

Nefe Digest

March/April 2009

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NATIONAL ENDOWMENT FOR FINANCIAL EDUCATION

Indiana teacher and student look over a personal finance lesson.

There was a buzz in the room — an undercurrent of many excited voices in discussion. These 15 or so teachers, working on an exercise in small groups, took a rare day away from their classrooms to learn techniques for using the National Endowment for Financial Education's High School Financial Planning Program® (HSFPP).

The teachers, part of 21 such training groups that took place between June and November and trained more than 350 teachers throughout Indiana, all had their student guides open and were locating and discussing several of the activities.

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Indiana Teachers Go Back to School

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"All the groups take it very seriously," said training facilitator Elizabeth Kiss, from Purdue University Cooperative Extension. "[During the activities,] they talked to their neighbors — there was a lot of really good conversation. The training is very active and engaging, and that's what we ask the students to do, so we just apply it to the teacher context."

Building Enthusiasm

As they explored the curriculum, experienced teachers offered advice and ideas to those less experienced teachers or teachers new to the curriculum.

"The teachers at the training were using each other to share ideas for our classrooms," says personal finance teacher Ralph Hartnagel, who has been using the curriculum for several years. "The challenge [for teachers] is to develop excitement, enthusiasm, and passion [for the topic] in teenagers."

And it seems to have worked: Hartnagel notes that the students readily apply the material. He says that a curriculum-based discussion about interest rates and savings plans motivated several students to move their money to CDs. In Hartnagel's class, students also used the information in the HSFPP curriculum as part of an investing simulation sponsored by Indiana Members Credit Union that netted the winner a \$100 scholarship.

Although the HSFPP has been available for two decades, last year NEFE implemented the dynamic program called Indiana Teen\$ucceed to train as many teachers as possible in Indiana — who could then train other teachers — to deliver financial education. The goal of the Indiana blitz was to increase the usage of the NEFE curriculum and further the financial education of Indiana residents of all ages. Even the Secretary of State Todd Rokita publicly pledged to help by signing up as spokesperson for the project and issuing a state-wide challenge to residents to become better educated about their finances.

Train the Trainers

Using a "train the trainer" approach has been the key — gathering enthusiastic supporters of the HSFPP like Hartnagel

Material Orders in Indiana by Year



Cities where trainings were held



and Amy Mitchell, a family and consumer sciences teacher who first learned about the NEFE curriculum in college and has used it in her classroom since then — to spread the curriculum throughout the state. When Mitchell got the e-mail about the HSFPP training, she immediately signed up.

"I am in love with this curriculum," Mitchell says. "I am excited about the opportunity to teach other teachers about the curriculum and how it could fit into their classrooms." Mitchell also is working on an assessment to determine how the HSFPP meets the Indiana Financial Literacy Education Framework standards.

Community Collaboration

As part of the blitz, NEFE developed community partnerships to train more educators and engage Indiana residents. NEFE worked with Purdue Extension and Junior Achievement to build the network of trainers for teachers, while Indiana Credit Union League members hosted the training sessions.

Capping the training effort, Indiana Secretary of State Rokita led a media campaign with his public service announcement (PSA) on radio and television promoting financial education, as well as coverage in key Indiana radio, television, and newspapers. You can see the Rokita PSAs at www.YouTube.com/IndianasFuture.

Indiana Teen\$ucceed really stands out for its collaboration. "It was a team effort," said NEFE's HSFPP director John Parfrey. "It really required everybody pulling together and now hundreds of teachers will be trained," giving students in Indiana a financial leg up.

Learn more about the HSFPP at <http://hsfpp.nefe.org>.

Improved Look, Usability for SmartAboutMoney.org

NEFE recently relaunched the *Smart About Money* site to offer better usability and timely, dynamic content and resources for its users. In the coming months, we will continue to update content and develop interactive worksheets, calculators, podcasts, and videos.



Check out the redesigned site at www.SmartAboutMoney.org.

Reasons for How You Manage Money

Each of us looks at money differently. Some spend it as fast as they get it; sometimes even faster. Others do so very cautiously.

Many financial educators and counselors say the hardest part about teaching individuals to use money as a tool is to get to the underlying reasons as to why individuals approach money as they do.

Developing an easy and reliable way for counselors to identify an individual's underlying values drove the creation of the "Listening to What Consumers Value: Putting the Personal Back into Financial Education and Counseling" quiz and guidebook.

"We're not born with financial acumen," says NEFE grantee and study director, Dr. Lois Vitt, of the Institute for Socio-Financial Studies. "Other values usually are taught to us at very young ages, and later we learn to value financial competence, if we're lucky enough to have parents or teachers

who help us learn how to be good at money management."

The key idea behind the quiz, according to Vitt, is to use questions that get individuals to start talking about what is really important to them.

For example, questions on the quiz include: "If you were to face an overdue account or bill that would have serious credit consequences, how would you react?" or "If you 'fell in love with' and wanted to buy a really big-ticket item that was not within your budget ... would you buy it anyway?"

