

Nefe Digest

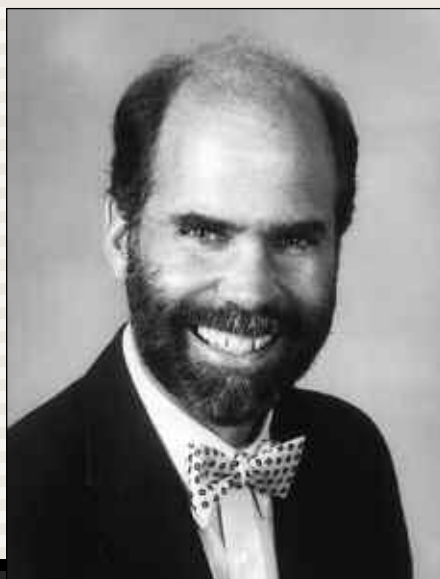
March/April 2006

A Publication of the National Endowment for Financial Education

Three New Trustees Join NEFE Board



William C. Alsover



Andrew M. Mecca



Maureen Reeder

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A Publication of



“From financial services to public health to journalism, the professional backgrounds of the new trustees are varied and extensive, and their skills complement those of our existing board members extremely well.”

Ted Beck, NEFE president and CEO

The National Endowment for Financial Education® (NEFE®) recently welcomed three new members to its Board of Trustees. They are William C. Alsover, Andrew M. Mecca, Ph.D., and Maureen Reeder.

The 14-member Board of Trustees is responsible for broad oversight of the organization, as well as determining and defining NEFE policies. New board members are nominated by current trustees, and all serve four-year terms.

In announcing the new board members, NEFE president and CEO Ted Beck said, “From financial services to public health to journalism, the professional backgrounds of the new trustees are varied and extensive, and their skills complement those of our existing board members extremely well. We look forward to their contribution and support in the years ahead.”

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Entrepreneurs Benefit from NEFE Collaboration

Synia Gant-Jordan, a cosmetologist in Grand Rapids, Michigan, always dreamed of owning her own hair salon. But with six children, it was a struggle just to put food on the table.

Gant-Jordan never forgot her dream, so when she learned about a 15-week class for microentrepreneurs she jumped at the opportunity. Using her training from the class, Gant-Jordan wrote a business plan, scouted for a location, and soon opened "The Hairnet." The salon has doubled in size since its inception.

This story is one of several real-life experiences captured in *Financial Planning for Your Microenterprise*, a booklet developed by the National Endowment for Financial Education in collaboration with the Association for Enterprise Opportunity (AEO). The 64-page guide emphasizes the necessary link between a microentrepreneur's personal finance habits and the success of his or her business.

"The booklet merges personal financial education and microenterprise education in a unique way," says Bill Edwards, AEO's executive director in Arlington, Virginia. "As far as we know, nothing else like it has been done."

All Walks of Life

According to AEO, a microenterprise is a business with fewer than five employees and is small enough to require an initial capital investment of \$35,000 or less. Most microenterprises serve as a means of employment for both the owner and his or her family members, while others grow into larger businesses requiring more personnel. Microenterprises encompass a variety of business models, including repair and cleaning services; specialty food companies; childcare; arts, crafts, and clothing retail; consulting; and computer technology assistance. AEO estimates that there are two million microentrepreneurs in America today.

"Microentrepreneurs come from all walks of life," Edwards says. "Some want to supplement their income from low-paying jobs, or replace income from jobs they have lost. Others want the flexibility of owning their own business, or they may not have the adequate training to find professional jobs. Many microentrepreneurs are women, minorities, low-income individuals, immigrants, and people moving from welfare to work."

"It was a natural fit for NEFE to collaborate with AEO to provide personal finance education to microentrepreneurs..."

Brent Neiser, NEFE director of Collaborative Programs

Local microenterprise programs across the United States provide business development services to these individuals. For example, a program might provide training and technical assistance, access to credit and markets, and economic literacy education.

"It was a natural fit for NEFE to collaborate with AEO to provide personal finance education to microentrepreneurs, especially since issues like budgeting, cash flow, and debt and risk management are important factors in both the personal and business aspects of one's life," says Brent Neiser, CFP®, director of Collaborative Programs at NEFE. "Personal finance struggles can jeopardize a microentrepreneur's business, just as business struggles can affect the owner's personal life."

Blended Booklet

Financial Planning for Your Microenterprise addresses both personal finance and business basics. Chapters on personal goal-setting, budgeting, saving, spending, and debt management are followed by information on writing a business plan, managing cash flow, figuring a break-even point, keeping business

records, obtaining financing, insuring a business, and getting help from local microenterprise development organizations. Throughout the booklet, stories of successful microentrepreneurs such as Gant-Jordan are interwoven with worksheets and resources for additional information.

