

Nefe Digest

November/December 2012

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Moving Financial Literacy Forward Through Expanded Offerings and Thought Leadership

The National Endowment for Financial Education (NEFE) spent 2012 continuing its mission to bring financial education to more people in more ways. Whether through research projects, hands-on help, or strategic partnerships, the year brought many positive changes and new tools for individuals and families to manage their money better. Here's a look at some of what NEFE accomplished this year.



NATIONAL ENDOWMENT FOR
FINANCIAL EDUCATION

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High School Program Overhauled

Using teacher feedback and program evaluation findings as its guide, NEFE launched major upgrades to the NEFE High School Financial Planning Program® (HSFPP), its flagship financial education program. The revamped curriculum offers the same practical content it always has, but in a more flexible format split into six modules: spending, borrowing, earning, investing, financial services, and insurance. This, along with an ever-growing collection of content and learning activities on its redesigned website (www.hsfpp.org), allows teachers to tailor the program based on individual needs and student populations. **To learn more and order materials, visit www.hsfpp.org.**



Teacher Training Program Generates Tangible Success

NEFE continued its work with the JumpStart Teacher Training Alliance, which seeks to better prepare educators to teach personal finance by building their confidence about their own personal finance knowledge. While the alliance spent much of the year testing and refining the program with additional pilots in Colorado, Vermont, and South Carolina, it also received positive results from follow-up surveys of teachers who attended early pilots of the program. The surveys found that six months after the initial training, more educators had integrated financial education into their classrooms, reviewed their credit reports, examined their retirement goals, compared prices on insurance policies, and checked their pay stubs for errors than prior to the training. **To learn more, visit www.jumpstart.org/teacher-training-alliance.**



Research Reveals Real Threat of Debt Consolidation Ads

Debt consolidation loan (DCL) providers often market their products as no-hassle solutions that can lower consumers' monthly payments and overall debt. But NEFE-funded research found that DCL ads also can lead consumers to take on riskier money behaviors rather than find solutions to their debt problems. Specifically, the ads make consumers feel that once they enroll in a DCL program, they have a "get-out-of-jail-free" card and can start spending again, without regard to their debt levels. To combat this "boomerang effect," researchers at Pennsylvania State University, Duke University, and the University of Florida crafted a financial literacy intervention that gave consumers full disclosure about DCLs. Armed with this knowledge, consumers made different decisions about the loans and about managing debt compared to when they encountered the DCL provider ads alone. **To read more about the research, visit www.nefe.org/what-we-provide/primary-research/debt-consolidation-loan-research.**



Drowning in Debt?

REDUCE YOUR DEBT • LOAN APPROVAL IS NO-HASSLE

Study Provides Insight Into Financial Practices of Immigrant Community

Why are Mexican-American immigrants poorly prepared for retirement compared to other populations? NEFE-funded research at the University of Notre Dame revealed that the fastest-growing ethnic group in the U.S. places more value on social networks of family and friends rather than financial capital. Furthermore, Mexican-Americans are less likely to work for employers who offer pensions, more likely to harbor mistrust of financial institutions, and often reach into savings to help loved ones pay for celebrations, such as quinceañeras. The research recommends financial institutions make an effort to reach out to and build trust with Mexican-Americans, and provides examples of banks that have found success with such outreach. **To learn more, visit www.nefe.org/what-we-provide/primary-research/confianza-savings-and-retirement.**

President's Council Offers New Resources for Financial Literacy

NEFE President and CEO Ted Beck had another active year with the President's Advisory Council on Financial Capability, weighing in on financial education in the workplace, communities, and home. Specifically, the council:

- Proposed a new concept called "Roth at Birth," which would modify Roth individual retirement account savings rules to allow parents to use their earned income limits to make contributions for a child with no income, as they currently can with a nonworking spouse.
- Contributed to a new White House guide, *Every American Financially Empowered*, which helps local leaders promote financial capability initiatives.
- Helped with Money as You Grow (www.moneyasyougrow.org), an interactive online tool developed by personal finance expert and council member Beth Kobliner to encourage parents and others to teach kids about money from ages 3 to 18 and older.

To learn more about the President's Council's activities, visit www.treasury.gov/resource-center/financial-education/Pages/Advisory.aspx.

20 Money Lessons for Children As They Grow



Partnerships Produce Helpful Online Tools and Resources

For years, NEFE has provided financial education through collaborations with national nonprofit organizations with direct access to individuals in need. While NEFE continues that work, it also has expanded its offerings to a broader spectrum of practitioners and consumers, providing new tools to help them educate their communities. This year, NEFE created new Financial Workshop Kits (www.financialworkshopkits.org), which provide more detailed, customizable, and flexible resources for educating varied, yet specific, audiences on financial basics. NEFE also worked with public television to provide content for its web-based program called Next Avenue (www.nextavenue.org), which helps aging Americans navigate the challenges of their new life stage.

