

Nefe Digest

November/December 2007

A Publication of the National Endowment for Financial Education

NEFE Grant Project Studies Teachers

Preparedness and Money Management Issues Impact Efficacy



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In 2006, the National Endowment for Financial Education® (NEFE®) awarded a \$104,807 research grant to the University of Wisconsin-Madison to study how prepared teachers are to teach financial education in the nation's schools and how educators' personal issues with money management may affect their willingness and ability to effectively include personal finance in the curriculum. The following is an interview with one of the research leaders, Wendy Way, Ph.D., Professor and Associate Dean at the School of Human Ecology, to find out what her team has learned at this halfway point. The project is scheduled for completion in August 2008.

Digest: Dr. Way, why do you think this research is important?

Way: If we hope to expand opportunities for young people to get meaningful financial education, then we must understand more about who makes

that happen—the teacher. And the fact is, we don't know much about what makes a teacher effective when it comes to financial literacy education.

Digest: What have you learned so far?

Way: Our review of the literature drove home for me that a key piece of the puzzle is where teachers are coming from in their own financial lives. Academics refer to this phenomenon as “constructivism.” In other words, how teachers construct a subject area is affected by their experiences. If they are comfortable with their ability to manage money, they will be more effective in teaching students money management skills. At the same time, teachers, like many other adults, often struggle to make ends meet, invest, and save for retirement. So, teachers not only need training on how to teach the subject, they also need personal finance education for themselves.

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Disaster Guides Now Available on Smart About Money Web site



Natural and human-made disasters—including fires, tornadoes, flooding, earthquakes, hurricanes, and terrorist attacks—can strike anywhere and anytime. To help people ride out the financial storm that such disasters can bring, the American Red Cross and American Institute of Certified Public Accountants (AICPA) teamed up with NEFE to provide the following two booklets.

The first is *Disasters and Financial Planning: A Guide for Preparedness*. This booklet can help an individual prepare for a disaster by providing suggestions on how to protect his or her family's health, life, and property with adequate insurance; plan financially for the possibility of a job loss or disability; and safeguard important financial and legal records. This booklet is now available at www.smartaboutmoney.org/disasterpreparation.



The second booklet, *Disaster Recovery: A Guide to Financial Issues*, was written to help survivors regain financial balance following a disaster by suggesting steps to take immediately; what to do in the initial weeks and months; and how to begin planning again for the future. This booklet can be found at www.smartaboutmoney.org/disasterrecovery.

CashCourse Piloted at Several Universities

As reported in the September/October *Digest*, NEFE now provides an easily-implemented, unbiased, and noncommercial financial education solution for colleges, universities, and alumni associations to offer to their students. NEFE's CashCourse, an online personal finance resource directed at college students and recent grads, is being piloted this fall at several universities through their Web portals.

The institutions of higher education that have already signed up to use CashCourse include the University of Wisconsin Alumni Association, University of Iowa, University of Illinois Alumni Association, Pennsylvania State University, The Ohio State University, Michigan State University Alumni Association, College of Saint Benedict/Saint John's University, and Bowling Green State University. If you would like to learn more or to implement the

program on your campus, you can contact Amy Bleakney at cashcourse@nefe.org, (303) 224-3536, or check out www.cashcourse.org.

Holiday Closings

NEFE will be closed on November 22 and 23 for Thanksgiving and December 24, 25, and 26 for Christmas.

Thank You for Taking the *Digest* Survey

In the September/October *Digest*, there was a survey created to evaluate how well the *Digest* is meeting readers' needs and wants. Many readers have responded with useful comments and we greatly appreciate your input.

The survey responses collected will be reviewed closely so that the *Digest* can continue to be a valuable resource for you. If you have not yet participated in the survey and would like to, you can still access it at www.nefe.org/digestsurvey. Thank you.

Updates on Revised High School Program



Leslie E. Linfield, Esq., Executive Director of the Institute for Financial Literacy, hands the EIFLE award to John Parfrey, director of the NEFE High School Financial Planning Program.

Below is the cover of the revised HSFPP Student Guide.

