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Proceedings

of The Association for Financial Counseling and Planning Education®

Edited by **Mary M. Bell, Ph.D., CFP,® AFC®** and
Vivian J. Mason, Ph.D.

2013 Annual Research & Training Symposium
November 20-22

Contents

Editors' Note

Welcome to the 2013 AFCPE® *Symposium Proceedings*. The broad range of items selected by the program task forces for posters, practitioner's forums, research papers, and student papers for the 2013 Annual Research and Training Symposium represents the expertise and commitment of our members to financial counseling, planning, and education across the lifespan in a variety of venues.

We would like to thank all who submitted and reviewed papers, practitioner forums and posters for the 2013 Annual Research and Training Symposium of AFCPE®. The *Proceedings* include all of the research papers, student papers, practitioner forum summaries, and poster abstracts presented at the AFCPE® Symposium in Greenville, South Carolina, November 20-22, 2013.

We would especially like to thank Katie Tornow, AFCPE® Operations Officer, who patiently and graciously answered our many questions during the preparation of the *Proceedings*.

It has been a privilege, as well as an educational experience, to edit and format the *Proceedings* for this year's AFCPE symposium. The opportunity to read each of the submissions prior to the conference has been invigorating. We are looking forward to attending as many of the presentations as possible. The commitment of the AFCPE membership is reflected in their submission of quality research and presentations for this year's conference.

The 2013 symposium exemplifies AFCPE's® mission of "providing outstanding professional development experiences for financial educators, practitioners and researchers to improve the economic wellbeing of individuals and families worldwide".

Please consider submitting your work for publication in the 2014 AFCPE® *Proceedings* and for presentation at the symposium in Bellevue, Washington, November 19-21, 2014. Please visit the AFCPE® website (www.afcpe.org) for symposium details and submission guidelines.

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Posters

Adventures in Education (AIE™) website – AIE.org

Richard Sapp[1], TG Director of Pre-college Success

Key Words: o*nline website, scholarships, careers, admissions*

Abstract

TG is a public nonprofit organization whose vision is to be the premier provider of information, products, and services to help students and families realize their education and career dreams.

In alignment with its vision, TG provides free resources for students and parents that help connect families to institutions of higher education. These resources are also available for counselors, community and faith based organizations, and other service providers that help families navigate the transition to higher education.

TG resources include TG's public service website, Adventures in Education (AIE™) found at www.AIE.org. Most AIE website material is presented in both English and Spanish, and content includes five major sections.

Managing Your Money — This section provides information and tools that address real-world finances, such as spending plan worksheets, a credit card skills builder, interactive credit report exercises, and a credit calculator.

Planning for College — This section features an introduction to the financial aid process, motivational video presentations titled "I am College Ready," and other helpful information.

Paying for College — In this section, students and families can access a scholarship search tool, information on loans, and even a loan calculator to illustrate repayment options.

Finding a Career — This section focuses on careers, with resources such as U.S. Department of Labor statistics and career profile videos that orient students to different career choices.

In addition, a prominently-placed "Top Questions" sidebar helps students and their families access answers to some of the most-asked questions about the college-planning process.
TG is a nonprofit organization and does not offer third-party marketing on the AIE website.

TG showcases AIE at numerous Texas College Awareness events and in NextStepU magazine, a national publication for high school students that is distributed in over 20,000 high schools in all 50 states.

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Asset Building in Rural Communities: Walls & Windows of Opportunity

Rosemary K. Heins[2] and Patricia D. Olson, University of Minnesota Extension; Cynthia Needles Fletcher and Jeanne Warning, Iowa State University Extension and Outreach, and Lynette Flage, North Dakota State University Extension Service

Key Words: *asset building barriers, rural asset building opportunities, rural poverty-reduction, rural family finance*

Community-based approaches to asset building hold promise, but less is known about which strategies may be most useful to rural families and could be supported and sustained by the community. In 2012, an applied research project was conducted to identify 1) priorities for asset-building efforts that are perceived to be of greatest benefit to rural families in building financial stability; 2) barriers faced by rural families in their attempts to build assets; 3) opportunities that could be shaped by collaborations among individuals and families and community leaders to enhance asset building in rural communities; and 4)strategies that rural communities might initiate to strengthen family asset building.