More than 50,000 booklets were made available to AEO members, who quickly began using them in training classes for aspiring microentrepreneurs.

"Our members' reaction has been very positive," Edwards says. "They like the extremely useful, practical information and the inclusion of the real-life experiences of other microentrepreneurs."

"We also appreciated the process of working with NEFE to develop the content, choose a design, and review the final product," Edwards continues. After printing, AEO was responsible for distributing the booklets.

Neiser adds, "NEFE especially values this type of blended-topic booklet that combines principles of personal finance and microenterprise development, because it allows us to capture the attention of the audience. They are motivated to learn about personal finance because they need to make their business succeed. It truly presents a 'teachable moment.'"

To learn more about microenterprises, visit the AEO's Web site at www.microenterpriseworks.org.

Holiday Closings

NEFE will be closed April 14 for Good Friday.

NEFE Booklet Part of Newly Launched NASD Foundation Military Initiative

Whether on base, off base, or deployed overseas, it is crucial that military personnel have access to financial education information that will enable them to make prudent saving and investing decisions for themselves and their families. To address this need, NEFE has partnered with the NASD Investor Education Foundation (NASD Foundation) and the National Military Family Association (NMFA) as part of the NASD Foundation's new, multi-faceted military financial education project, which includes research, educational programs and partnerships, and a public outreach campaign.

The recent collaboration involved an extensive update of *Military Families: Money and Mobility*, a publication originally created by NEFE to help service members and their families deal with the financial issues surround-

ing deployment and duty station changes. While NEFE was responsible for updating the revised publication's personal finance information and for overseeing the booklet's reprinting process, the NASD Foundation provided funding for all of the revisions, along with input on the modified content. The enhanced version now contains information on investing and expanded sections on financial issues surrounding long-term deployment and National Guard and Reserves personnel called to active duty.

This year, approximately 500,000 copies of the publication are being distributed by the NASD Foundation through partnerships with military installations, family service centers, family readiness groups, and investor education events. An online version also is available on the NASD Foundation's new Web site for military families, www.SaveAndInvest.org.



In addition to SaveAndInvest.org and financial education publications, the NASD Foundation's military financial education program includes research to determine the most effective ways to reach and educate the military community; on-the-ground financial education training for financial counselors and military spouses who serve the military community; educational activities and events on or near military bases to motivate families to take responsibility for their financial well-being; and a public outreach campaign to raise awareness about the tools, information, and services available to military personnel and their families.

NEFE at Financial Education Commission Meeting

The National Endowment for Financial Education was one of four organizations recently invited to make a presentation before the Financial Literacy and Education Council at its seventh open meeting, held January 31 at the U.S. Department of the Treasury in Washington, D.C. The presentation, provided by NEFE's president and CEO Ted Beck and director of Communications Nan Mead, focused on how the financial challenges facing Americans today are being addressed through the foundation's Financial Literacy Public Awareness campaign. The \$2.3 million campaign was launched nationally in September 2005. (See related article on page 5.)

"This was a wonderful opportunity to share NEFE's mission of educating Americans about personal finance and empowering them to make wise decisions to reach their financial

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NEFE Web Sites a Rich Source of Financial Information

Visit these NEFE-sponsored Web sites for a wealth of self-help information on personal finance:

- www.smartaboutmoney.org—An online tool offering practical information to help consumers achieve their financial goals.
- www.ntrbonline.org—A Web-based resource designed for and written by teenagers interested in learning more about personal finance.
- www.nefe.org/hsfpportal/index.html—A financial education curriculum designed to integrate into existing high school classes that focuses on basic personal finance principles.
- www.nefe.org—A Web site offering personal finance information to members of the public on a variety of topics through the Multimedia Access section and Financial Education Clearinghouse.

Three New Trustees Join NEFE Board

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The new trustees' experiences and backgrounds are summarized below:

William C. Alsover; Grand Rapids, Michigan

William C. Alsover is the chairman of Centennial Securities Company, Inc., a full-service broker-dealer in Grand Rapids. Prior to joining Centennial, Alsover worked with the former Fahnstock & Company, which now is operating under the name Oppenheimer.

Alsover's background includes extensive involvement in the financial services industry. He is the chairman of the National Association of Securities Dealers (NASD) Small Firm Advisory Board and a second-term NASD Governor. He serves on several NASD committees, including the Regulatory Policy and Oversight Board and the Markets, Services, and Information Board. He also is the chairman of the NASD Technology Advisory Committee.

In addition, Alsover has served on the Securities Industry Association (SIA) Investor Education Committee and the SIA Local Firms Committee, of which he is the former chairman.

Alsover is a graduate of Michigan State University and serves on the Broad

Graduate School of Management Advisory Board.

