

# Nefe Digest

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A Publication of the National Endowment for Financial Education

*See inside for articles about two exciting events: the launch of a financial literacy public awareness campaign and the second national financial literacy symposium.*

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## National Endowment for Financial Education Names New Leader

The National Endowment for Financial Education® (NEFE®) has announced the appointment of Theodore (Ted) Beck, MBA, to the position of president and chief executive officer. Beck will join NEFE effective October 1, 2005. He replaces William L. Anthes, Ph.D., who is retiring in September after 26 years spent leading the National Endowment and its predecessor, the College for Financial Planning®. (See the related sidebar article on page seven.)

Beck brings to NEFE an impressive breadth and depth of experience in business, financial services, and education. Prior to his appointment, he was associate dean of Executive Education and Corporate Relations at the University of Wisconsin (UW)-Madison School of Business. At the same time, he served as president of the Center for Advanced Studies in Business, Inc., a nonprofit

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*A Publication of*



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# NEFE Introduces National Financial Literacy Campaign

This month, the National Endowment for Financial Education is launching the country's first large-scale public awareness campaign devoted to financial literacy.

The campaign, themed "Not if We Can Help It," encourages adults within the general U.S. population to "get smart about their money." It strongly emphasizes the message that Americans need to take personal responsibility for their fiscal well-being by becoming financially literate—and that their quality of life and future security absolutely depend on it.

they aren't planning for their retirement, and their day-to-day choices about money are causing them to sacrifice long-term security.

"Second, we want people to know that achieving financial well-being is possible for all Americans. NEFE is well positioned to help individuals get smart about their money. From getting out of debt to managing money wisely to saving for the future, we have the information people need to get their financial lives on track," he says.

The campaign's advertisements and PSAs were created by the Los Angeles-based advertising agency Benenson

says. "It's important for every American to be financially literate and to understand and apply basic money management principles to their lives. We believe the campaign will resonate with people throughout the population who are struggling financially."

The advertisements and PSAs feature individuals who are asking one of several, all-too-familiar questions about their financial future, such as: "Am I always going to be living paycheck to paycheck?"; "Does retirement have to wait until my 70s?"; "Will I always be working weekends just to stay out of debt?"; "Is a great college for our

*"The NEFE Financial Literacy Resource Center provides Americans with the ability to search through an extensive database of financial education materials."*

Through paid television, radio, print, and Internet advertisements, supplemented with public service announcements (PSAs), the campaign directs Americans to a Web site where they can locate practical information on how to start achieving their financial goals. The campaign and Web site, located at [www.smartaboutmoney.org](http://www.smartaboutmoney.org), are scheduled to be launched the third week of September.

NEFE committed a total of \$2.3 million to develop the "Not if We Can Help It" campaign. The funds were used to create and facilitate the production of multiple PSAs and advertisements, secure placement of these ads in national media, promote the placement of the PSAs in donated media, and develop the "Smart About Money" Web site.

"In launching the financial literacy public awareness campaign, our goals are twofold," says William L. Anthes, Ph.D., president and CEO of NEFE. "First, we want to draw attention to the fact that many Americans are struggling to maintain a healthy financial lifestyle. In general, consumers are carrying too much debt,

Janson. The firm has more than 10 years of experience in advocating for worthwhile social causes and is known nationally for taking an innovative approach to issues-related marketing. Benenson Janson has developed campaigns for nonprofit organizations such as the American Civil Liberties Union, the Salvation Army, and Declare Yourself, a youth voter-registration initiative.

The advertisements and PSAs created by Benenson Janson for the NEFE public awareness campaign target adults between the ages of 25 to 60, with an income of \$35,000 to \$100,000. NEFE chose to focus on this audience because help is available for those below the targeted income range through numerous organizations, including the National Endowment for Financial Education; and higher-income individuals have the resources necessary to seek professional advice.

However, Nan Mead, who is coordinating the campaign for NEFE, points out that adults of all ages and income levels can benefit from the campaign message. "Financial challenges are not limited to a certain group," she

kids out of the question?"; and "Is the American dream (of homeownership) out of our reach?"

In all cases, the answer to the questions posed is, "Not if we can help it." The advertisements and PSAs then encourage viewers to begin taking responsibility for their financial future by logging on to the Web site, located at [www.smartaboutmoney.org](http://www.smartaboutmoney.org), for information concerning their particular need.

The television advertisements will air on CNN and CNN "Headline News" approximately 280 times. In addition, Internet banner ads will be displayed on America Online's "Personal Finance" and "Business News" sections. Print advertisements will run throughout the next year in a variety of national publications, including *Parenting*, *Sports Illustrated*, *Time*, *People*, and *Real Simple*. The television, Web, and print advertisements have the potential to reach a minimum of 150 million people.

