

Nefe Digest

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NEFE High School Financial Planning Program Marks New Record

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A Publication of



Whether it's learning to manage a paycheck, understanding the rules of credit cards, or trying to save money to pay for a college education, young people face a complex mix of financial issues. Since 1984, the National Endowment for Financial Education® (NEFE®) has helped literally millions of young people throughout the country become better equipped to understand the numerous aspects of their financial future through the NEFE High School Financial Planning Program® (HSFPP).

This year, the HSFPP—a free, comprehensive financial education curriculum that can be easily incorporated into high school classrooms—experienced its highest level of demand ever. For the 2004-05 school year, more than 612,755 HSFPP Student Guides were sent to 7,002 schools in all 50 states and the District of Columbia. This compares to approximately 547,746 guides sent to 6,746 schools last

year. In addition, the total number of students reached by the program surpassed four million.

John Parfrey, director of the NEFE High School Financial Planning Program, attributes the growing demand to an increased interest among educational and legislative leaders in preparing students for their financial future.

“More and more states are incorporating financial education into their curriculum standards, and more than a few of those states have gone a step further by making it a requirement,” says Parfrey, who joined NEFE in December after the retirement of longtime director Elizabeth Schiever. “They recognize that students who graduate high school with money management education under their belt are at a substantially lower risk of suffering from financial problems later in life,” he says.

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Lydia and Luis learned the principles of Money Management and feel confident to plan for their future.

Grant Project Educates Using Unconventional Comic-Book Format

No matter your situation in life, owning and maintaining a home while managing your personal finances can pose substantial challenges. However, imagine doing so while living in substandard housing within a *colonia*—a settlement along the U.S./Mexico border that may lack basic water and sewer systems, electricity, paved roads, and safe and sanitary housing.

Colonia residents, who are largely low- and very low-income Hispanic immigrant families, are the target population of a recently completed NEFE grant project executed by the El Paso Collaborative for Community and Economic Development.

This project, completed with the help of \$52,028 in NEFE funding, resulted in the creation of nontraditional educational tools, called *novelas* (bilingual, comic-book-style publications), that teach *colonia* residents how to manage their finances, obtain a loan for making home repairs, and maintain a residence.

Individuals at the El Paso Collaborative proposed this project because they wanted to target the specific financial needs and concerns of *colonia* residents in a format accessible and useful to them.

“As we began to research this project, we realized that there was a lot of homebuyer financial education available, but not very much homeowner education,” says Joanna Guillen, project

manager at the El Paso Collaborative. “And there was no information that specifically targeted *colonia* residents.”

Guillen says that *colonia* residents do not need typical homebuyer financial education, such as information about how to secure a mortgage. In fact, most *colonia* residents own a plot of land and have built or are in the process of building a home. “In a typical *colonia*, most families will be living in homes in various stages of construction. Others will be living in trailers while they are building a house,” Guillen says.

However, *colonia* residents may struggle to finish their homes or create safe and livable environments because they do not have enough cash on hand. In addition, they often are targets of predatory lending organizations. This is why the *novelas* specifically discuss how to obtain a fair and affordable loan to address construction or make much-needed home improvements. They also include information about basic personal finance topics, such as budgeting, banking, and debt reduction.

The National Endowment for Financial Education chose to support this project because it provided an audience in need with vital financial information, and it did so using a unique and interesting format.

“When the NEFE Board of Trustees decided to fund this project, board members were struck by the innovative

concept of using *novelas* as educational tools,” says Marilyn Canfield, NEFE’s director of Grants Administration. “These publications make financial education come alive in the form of relatable and interesting stories.”

The El Paso Collaborative chose to use *novelas* as educational tools for a number of reasons. Guillen says residents frequently purchase *novelas* from across the Mexican border, so the format is one with which they are comfortable. In addition, residents relate to the characters and situations presented in the *novelas*. “They like the publications because the people portrayed look like them, the settings look like *colonias*,” Guillen says.

In addition to the *novelas*, the El Paso Collaborative also created a manual for use by community development corporations working with *colonia* populations. Guillen says both the *novelas* and the activities included in the manual are designed to invoke discussion. “Instead of telling the residents what to do, we want them to consider what they would do if they were faced with a similar situation.”

The manual and *novelas* are available in English and Spanish online at www.epcollab.org. The El Paso Collaborative also has distributed the materials in an electronic format to a number of community development corporations who are involved with *colonia* populations.

For more information about the NEFE Grants Program, log on to the Innovative Thinking section of www.nefe.org.

Holiday Closing

NEFE will be closed July 4 for Independence Day.