Andrew M. Mecca, Ph.D.; Tiburon, California

In 1998, Andrew M. Mecca, Ph.D., founded the California Mentor Foundation, an organization that provides a unified voice for California's youth mentoring programs. He currently serves as the organization's president.

Previously, Mecca directed the California State Department of Alcohol and Drug Programs for seven years. During this time, he also chaired the Governor's Policy Council on Drug and Alcohol Abuse and was elected president of the National Association of State Alcohol and Drug Abuse Directors.

Mecca's 30-year career as a drug treatment professional also includes founding the California Health Research Organization, directing the United States Army's drug treatment program in Vietnam, and chairing the California Task Force on Self-Esteem.

Mecca has written five books and edited numerous publications on self-esteem, substance abuse treatment and prevention, and mentoring. He

received his master's and doctoral degrees in public health from the University of California, Berkeley.

Maureen Reeder; Minneapolis, Minnesota

Maureen Reeder is president of the National Multiple Sclerosis Society (NMSS), Minnesota Chapter. The NMSS supports Multiple Sclerosis (MS) research, provides services and support for people with the disease, sponsors professional education programs, and furthers MS advocacy efforts.

Previously, Reeder was the director of public affairs for Hennepin County, which encompasses the city of Minneapolis and 40 suburban communities.

Prior to her work in government and nonprofit management, Reeder was a television news reporter, anchor, and managing editor for 13 years.

Reeder earned her bachelor's and master's degrees from the University of Minnesota.

Alsover, Mecca, and Reeder will participate in the Board of Trustees' first full meeting of 2006 in April.

NASD Investor Education Foundation Seeks Grant Proposals

The NASD Investor Education Foundation recently announced its first grant program of the year with a Request for Proposals (RFP) for research projects concerned with improving disclosure to investors. This marks the third year in which NEFE has administered grant programs for the NASD Foundation.

The NASD Foundation's RFP opened on February 1 and has a postmark deadline of April 7, 2006. Details about the program may be found on the NASD Foundation's Web site, at www.nasdfoundation.org. The NASD Investor Education Foundation supports innovative research and educational projects that give investors the tools and information

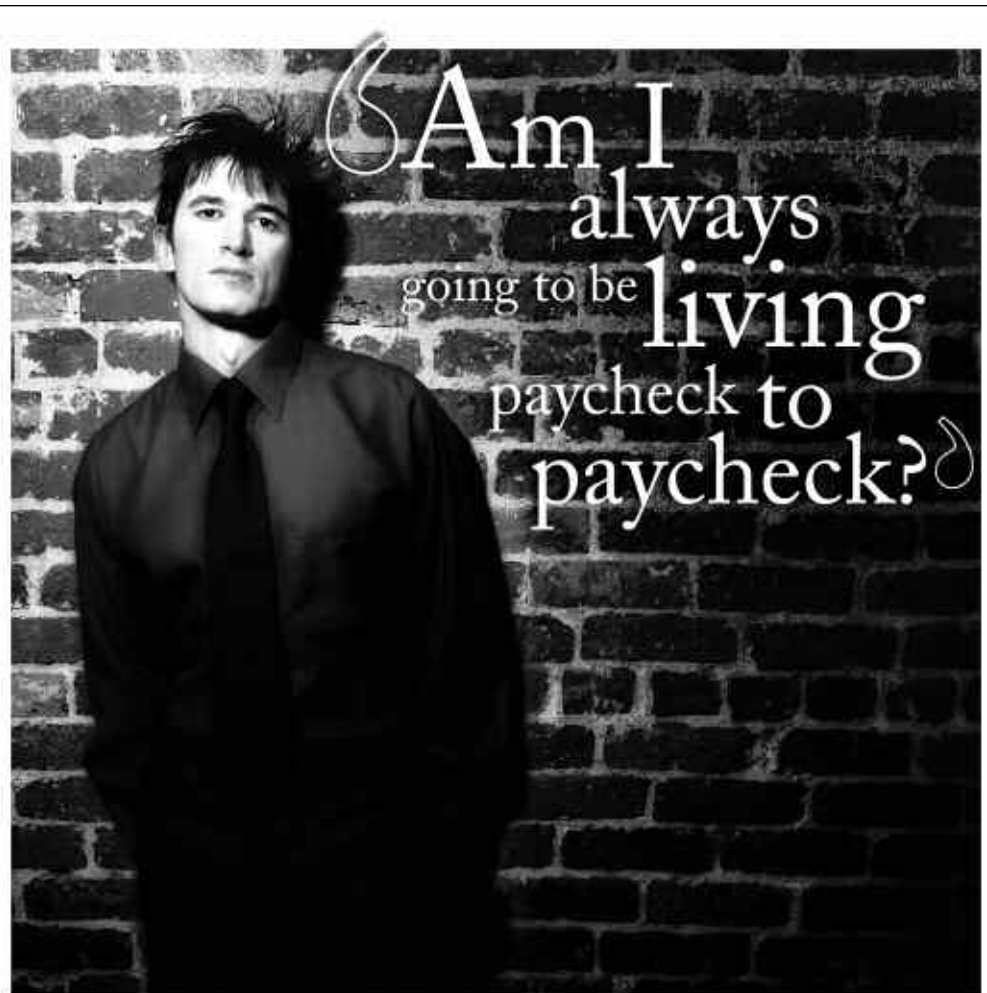
they need to better understand the markets and the basic principles of financial planning. Only those proposals that meet eligibility guidelines and address the NASD Foundation's priorities of investor education and investor protection will be considered for funding.