HSFPP Correlated to Educational Standards

The NEFE High School Financial Planning Program® (HSFPP) has been correlated to meet the educational standards of all 50 states. This is an important step for the program because an increasing number of states have adopted educational requirements for financial literacy. Linking HSFPP to the educational standards in each of those states makes it easier for instructors nationwide to integrate HSFPP into their schools. With this correlation in place, the HSFPP is now better suited to meet the needs of instructors and schools. To learn more about this correlation, visit hsfpp.nefe.org and click on the Educational Standards link to the left.

Spanish Version of HSFPP Now Available

To benefit Spanish speakers, the HSFPP Student Guide has been translated to Spanish. The translation was funded by a grant from the Credit Union National Association (CUNA)

and will be available online. Teachers will be able to access the information on the Instructor section of the HSFPP Web portal at hsfpp.nefe.org. Parents and students can go to their respective sections within hsfpp.nefe.org and click on the Spanish Version link on the left-hand navigation.

HSFPP Wins Award for Program of the Year

The HSFPP recently received the

Excellence in Financial Literacy Education™ (EIFLE) award for Institutional Book of the Year

for Children from the Institute for Financial Literacy (IFL). The awards ceremony was held on October 4, 2007, during IFL's annual Conference on Financial Literacy Education. The EIFLE Awards were created to recognize innovation and dedication by individuals and organizations in the financial education community. For more information on IFL, visit www.financiallit.org.

NEFE Hosts Leaders in Financial Literacy

In late July, NEFE brought together 15 key representatives from the financial education community to discuss issues in the field. At the Financial Literacy Philanthropic Leaders meeting, the attendees explored topics related to financial education, including measuring outcomes to ensure impact, combining efforts to better help various audiences, and encouraging qualified financial planners to volunteer their time to assist others.

Tracking College Students' Financial Behaviors

When it comes to money, what makes young adults tick? Researchers will attempt to unlock this mystery as they examine the financial attitudes and behaviors of some 2,000 University of Arizona freshmen this fall.

The groundbreaking two-year study is considered by the researchers to be the first of its kind. It is the initial wave of a project aimed at tracking these same students over five years to learn how they develop financial attitudes and behaviors, and how this influences their success in life. The first part of the study is being funded by a \$207,078 research grant from NEFE.

Using online surveys, researchers will collect data designed to answer questions, such as:

- How do educational experiences—including high school financial education—affect the development of financial attitudes and behaviors during young adulthood?

- What roles do parents, financial institutions, and the media play in influencing these attitudes and behaviors?
- What effect do positive financial behaviors have on an individual's sense of identity and overall success in life?

The findings, say the researchers, will help educators improve the effectiveness of financial education programs aimed at young people, such as CashCourse (background on this program can be found in the September/October *Digest* article at www.nefe.org/digest). The study also will provide useful

information to public policy makers and employers of young adults.

An interdisciplinary team from three universities will lead the research project. Soyeon Shim, Ph.D., a consumer behavior researcher and director of the John and Doris Norton School of Family and Consumer Sciences at the University of Arizona, will serve as the principal investigator. Joining Dr. Shim on the project are Jing Jian Xiao, Ph.D., a consumer economist at the University of Rhode Island, and Bonnie Barber, Ph.D., a developmental psychologist at Murdoch University in Australia.

Finding Solutions to Financial Literacy Problems through Research

Are you interested in contributing to the financial literacy field's body of knowledge? If so, consider applying for a NEFE grant. NEFE is looking for grant projects that are research-driven, seek to understand financial behavior, advance innovative thinking, and assure significance to society through their outcomes. The deadline for the next NEFE grants cycle is Tuesday, December 4, 2007. To learn more about the NEFE Grants program, visit www.nefe.org/grantmaking.

NEFE Grant Project Studies Teachers

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Digest: What else has the literature review uncovered?

Way: We found that various nonprofit programs and educational disciplines have developed an array of standards related to financial literacy education. In addition, 76 percent of states have adopted some kind of standards, but they vary widely. Even the type of teacher who is assigned to teach the subject differs. In some schools, it might be a social studies teacher; in others, it might be a math teacher, a family and consumer science teacher, a business education teacher, or an elementary school teacher. On top of

that, we found that the standards say very little about teacher preparation.