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## NEFE Hosts National Financial Literacy Symposium

The National Endowment for Financial Education recently hosted a financial literacy symposium that drew thought leaders from around the nation. The event, *Closing the Gap Between Knowledge and Behavior: Turning Education into Action*, took place from August 10-12 in Denver.

Experts from a variety of disciplines participated in a lively exchange of ideas about how to increase the effectiveness of financial education programs.

The theme of the symposium built and expanded on the outcome of the first NEFE symposium, *The State of Financial Literacy in America—Evolutions and Revolutions*, which took place in 2002. During the first NEFE symposium, participants concluded that Americans' failure to make knowledgeable decisions about their



personal finances is having dramatic national impact. Participants also acknowledged that being financially literate requires more than just knowledge. Individuals who are financially literate also must act upon that knowledge and change behaviors that negatively impact on their financial well-being.

"The second symposium provided an opportunity for many of the participants of the 2002 event to reconvene and take their initial conclusions a step further," says William L. Anthes, Ph.D., president and CEO of NEFE. "This time, money-management educators from around the country discussed financial literacy with representatives from a variety of professional fields, such as public health, psychology, and economics, which also utilize education to achieve behavioral change. We asked them to consider these other disciplines as they explored the broad question, 'How can we, as financial

educators, turn our learners' knowledge into action?'"

The symposium was moderated by Carolyn Kaufman, CFP®, president and CEO of Prim Advisors in Cleveland. Kaufman is a mentor and instructor, and has facilitated other national conferences.

Featured presentations by respected experts in brain science, human behavior, change theory, and psychology generated new insight for the financial literacy professionals. These presentations specifically addressed five areas of inquiry underlying the overall theme, including neuroscience as it relates to behavioral change, the application of the Transtheoretical Model of Change in educational interventions, underlying assumptions about learners and the subsequent effect on financial professionals' ability to promote change, and the





*The symposium drew financial literacy experts from throughout the United States.*



financial psychology of individuals as it relates to clinical approaches to change.

David Laibson, Ph.D., a neuroscientist and professor of Economics at Harvard University, spoke on the first symposium topic of neuroscience and its relationship to behavioral change.

From the context of brain science, Laibson addressed the following questions: Why do people often fail to carry out their best intentions? Why do people sometimes act impatiently and impulsively? Why do people procrastinate about financial planning? Laibson suggested that the difference between the emotional brain's drive for instant gratification and the analytical brain's ability to maintain a patient, long-term view must be considered when developing programs with action-oriented goals.



He suggested that one effective way to ensure consumers save for their future retirement is to make the act as easy as possible. As an example, Laibson proposed enrolling people in automatic opt-out benefits programs through their employers.

The second main area of focus for the symposium was the application of the Transtheoretical Model of Change (TTMC) to educational interventions. The featured speaker on this topic was James O. Prochaska, Ph.D, director of the Cancer Prevention Research Consortium and professor of clinical and health psychology at the University of Rhode Island.

In his presentation, titled "Educational Interventions and Human Receptivity to Change," Prochaska discussed his well-known Transtheoretical Model of Change theory, which suggests that getting information to individuals at a time in their lives when they'll be most receptive to both learning and applying it is a critical factor in designing, implementing, and achieving impact with educational programs.

Prochaska suggested that one effective method of financial education is to present information at a highly specific and relevant time for the individual in need. He proposed that these key life stages, or "teachable moments," are ideal times to encourage behavioral changes with regard to money, because they increase the chances that the new habits will be accepted



and implemented into individuals' daily lives.

Colin Camerer, Ph.D., professor of business economics at the California Institute of Technology, addressed the third core area of inquiry at the symposium in a session that explored the underlying assumptions financial literacy professionals make about their audience, and the effect this has on their ability to achieve behavioral change. His presentation drew on concepts from the field of behavioral economics, which examines why people make financial decisions that are irrational, inefficient, and opposed to their best interests.

One of Camerer's main conclusions was that when teaching financial literacy skills, it is helpful to appeal to people's sense of "loss-aversion." This



way, for example, the learner believes that rather than losing access to one's money by putting it into savings, he or she is in fact adding to the future quality of his or her life. He emphasized the importance of engaging individuals on an emotional level with regard to their relationship with money.

The final day of the symposium began with a general session concerning the fourth area of inquiry, which focused on the findings of financial psychology and how people's individual money personalities can influence their lives. The session, titled "Real Life and Financial Well-Being," featured presenter Kathleen Gurney, Ph.D., CEO of the Financial Psychology Corporation.

During her presentation, Gurney shared research and clinical experience regarding the psychological charac-



teristics of nine distinct money personalities. She discussed the importance of matching education and communication to an individual's needs, abilities, and personality traits.