Campaign Provides Wealth of Self-Help Material to Consumers

The country's first large-scale, national financial literacy public awareness campaign, sponsored by the National Endowment for Financial Education, continues to serve as a resource for consumers looking to get ahead financially. Displayed at right is the third in a series of five print ads that are part of the campaign, themed "Not If We Can Help It." The first and second appeared respectively in the November/December 2005 and January/February 2006 issues of *NEFE Digest*. The ads launched in mid-September with print, Internet, radio, and television spots featured on Time Warner/AOL, Inc.'s, network of media publications and cable television channels. In addition, a simultaneous effort has been launched to secure donated space from network media outlets throughout the country with the distribution of Public Service Announcements (PSAs). The PSAs have aired approximately 2,000 times on television stations in 36 states, and more than 20,000 times on radio stations across 45 states.

The effort targets members of the general adult population aged approximately 25-55, with an income of \$35,000-\$100,000. NEFE developed the advertisements with the assistance of Los Angeles-based advertising agency Benenson Janson.

The ads direct Americans to a consumer-oriented Web site, called "Smart About Money," where they can locate practical information on how to achieve their financial goals, including helpful advice on staying organized throughout the year. The Web site



We have some solutions that might be easier than you think. We're the National Endowment for Financial Education, a nonprofit foundation with nothing to sell and a lot to tell. For over 30 years, we've helped people just like you get smart about their money. Come to us for sound advice and practical information on how to start achieving all your financial goals. For everything from getting out of debt to managing your money wisely to saving for the future - we're here to help.
www.smartaboutmoney.org

It's time to get smart about your money.

Not if
we can help
it.



has received over three million hits as of January 31, 2005.

The campaign emphasizes the message that, regardless of income or life stage, making financially sound decisions doesn't have to be a difficult experience.

By visiting the Web site, individuals can tap into resources that will teach them to make well-informed financial decisions. Log onto www.smartaboutmoney.org for more information.

5299 DTC Boulevard
Suite 1300
Englewood, CO 80111-3334

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All questions regarding *NEFE Digest* may be addressed to the Communications department, *Editor*: Rena Gardenswartz. NEFE is open Monday through Friday, from 8:30 a.m. to 5:00 p.m. Mountain Time. The main telephone number is (303) 741-6333; the fax number is (303) 220-0838. Visit the NEFE Web site at www.nefe.org.

NEFE Digest is published bimonthly by the National Endowment for Financial Education, 5299 DTC Boulevard, Suite 1300, Greenwood Village, CO 80111.

NEFE at Financial Education Commission Meeting

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goals,” Beck said. “The meeting provided a platform for us to describe a key NEFE initiative for improving financial literacy before a high-profile audience with the capacity to effect broad-based changes throughout the country. We are proud to have had the opportunity to share NEFE’s expertise with the Commission.”

The Financial Literacy and Education Commission was established by Congress in 2003 as part of the Financial Literacy and Education Improvement Act. The Commission’s mandates are “to encourage

government and private sector efforts to promote financial literacy, coordinate the government’s financial education efforts, develop a national strategy to promote financial literacy and education among all Americans, and to establish a Web site and toll-free hotline to provide information to both consumers and organizations involved in financial literacy efforts.”

The Commission, which is required to hold public meetings every four months, is composed of over a dozen government offices, each of which was asked to attend the meeting. These include: the Secretary of the Treasury and the Office of the Comptroller of

the Currency; the Office of Thrift Supervision; the Federal Reserve; the Federal Deposit Insurance Corporation; the National Credit Union Administration; the Securities and Exchange Commission; the Departments of Education, Agriculture, Defense, Health and Human Services, Housing and Urban Development, Labor, and Veterans Affairs; the Federal Trade Commission; the General Services Administration; the Small Business Administration; the Social Security Administration; the Commodity Futures Trading Commission; and the Office of Personnel Management.