If educators are not taught personal finance management as part of their teacher training and don't have a clear understanding of their responsibilities in terms of financial literacy standards, they are less likely to see the topic as relevant and less likely to feel competent teaching it.

Digest: So, what are your next steps?

Way: We will use three Web-based survey tools to study students and faculty members in education departments at eight universities across the country, as well as in-service teachers. The goal is to learn more about how

prepared elementary and secondary teachers feel to teach personal finance management, their familiarity with the resources available to them, what their own financial issues are, and their beliefs and attitudes about their ability to teach the subject effectively.

Digest: How do you foresee using the results?

Way: We hope to develop a set of recommendations on what to include in programs that are preparing teachers to become financial literacy educators. I envision that this will encompass not only professional preparation to teach, but also ways to help teachers better meet their own personal financial education needs.

Digest: Thank you, Dr. Way, for the update.

Helping Women Succeed

Dress for Success, an organization that offers women professional outfits, resources, and services to help them find a job and remain employed, goes beyond giving women a suit. According to the Dress for Success Web site, "Success is not only about getting a job; it's about building a career."

With that idea in mind, NEFE and Dress for Success created a booklet, *Steps to Success*, in 2005 to help women thrive financially as they began careers or re-entered the workforce. Two NEFE staff members, Jeannette Schultz and Mary Hoch of the Collaborative Programs department, recently visited the Dress for Success Worldwide headquarters in New York City to see the impact of their work. While there, they toured a Dress for Success boutique, spoke with executives of the organization, and attended a Professional Women's Group meeting.

The team at Dress for Success explained the process to Schultz and Hoch. "It starts when different government agencies and nonprofit organizations refer the women to a Dress for Success boutique," said Hoch, NEFE Collaborative Fellow. "Once there, the clients are assisted in picking out a suit, shoes, accessories, makeup, and personal care products. When they land a job, they can return to get a week's worth of professional clothing and the *Steps to Success* booklet."

"These women are coming from a whole array of women's organizations and government agencies, such as unemployment offices, domestic abuse organizations, or homeless shelters," added Schultz, NEFE Collaborative Programs project manager. "They are sent to Dress for Success not only for clothing, but also for career advice."

The Professional Women's Group (PWG) meetings include the booklet, *Steps to Success*, as part of their various

presentations. "These two-hour meetings held once a month are presented by pro bono professionals, such as financial planners, career coaches, local university staff or faculty, recruiters, and human resource personnel," explained Hoch. "At the PWG meeting we attended, the women were encour-



find useful services and resources, such as job search assistance, a computer lab, writing lessons for résumés and cover letters, interview preparation, and mock interviews.

The *Steps to Success* booklet has proven to be a popular resource among Dress for Success women. Since 2005, Dress for Success has distributed 25,000 copies. Through funding from the Green Foundation, the organization will redesign and reprint 75,000 more copies of the booklet in 2008.

"Thanks to NEFE and the Green Foundation, *Steps to Success* will be provided to every Dress for Success client during her first suiting appointment," said Joi Gordon, CEO of Dress for Success. "This means that the booklet will be the first ubiquitous career development tool across the entire Dress for Success network globally. We have always given women confidence through our professional attire, but now all of our clients also will have the basic resources to guide

"These women often come to Dress for Success to learn career basics. Dress for Success provides them with the professional support they need."

—Mary Hoch

aged to ask questions and seek advice from a pro bono financial planner, who used the *Steps to Success* booklet at the meeting, too."

"These women often come to Dress for Success to learn career basics," said Hoch of the women at the PWG meeting. "They don't necessarily know how to conduct themselves in a professional manner or how to deal with paychecks, benefits, or even taxes. Dress for Success provides them with the professional support they need."

Another professional resource that Dress for Success offers to clients is its Career Center, where women can

their job search and successfully launch their professional journey."

More than 400,000 women have been served by Dress for Success since 1997. The organization has offices in the United States, Canada, Netherlands, United Kingdom, and New Zealand. To learn more about Dress for Success, visit www.dressforsuccess.org.

The current *Steps to Success* booklet is available at www.smartaboutmoney.org/stepstosuccess. The redesigned booklet also will be available at that Web address early next year. For more information on the other projects NEFE has done with various organizations, visit www.nefe.org/collaborative.



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