The answers help set the foundation for the financial educator or counselor to begin understanding an individual's relationship with money and work with that person on managing their money better.

The guidebook and quiz are in the final stages of development and will be announced in the *Digest* when they are completed. The materials ultimately will be available as a CD for educators and financial counselors.

Matching Methods and Audiences

NEEFE awarded a grant to Pennsylvania State University-Harrisburg for research on which educational methods help particular groups of people learn best. Two notable educators within the adult education arena will lead the research: Elizabeth Tisdell, Ed.D., associate professor, and Ed Taylor, Ed.D., associate professor. Auden Thomas, director of the Center for Survey Research at the university, will assist the two educators.

The project will complete a literature review and survey of effective adult education techniques and programs. Toward the end of the 18-month project, the researchers will write a paper on their findings and develop a resource for educators to use when creating programs for specific audience groups.

This is NEFE's first awarded grant using the request for qualification (RFQ) process. Instead of asking for proposals as is normal procedure, the NEFE Grants and Research team requested submissions that showed how the submitter was qualified for the project and how that person would address the issue presented in the RFQ. Look to the *Digest* for further information and updates about this grant.

"Those who typically take advantage of financial education opportunities are usually those from a more moneyed class. This grant is aimed at financial educators working with underserved communities — women, people of color, elderly people, those unemployed or underemployed, or from working class and poor backgrounds. In these troubled financial times, we need to know how financial educators are working with these groups, and how we can do it more effectively."

— Elizabeth Tisdell



HOLIDAY CLOSINGS

NEFE will be closed on April 10 for Good Friday.



Faces behind NEFE: **Amy B. Hartenstine** Connecting People with Financial Education

Amy Hartenstine has worked in the nonprofit sector ever since she graduated with her bachelor's degree from The Ohio State University. Amy started her nonprofit work focusing on domestic violence. From there, she joined Peace Corps and left for Nepal in 2001. While in Nepal, she organized and developed a citywide youth volunteer program and worked with a nongovernmental organization to help low-caste women and children.

After the Peace Corps, Amy moved to Denver to attend Regis University for her master's in nonprofit management. At the same time, she worked at a local daytime homeless women's shelter. NEFE hired Amy two-and-a-half years ago to work in the Grants and Research and Strategic Programs and Alliances departments, where she's responsible for CashCourse, NEFE's Web-based resource for college students.

Amy, if you were to describe your job to a fifth grader, what would you say?

Amy: I would explain it to a fifth grader this way: If you think about the first time you'll leave home to be on your own, you'll probably feel a little excited, but also a little scared. There's a ton of new things you'll have to do that maybe you don't know how to take care of, like opening up a checking account. Through CashCourse, I help college students figure those kinds of things out.

What has been an accomplishment you're most proud of from your time at NEFE?

Amy: One of the projects I was brought on for was the development of a program for colleges. I'm proud of the work I've done to create and launch CashCourse. It was fun to develop a program from scratch. To see how popular and successful the program has become nationwide is amazing. It's encouraging when I hear the enthusiasm from the colleges and students.

What would you say you would most like to achieve while at NEFE?

Amy: I think it'd be great to see Americans become more enthusiastic about managing their finances. To work on programs that would aid in that enthusiasm and help NEFE's resources get to the forefront would be a worthwhile accomplishment.

What personally drove you toward financial education nonprofit work?

Amy: I became interested in working at NEFE for two reasons. First, when I worked in the two different women's shelters, I would see older women in financial hardship because they hadn't saved for their retirement years due either to their low-income levels or lack of knowledge. Second, with my work in Nepal and here in the States, I realized that women who have a steady income and are in control of their finances are empowered and therefore better able to have a positive impact on their families and communities.

Can you describe one special memory that you have from your work with NEFE?

Amy: Last month, a colleague and I visited the University of Arizona, which has a NEFE research grant that I manage. The grant is a longitudinal study on how educational and life experiences in high school and college affect the development of financial attitudes and behaviors in young adults. We sat in on a meeting in which the research team presented their preliminary findings to their campus partners, varying from the Department of Engineering to the Office of Financial Aid. The campus partners were so interested in the findings. During the meeting, they were already planning ways they could incorporate what they were hearing from the research team into their current programs.

After that, we sat in on a weekly meeting with the multidisciplinary research team, which is a great team that works well together and plays off one another's strengths. It was impressive to see how many different ways research could be used to further their programs and their understanding of financial education and human behavior.

Learn more about CashCourse at www.CashCourse.org.

NEFE Adds Two Members to Board

Two prestigious experts, Pip Coburn and Alexander Gonzalez, Ph.D., recently joined the NEFE board of trustees, whose 16 members each serve for three years.

"Mr. Coburn's and Dr. Gonzalez's knowledge of business, academic, and nonprofit management add a great deal of expertise to NEFE's already diverse board," said Ted Beck, president and CEO of NEFE.