FINANCIAL WORKSHOP KITS

Free resources to help you teach money management skills

nextavenue™
where grown-ups keep growing



Planners Rank Financial Four

What are the top priorities financial planners recommend consumers focus on this year? According to Financial Four, a March Madness-inspired tool NEFE launched with the Financial Planning Association® (FPA®), consumers should:

1. Live within their means
2. Protect themselves with adequate insurance
3. Build an emergency savings account
4. Establish life insurance for wage earner(s)

Financial Four uses a bracket of 32 concepts to help users identify the financial areas that are most important to them. To launch the online tool, NEFE asked 300 financial planners to use Financial Four to rank their top four recommendations for Americans. To try out the tool, visit www.financialfour.org.

New Award Recognizes Excellence in Personal Finance Journalism

NEFE is partnering with the Radio Television Digital News Association (RTDNA) to bestow a new personal finance reporting award—the RTDNA/NEFE Excellence in Personal Finance Reporting Award. NEFE and RTDNA presented the award to three electronic journalists in connection with the Money Matters financial reporting resource, which offers help for reporters covering stories about financial issues. To access Money Matters, visit www.nefe.org/press-room.



NEFE President and CEO Ted Beck presents the RTDNA/NEFE Excellence in Personal Finance Reporting Award to Lorrie Taylor of WJW-TV in Cleveland. (Photo courtesy RTDNA)

To read more about NEFE's activities in 2012, visit the *NEFE Digest* archive at www.nefe.org/press-room/nefe-digest/nefe-digest-2012.



LifeValues Quiz

Revealing the Reasoning Behind Financial Decision Making

Have you ever wondered why you spend your money the way you do? Are you struggling because you and your spouse can't seem to see eye-to-eye on how to spend money in a joint account? Or are you looking for a new way to get through to your students or clients about using their money wisely?

NEFE's LifeValues Quiz (www.smartaboutmoney.org/lifevaluesquiz) can help with each of these scenarios by shedding light on financial decision making. This easy-to-use, interactive online tool demystifies people's financial attitudes and behaviors by zeroing in on their unique life values and interpreting how those values impact their financial choices.

How The Quiz Works

When it comes to spending, saving, giving, and investing our money, we all make decisions based on what we consider to be most important in our lives. For example, if you value having material items such as a sporty car or a nice house, you rank high in "physical" values related to your money. But if you would rather spend your money on experiences for your children or spending time with your friends, your chief concern is your "social" values.

The LifeValues Quiz elicits your individual values and preferences by asking 20 specific lifestyle questions, some unrelated to money. The multiple-choice questions gauge everything from your car and housing preferences to how you would handle a financial windfall or an overdue bill and what the words "health" and "security" mean to you.

At the end of the quiz, the tool reveals your LifeValues scores and interprets what those scores mean to your financial decision making. In addition, the quiz provides exercises for evaluating and making future financial decisions, such as asking yourself why you are drawn to a decision and whether it aligns with or conflicts with your values.

Who Should Use the Quiz

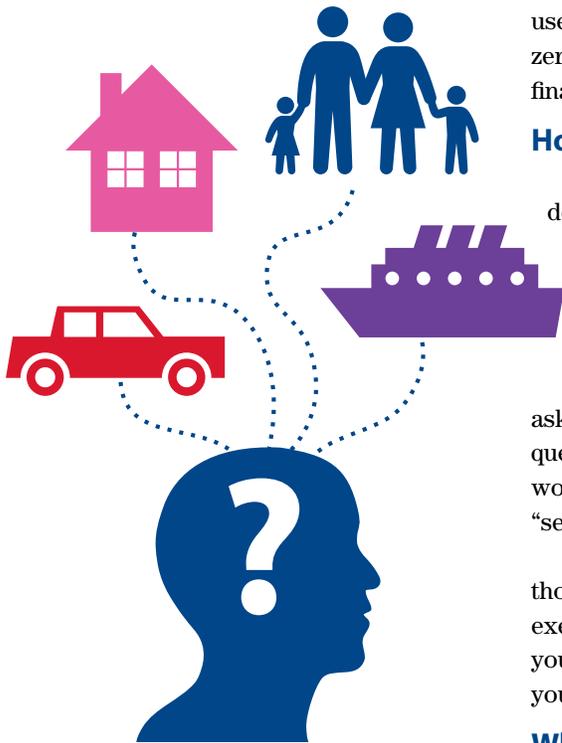
The LifeValues Quiz is designed (and provides individual instructions) for:

- Consumers who want to make more informed financial decisions by understanding their patterns and preferences around money.
- Couples looking to better communicate about money and resolve conflict in their relationship.
- Financial educators, counselors, and planners who would like to teach their students and clients how their life values impact their choices.

NEFE encourages people to take (or administer) the quiz once to establish a baseline, and to retake (or readminister) the quiz following major life decisions such as marriage, divorce, buying a home, having a child, or moving to a new city.

To learn more about or take the LifeValues Quiz, visit www.smartaboutmoney.org/lifevaluesquiz.