Gurney concluded her presentation by recommending that financial literacy professionals begin counseling sessions by first asking their clients about the general characteristics of their personality, rather than immediately starting to burden people with specific, financial information. When people are more self-aware, she suggested, they feel more in control of their lives, allowing them to be more confident in their ability to manage money and more receptive to new information.

During the final session of the symposium, conclusions drawn from

the previous four general sessions, breakout groups, and roundtable discussions were brought together to identify next steps. The session consisted of a panel discussion titled "Closing the Gap Between Knowledge and Behavior: Needs Assessment."

The purpose of this session was to use information gained from the symposium to identify what research, resources, educational materials, partnerships, and networks are needed in order to modify financial education, so that it has an increased potential to move learners from knowledge to action.

Complete conclusions drawn from the event are to be presented in a symposium white paper, which will be available later this year on the NEFE Web site.



## Two New Fellows Join NEFE

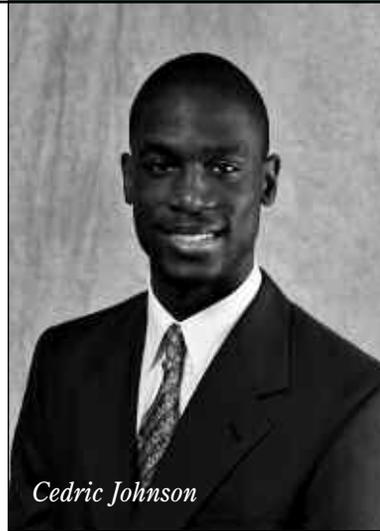
The National Endowment for Financial Education recently welcomed two new young people to the NEFE Fellows Program. Cedric Johnson, a graduate of Clemson University in South Carolina, will work in the Grants Administration department under the direction of Marilyn Canfield; and Monica Narang, a graduate of the University of Denver, will work in the Collaborative Programs department under the direction of Brent Neiser. Both fellowships will last for two years.

Johnson received a B.S. in economics with a minor concentration in financial management from Clemson. During his time in college, Johnson was involved in the school's finance club; he also worked for the student center in an outreach position that allowed him to interact with Relay for Life, Habitat for Humanity, and the National Association for the Advancement of Colored People.

Along with his class and work schedule, Johnson found time to volunteer with a number of community outreach efforts, including voter registration drives, blood drives, clothing drives, and benefit concerts.

Johnson was attracted to the NEFE fellowship because it will provide him with an opportunity to learn more about the nonprofit world while working in finance.

"Ever since I was introduced to financial markets, I have wanted to work in the field of finance," Johnson says. "However, my background in community work taught me that the common citizen will never be able to take full advantage of the stock market, bond market, real estate market, etc. until he or she first becomes financially competent. This is why I decided to seek a career that connects personal finance to social and economic improvement. Upon reading NEFE's mission, I realized how well the



*Cedric Johnson*

organization's goals align with my career objectives."

During his time at NEFE, Johnson will be introduced to all facets of grants administration, from the review of the applications through the management of the projects. He also will be involved with special projects, such as coordinating think tanks.

Narang received a B.A. in international business from the University of Denver. During her tenure at the university, she was involved in a number of student groups. As a board member of the University of Denver Multicultural Association, she organized and participated in international events and promoted the awareness of diversity at the university and in the surrounding community. In addition, she enjoys learning about other cultures and can speak both Spanish and Hindi.

After school, Narang spent a year in a graduate training program working as a risk analyst for the insurance brokerage company Marsh & McLennan. During this time, she performed risk analysis for clients seeking insurance advice regarding property.

Narang is looking forward to the nonprofit experience she will gain during her time at NEFE.

"NEFE is an active organization that strives to make a difference in the lives of Americans," Narang says. "As a fellow, I am excited about the chance to reach out and help individuals and groups who are struggling with



*Monica Narang*

their personal finances. This fellowship is an excellent opportunity for me because my long-term goal is to be involved with the management of a nonprofit organization and assist those in need."

During her fellowship, Narang will help with think tanks and special projects. She also will be responsible for managing the Collaborative Programs' inventory and archives, as well as the reprinting of existing projects and requests for technical updates.

The NEFE Fellows Program was established in 1999 to attract intelligent and talented young people to the nonprofit sector and the field of personal finance. The program is open to recent college graduates with a strong academic record, experience working in their community, and an interest in personal finance. During their two-year stay, fellows gain experience in nonprofit operations and management by working on a broad range of NEFE projects.

To find out more about the NEFE Fellows Program, visit [www.nefe.org](http://www.nefe.org) and click on Innovative Thinking.

You also may contact Dave Kaus at (303) 224-3503 or [djk@nefe.org](mailto:djk@nefe.org).

### Holiday Closings

NEFE will be closed September 2-5 for an extended Labor Day holiday.

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# National Endowment for Financial Education Names New Leader

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organization designed to support the activities of the Business School; and he also managed the operations of the Fluno Center for Executive Education.

