Brian Bull** from KLCC public radio in Eugene, Oregon, the 2017 PRNDI/NEFE Excellence in Consumer Financial Reporting Award.



Bull's entry, *Robust Eugene-Springfield Housing Market Subject to Potential Downturns*, showcases

a couple moving from the rural East Coast to Oregon and the tough financial decisions they faced while trying to buy a home in a more expensive housing market.

"There are many new and young first-time homebuyers that are drawn to the Eugene-Springfield region, who are confronted with steadily climbing prices that may push their financial comfort level to new bounds," says Bull. "Some may put off such purchases, causing economic outcomes that may affect their financial standing and that of their communities. Others are priced out of their preferred region altogether, taking their families to parts beyond the Eugene area that are not as familiar but more affordable."

This award marks the third year that the Public Radio News Directors Inc. (PRNDI) has partnered with the National Endowment for Financial Education (NEFE) to highlight consumer financial journalism produced in public media.

For more information, visit www.prndi.org.

Neiser Appointed to Federal Advisory Post

In July, the Consumer Financial Protection Bureau (CFPB) appointed NEFE Senior Director of Strategic Programs and Alliances **Brent A. Neiser, CFP®**, to its Consumer Advisory Board as one of six new consumer experts from outside the federal government.



The Consumer Advisory Board is a crowdsourced group of experts on consumer protection, financial products and services, community development, fair lending, civil rights, underserved populations, and communities significantly impacted by higher-priced mortgage loans.

Neiser will work alongside academics, practitioners, entrepreneurs, financial technology (fintech) innovators, community advocates, financial services executives, and compliance professionals to explore and achieve positive

recommendations for the work of the CFPB. New members to the Consumer Advisory Board serve three-year terms.

"It is a great honor to help Americans with personal financial challenges and opportunities on a national scale. I look forward to working with a diverse group of national experts to advise CFPB leadership on consumer protection, housing, financial services, community development, and emerging issues and trends," Neiser says.

The board shares analysis and recommendations to help inform the CFPB about emerging practices and trends in the consumer finance industry. Board members are charged with identifying and assessing the impact of emerging products, practices and services on consumers and other market participants.

"As the NEFE professional who works on strategic intelligence and long-range planning, government affairs, partnerships, outreach, and research and development, Brent can leverage his financial planning knowledge and experiences in this national role," says NEFE President and CEO Ted Beck.

"It is exciting to be involved at this level. And like it says in the NEFE vision statement, I cannot wait to help Americans make informed, thoughtful and beneficial financial decisions that are aligned with their values so they can enjoy better, more secure, and more satisfying lives," Neiser says.

For more on the CFPB Consumer Advisory Board, visit www.consumerfinance.gov.



NEFE will be closed Sept. 4 for Labor Day.

CashCourse, continued from page 5

before he or she heads out for their next educational endeavor.

“You want to get started early — before school even starts, before the financial aid packet arrives,” says Conrad. “These are conversations that you want to have early and repeatedly in order to understand the money issues that your kids are dealing with and to help them make informed decisions.”

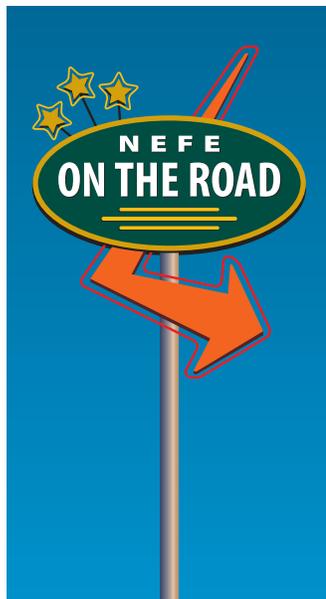
Anyone can sign up for CashCourse by going to www.cashcourse.org and selecting “Register Now” in the Student section of the home page. You or your young adult can select an account associated with a specific school or register without a school affiliation (just choose your state and “School Not Listed”).



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For more information on CashCourse and to create your own free account, go to www.cashcourse.org.

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



Radio Television Digital News Association (RTDNA) / Society of Professional Journalists / National Association of Hispanic Journalists: Excellence in Journalism Conference	Sept. 7-9	Anaheim, Calif.
National Federation of Community Development Credit Unions Annual Conference	Sept. 12-14	St. Louis
Council for Opportunity in Education (COE) Annual Conference	Sept. 13-16	Washington, D.C.
American Student Government Association National Summit	Sept. 28-Oct. 1	Washington, D.C.
Family and Consumer Sciences Education and Wisconsin Department of Public Instruction Child Care Conference	Sept. 29	Menomonie, Wisc.
Financial Planning Association Annual Conference	Oct. 2-4	Nashville, Tenn.
Society for Financial Education and Professional Development (SFE&PD) Annual Financial Literacy Leadership Conference	Oct. 2-3	Alexandria, Va.
Online News Association (ONA) Conference	Oct. 5-7	Washington, D.C.
Council for Economic Education (CEE) Financial Literacy and Economic Education Conference	Oct. 6-7	Brooklyn, N.Y.
Radio Television Digital News Association (RTDNA) Edward R. Murrow Awards Gala	Oct. 9	New York
Society of American Business Editors and Writers (SABEW) Fall Conference	Oct. 12-13	New York
National Extension Association of Family and Consumer Sciences (NEAFCS) Conference	Oct. 16-19	Omaha, Neb.
FDIC Advisory Committee on Economic Inclusion	Oct. 18	Washington, D.C.
Independent Sector Conference	Oct. 25-27	Detroit
FinCon Financial Bloggers' Conference	Oct. 25-28	Dallas
Colorado Nonprofit Association Fall Conference	Oct. 30-31	Denver

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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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