About the Series: *Tools from NEFE* shares the vast collection of resources available from NEFE to help our readers in the financial literacy community educate and inspire positive change among the populations they serve, from high school students and employees to adult learners and retirees. See previous entries in the *Digest* archive at www.nefe.org/press-room/nefe-digest.



Research Behind the Quiz

The LifeValues Quiz is based on insight garnered from NEFE-funded research by Lois Vitt, Ph.D., chair and founding director of the Institute for Socio-Financial Studies (ISFS). Vitt found that social, environmental, and psychological factors shape the decisions people make in their lives. In the research, Vitt asked specific questions about how people's financial and other values were formed; those questions are the basis for the LifeValues Quiz.

CashCourse Grows in Users, Offerings, and Impact

NEFE College Program Makes Big Difference on Campus

CashCourse® (www.cashcourse.org), NEFE's online money management resource for colleges and universities, recently enrolled its 700th school, the University of Portland. As CashCourse celebrates this milestone of tremendous growth in its first five years, it also observes more schools using the comprehensive financial literacy program to make a significant impact on campus—especially among the underserved.



Learn more about how Pensacola State College has used CashCourse by watching the video at www.cashcourse.org/home/success-stories/pensacola.

“We’re seeing CashCourse administrators across the country use our tools and resources to markedly improve students’ financial knowledge and behaviors,” says Amy Hartenstine, director of CashCourse. “It has been incredibly rewarding to see the difference the program is making on campus.”

Focusing in on Financial Issues

Rachelle Burns, director of TRIO Student Support Services at Pensacola State College in Pensacola, Fla., enrolled her school in CashCourse in 2009, in response to issues she and other faculty were observing on campus.

“We were concerned about some of the things that were happening with our students on a financial level, and the way it was impacting students in terms of their completion of classes and their ability to use their financial aid properly,” says Burns.

The group formed a financial literacy committee, putting CashCourse at the forefront of its programming. Since then, the committee has increased financial literacy awareness on campus, even securing “Money Matters” as the schoolwide theme for the 2012-2013 school year.

Burns has used CashCourse to help a variety of Pensacola State College students, particularly those enrolled in the school’s TRIO program, which uses federal funds under the Higher Education Opportunity Act (HEOA) to provide academic support to low-income and first-generation students, and students with disabilities.

“Before I started school, money was unmanageable,” says Dexter Vickers, a nursing student at Pensacola State College,

whose previous attempts at saving money hadn’t worked. Then he learned about CashCourse through the school’s TRIO office, and Vickers since has found success using a variety of CashCourse tools, including video tutorials on budgeting, saving, and paying down loan debt.

“It [CashCourse] opened my eyes to what I was doing wrong,” Vickers says. “Now, I’m more successful with my money.”

Responding to Schools’ Needs

In addition to Pensacola State College’s TRIO program, CashCourse serves more than 165 other colleges and universities that operate TRIO programs. To better support

this audience, CashCourse has designed webinars, tutorials, and other resources specifically to meet new HEOA requirements that students learn about budgeting, money management, and credit.

“CashCourse is very responsive to feedback from the people who use it,” says Burns. “We [TRIO programs] need to have the ability for our students to take a pretest and a posttest. So, CashCourse came

up with coursework based on the types of topics that are on the website. It gives us the ability to offer students a tool that can also measure their knowledge before and after the coursework, so we can say, ‘Yes, this actually produces results.’”

“We’re seeing CashCourse administrators across the country use our tools and resources to markedly improve students’ financial knowledge and behaviors. It has been incredibly rewarding to see the difference the program is making on campus.”

– Amy Hartenstine

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University of Portland CashCourse administrator Russell Seidelman meets with a student in the Office of Financial Aid.

The University of Portland has found similar success using CashCourse coursework to help the university's low-income students develop the personal finance skills they need to fulfill eligibility requirements for Oregon's Matched College Savings Program (MCSP), which helps college students pay for their education.

"These students are going through CashCourse's e-learning coursework, specifically the section called Getting Started with Saving and Investing," says Russell Seidelman, assistant director of outreach in the school's Office of Financial Aid. "I have liked seeing how they answer the course quiz at the beginning, then again at the end of the tutorial. We have had good results."

CashCourse will continue to make program enhancements in response to the unique situations it observes among students and the diverse needs of its program users.

For more information on CashCourse, visit www.cashcourse.org.



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

Financial Planning Association 2012 Chapter Leaders Conference	Nov. 2-3	Broomfield, Colo.
Jump\$tart National Educator Conference	Nov. 2-4	Chicago, Ill.
Association for Financial Counseling, Planning, and Education (AFCPE) Annual Conference	Nov. 14-16	St. Louis, Mo.
National Council for the Social Studies (NCSS) Annual Conference	Nov. 16-18	Seattle, Wash.
Consumer Federation of America (CFA) Financial Services Conference	Nov. 29-30	Washington, D.C.

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