Pip Coburn

Pip Coburn, founder and CEO of Coburn Ventures, is an expert on technology as it relates to consumer habits. At global financial services firm UBS, where he was managing director, Coburn watched companies struggle with one simple question: "Who are our customers?"

"Most of the companies couldn't have told us what their end users really wanted if we'd asked," he writes in his book, *The Change Function: Why Some Technologies Take Off and Others Crash and Burn* (2005).

That experience led Coburn to explore how consumers adopt technology. In addition to his book, he's written more than 300 weekly reports about technology investing, managing change, and other topics.

Prior to UBS, Coburn was a senior vice president at Lynch & Mayer Inc., a New York-based institutional money management firm. He received his M.B.A. from the Wharton School at the University of Pennsylvania and a Bachelor of Arts degree from Brown.

"The main reason I was interested in joining the NEFE board is the mission," said Coburn. "A concurrent conviction of mine is that the health of the financial system is as critical as anything else to the health of the many people on our planet. There is so much room for improving the lives of people in our nation and



Pip Coburn

Alexander Gonzalez, Ph.D.

our world if we can make financial education accessible, easy, engaging, friendly, undaunting, and thereby powerful."

Alexander Gonzalez

California State University (CSU), Sacramento, President Alexander Gonzalez, Ph.D., leads a campus of 29,000 students in the nation's largest university system. He brings vast experience and a career of community engagement to NEFE.

During his previous service as president at CSU San Marcos, Gonzalez made sweeping changes, including initiating an athletics program and raising the money to fund it. At Sacramento State, he implemented his Destination 2010 initiative to help the campus become a premier metropolitan university.

Gonzalez was the first member of his family to go to college. He grew up in East Los Angeles with immigrant parents. His father maintained a disciplined household and made sure none of the six children got into trouble, he told the *Sacramento Business Journal* in a recent interview.

After serving in the U.S. Air Force, Gonzalez graduated from Pomona College and earned a master's degree and a doctorate at the University of California Santa Cruz.

Community service also is a major part of Gonzalez's resume. He serves on the boards of directors for Sutter Health, Pomona College, and the National Association of State Universities and Land-Grant Colleges. He previously was a member of President George W. Bush's Commission on Educational Excellence for Hispanic Americans and chaired the Governing Board of the Hispanic Association of Universities and Colleges.

His background and career in education give Gonzalez personal experience with the struggles of some of NEFE's constituents.

"The current economic crisis has shown us the tremendous importance of financial education. In my 30 years as a professor and education leader, I have seen firsthand the impacts that financial decisions have on students' ability to pursue their dreams. I look forward to helping NEFE educate the public and deliver its message," said Gonzalez.

SPREADING THE MESSAGE ABOUT RETIREMENT INCOME DECUMULATION

One day everyone who is in or near retirement will know how to best spend down their retirement savings. At least, that's the dream NEFE's working toward. NEFE's first step in that direction involves the development of a Web site to help the public figure out how to decumulate their retirement income. Important decision areas identified by NEFE's Retirement Income Decumulation Think Tank guided which topics would be covered on the site. The think tank focused on the more than half of American households whose combined pre-retirement income is between \$30,000 and \$100,000.

NEFE staff also worked with the *Journal of Financial Planning* to create a summary of

findings from the think tank that were most relevant to financial planners. The article, which is expected to run in the June issue of the *Journal*, explained why retirement income decumulation matters to planners and how planners can engage the population who is near or in retirement.

Lastly, anyone can learn more about the topic, process, and outcomes of the think tank by visiting www.nefe.org/RetirementIncomeDecumulation. Look to the *Digest* for more information about the site and other updates on the Retirement Income Decumulation Think Tank.



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PRESIDENT'S ADVISORY COUNCIL ISSUES FIRST ANNUAL REPORT

In early January, the bipartisan President's Advisory Council on Financial Literacy unanimously approved its first Annual Report to the President. The report contains 15 recommendations to improve the financial literacy of Americans of all ages.

"The current financial crisis has only escalated the enthusiasm for increased financial literacy," said Ted Beck, NEFE president and CEO and chairman of the Council's Outreach Committee. "This is one of the greatest teachable moments that's ever happened."

Among the report's recommendations are calls for mandating financial education in schools for students in grades K-12; exploring tax incentives to encourage employers to provide financial education in the workplace; increasing access to

bank accounts for the millions of unbanked and underserved Americans; conducting research on the state of financial literacy in America and on the most effective ways to improve financial knowledge among Americans; and creating a self-administered "National Financial Literacy Check-Up" that would allow Americans to assess their own financial knowledge and provide links to trustworthy sources of information to help fill in the gaps.

The Council, which is scheduled to remain in place through January 2010, plans to work with members of Congress, the executive branch, the private sector, and faith-based and nonprofit organizations in the coming year to implement the recommendations.

To view the annual report, visit www.nefe.org/PresidentsAdvisoryCouncil.

The mission of the National Endowment for Financial Education is to help Americans acquire the knowledge and skills necessary to take control of their financial destiny.

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