Before joining UW-Madison in 1999, Beck spent over 20 years in senior management positions with Citibank/Citigroup. From 1995 to 1999, he was a managing director and market manager in New York, where he oversaw banking groups covering three major client areas: the U.S. healthcare industry; international companies operating in the U.S.; and corporate clients in the northeastern U.S. He has held previous assignments in San Francisco, Cleveland, Minneapolis, Chicago, and Zurich.

Beck is an alumnus of the UW-Madison School of Business, where he earned his master's degree in International Business in 1976. He

graduated from Notre Dame in 1975 with a degree in Business Administration. He currently is chairman of the Advisory Board of Directors of Gammex, Inc., and also sits on the boards of Keylab; the Madison Committee on Foreign Relations, Inc.; the International Consortium for Executive Education, the Graduate School of Banking; and the Wisconsin Public Utility Institute.

In addition, Beck is a member of the Board of Trustees of Edgewood campus schools. He previously served on the boards of Citicorp Securities, Wisconsin Business Alumni, and the Cleveland Playhouse.

Beck expresses great enthusiasm for his appointment and NEFE's mission. He said, "I continually see the impact that education has on people's lives. I view *financial* education as having the ability to impact not only on individuals, but on generations of

families, and on society as a whole. I feel both honored and privileged at having been chosen to carry on the excellent work initiated by my predecessor, Dr. Bill Anthes, at the National Endowment for Financial Education."

G. Joseph Votava, who chaired the NEFE Board of Trustees Search Committee, added, "During a long and diligent search process, Ted Beck emerged as an outstanding candidate, and as the obvious choice to lead the National Endowment into the future. He brings to the organization a unique combination of vision, knowledge, experience, and skills that will serve NEFE, the financial literacy community, and the country extremely well."

Beck and his family will relocate from their home in Madison to the Denver area between now and the end of September.

**W**illiam L. Anthes, Ph.D., will retire as president and CEO of the National Endowment for Financial Education after 26 years with the organization. Anthes served as president of the College for Financial Planning from 1979 to 1997, at which point he worked with the College for Financial Planning Board of Regents to create the National Endowment for Financial Education as the parent entity of the College and several other professional education divisions. Under his leadership, NEFE was recreated in 1998 as a nonprofit foundation dedicated to helping all Americans achieve financial well-being.

Anthes is considered by many people throughout the country to be a leader and a visionary—both in the financial planning community, where professional education is concerned, and in



the field of financial literacy, regarding consumer education. His efforts have been particularly noteworthy for their positive impact on underserved or special needs audiences and America's

youth. He frequently is called upon as a speaker, and remains in demand as an advisor to other nonprofit organizations, financial literacy groups, and government agencies. Anthes has authored many articles on the topic of financial education and has been widely recognized for his work, receiving a number of awards throughout the course of his career.

After a brief transitional period, Anthes will be succeeded by Ted Beck, MBA. In announcing his retirement, he said "In working with many staff and Board members over the years, I am proud of the numerous accomplishments we have achieved during my tenure at the College and NEFE. As my retirement approaches, I am pleased to be able to hand over the reigns of this organization to such a capable leader as Mr. Beck."

5299 DTC Boulevard  
Suite 1300  
Greenwood Village, 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](http://www.nefe.org).

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## NEFE Introduces National Financial Literacy Campaign

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A simultaneous effort will focus on securing donated space for the PSAs from network television and radio stations throughout the country.

Visitors to the “Smart About Money” Web site will find everything they need to begin their journey toward a healthy financial future. Users can take a financial literacy quiz to help them identify resources most relevant to their needs; they can review simple steps for creating a healthier financial future based on specific events or benchmarks in their lives; and they can take advantage of numerous financial tips developed for immediate application to everyday life. The Web

site also houses the NEFE Financial Literacy Resource Center<sup>SM</sup>, which contains a wealth of financial education information on the topics of financial planning, credit and debt, saving, investing, retirement, and a variety of other topics.

“The NEFE Financial Literacy Resource Center provides Americans with the ability to search through an extensive database of financial education materials,” Anthes says, “and includes brochures, Web sites, booklets, and CD-ROMs. It consolidates a vast number of resources contributed by members of the country’s financial literacy community and provides consumers with a single location

where they can research and order these materials—most of which are free or of minimal cost.”

So far, over 32 organizations have contributed more than 150 materials to the Resource Center. All of the materials submitted were reviewed for accuracy and relevancy before being posted to the site. New resources will be added continually, Anthes says.

To learn more about the “Not if We Can Help It” campaign, you can log on to [www.smartaboutmoney.org](http://www.smartaboutmoney.org) beginning September 21. Organizations interested in contributing their materials to the Resource Center should contact Clair Diones, at (303) 224-3522 or [cdd@nefe.org](mailto:cdd@nefe.org).