NEFE Helps Kids and Caregivers Achieve Independence

A recent NEFE collaboration has resulted in a unique, two-in-one approach to financial education. *Making Plans*, a new booklet produced in partnership with the National Down Syndrome Society (NDSS) and MassMutual Financial Group, presents financial information for two distinct audiences—individuals with Down syndrome and their parents or caregivers—in separate portions of the same publication.

Down syndrome is the leading genetic cause of mental retardation and occurs once in approximately every

800 to 1,000 births in the nation. More than 350,000 Americans live with the condition, which causes mild to moderate mental impairment.

Scientific advances, shifts in cultural attitudes, and improved caregiving have combined to increase the lifespan of those with Down syndrome by nearly 100 percent in the last two decades. Many affected individuals now live into middle age or beyond. While this is great news for Down syndrome individuals and their families, for many it also means changes in physical, emotional, and financial needs.

“With a longer life comes an increasing need for independence,” explains Brent Neiser, CFP® and NEFE director of Collaborative Programs. “There is a greater possibility than ever before that people with Down syndrome will outlive their parents, and they must be able to manage their own finances and make their own decisions to the extent possible. NEFE is providing information to support this at a time when it is most relevant.”

The 64-page publication is carefully structured to ensure that both people with Down syndrome and their caregivers have access to important facts and insights in the language and format most appropriate for them. Combining two perspectives in a single booklet makes it easy for parent and child to work through the material together

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HSFPP Continues to Expand Its Reach

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Just as interest in the program is growing, so is its necessity. With student loan and credit card debt climbing higher and a record number of young people declaring bankruptcy, the need for financial education among teenagers is stronger now than ever.

“Many students who go to college after high school begin accruing debt almost immediately. If they don’t have the skills needed to manage their money, they could be starting a spiral of debt that quickly gets out of control,” Parfrey says.

The necessity of and subsequent demand for the program not only is evident among high school students, but with other individuals, as well. The program, which has expanded its reach beyond its intended audience in recent years, now is used by individuals in a variety of settings.

“We’re able to reach many more people, some young and some not so young, by working with our program partners, Credit Union National Association (CUNA) and the USDA Cooperative Extension Service, in addition to working with other programs and community groups,” Parfrey says.

The HSFPP is used, for example, in some “English as a second language” classes. NEFE also has authorized versions of the HSFPP for application in Australia and Canada. The Canadian curriculum was launched this year as a pilot and, if successful, could be made available nationally. In addition, the materials for the program recently have been translated into Spanish and are available on the Internet.

The overall success of the HSFPP was affirmed during this past year with the publication of the results of an 18-month national evaluation. The evaluation showed that young people

who study the curriculum not only increase their understanding of money management, but also go on to improve their financial behavior.

Parfrey says, “It’s gratifying to be part of a program that makes a difference in the lives and the future of young people, and I believe the HSFPP will continue to have an important role in the rapidly growing trend toward teaching financial education at the high school level.”

The HSFPP is offered in partnership with the U.S. Department of Agriculture Cooperative State Research, Education, and Extension Service and participating Land-Grant University Cooperative Extension Services; and with the Credit Union National Association, Inc., and America’s Credit Unions. For more information, log on to the Education Programs section of www.nefe.org.

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NEFE Collaboration Helps Down Syndrome Families

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toward an overriding goal: maximum independence for the young person.

Part One of *Making Plans* targets individuals with the condition, while Part Two is devoted to the concerns and needs of parents and caregivers. Each section includes seven chapters, which correspond in subject matter but differ in title, complexity, and degree of detail.

In Part One, large type and simple language are used to present basic information on goal setting, money management, employment and living options, government assistance, and legal concerns for long-term planning. This section, interspersed with work-

sheets, fact reviews, and quizzes, comprises the majority of the booklet.

Part Two opens with a letter to parents and caregivers, explaining the importance of financial knowledge in achieving the greatest possible self-sufficiency for their loved ones with Down syndrome.

This section also describes how to teach money management skills, provides tips for specific situations, and repeatedly emphasizes that parents must consider their own needs and financial limitations in preparing their child for ultimate independence.

“This is the first time we’ve had written information on finance, and it’s an area we’ve wanted to explore for some

time,” says Jon Colman, manager of Educational Services for the NDSS. “The primary audience is the parent or caregiver, but the tool is most valuable when the child is involved, as well.”

NEFE worked closely with its partners throughout the design and development of the booklet, says Neiser. “NDSS was invaluable in helping us create an appropriate vehicle for its constituents, and MassMutual provided funding for the printing of 50,000 copies of *Making Plans*.”

According to Colman, distribution is being handled primarily by the 165 U.S. affiliates of NDSS, and an electronic version of the publication also is available on the organization’s Web site, at www.NDSS.org.