The project drew upon research and practice in both rural community development and family economics. Although one emphasizes the community or regional level and the other focuses on the household, there are synergies between the two. Bridging the fields of community development and family economics yields a more holistic approach to shaping effective community-based, family asset-building strategies. Rural asset building undoubtedly offers opportunities ("windows") and constraints ("walls") that are different from asset building in urban areas.

Six rural communities in Iowa, Minnesota, and North Dakota took part in the study. These communities had participated in Horizons, an initiative carried out by Extension and funded by the Northwest Area Foundation. Two focus group interviews – one with community leaders and one with low-to moderate-income working parents with children – were conducted in two communities in each state. The three general research questions were:

- What assets do rural families perceive to be of greatest value?
- What barriers do rural families face in their attempts to build assets and financial stability?
- What resources exist within rural communities to facilitate asset-building efforts? What programming examples within the communities were seen as helpful?

The focus groups interview transcripts were analyzed for content and summarized. The analysis of the family and the community leader focus groups yielded similar results and were reported together in key findings.

Four key findings were identified. Briefly, they are: 1) focus group participants had modest definitions of financial success; asset building often was mentioned as important in getting ahead. 2) Study participants identified personal decisions, lifestyle choices, limited financial management skills, lack of post-secondary education and job skills as significant individual or family-level factors that hinder getting ahead financially. 3) Community infrastructure directly affects family asset building in subtle ways. Good paying jobs are a key to success but are limited in small towns, as are goods and services at the lower prices often found in larger nearby communities. The social fabric of small town life needs to be a considered, as well, in designing community-based asset building programs. And 4) broad social and economic factors and family economic mobility were identified as major influences creating significant barriers to creating and sustaining family asset building.

This research project was funded by the North Central Regional Center for Rural Development. A December 2012 recorded webinar report is available at: http://ncrcrd.msu.edu/ncrcrd/topic_area_sustainable_communities

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Behavior Change: Using What Works

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Key Words: *behavior change, financial behavior, money management programs*

As many know, good financial management is not just about numbers. Many financial counselors, coaches, planners, and educators have discussed the importance of helping clients make positive habitual behavior change in order to improve their finances.

The purpose of this paper is to investigate a behavioral change program, Weight Watchers, that has been successfully working for years; and to suggest possible applications of this model to financial management programs. There are likely many key aspects of their successful program that could apply to financial behavior change as well. As an example, Carol at 5' 4" weighed 210 pounds. Her husband's work provided a program through insurance that paid for family members who were overweight to enroll in Weight Watchers. Over a one year period, Carol lost 80 pounds and has kept it off for seven years. Carol found that several parts of the Weight Watchers program helped her change her daily habits and lifestyle and thus achieve and sustain her goals.

The Weight Watchers program has various components that help individuals make positive behavior changes such as:

- Weekly informational meetings discussing tips for making positive behavior change and making lifestyle changes
- Weekly weigh-in
- Monthly charge
- Friendships of others working toward common goals (social accountability)
- Flexible options for programs and eating plans
- Life-time membership at no cost upon reaching and maintaining goals
- A focus on lifestyle changes, not dieting

Financial professionals can learn from the success of Weight Watchers and apply most of the same principles to a financial management program.

A financial management program could include a short weekly meeting. Clients could come and report their activities for the week in debt reduction, spending behavior, savings, etc. The short meeting could include tips and ideas about increasing the chances of making permanent positive financial behavior changes. Some of Weight Watcher's motivational education involves making realistic goals, changing beliefs, getting in touch with helpful resources, rehearsing good behavior in your mind, reframing behavior, and positive self-talk, all of which could apply to financial behavior change. Program administrators could charge a fee for such programs and could encourage participants to engage in friendships that will likely improve chances of success.

Weight Watchers has meetings available in most major cities. They also have an online option; participants can choose the program delivery best suited to their needs. Financial programs can offer the same. Online financial programs may be better for some. Furthermore, when individuals accomplish their goals, they could be included in a lifetime membership program giving them benefits without cost. The lifetime membership, along with the weekly education, could focus on lifestyle changes, not temporary changes. This could help motivate clients to learn and continue good savings, investing, and spending behaviors over their lifetime.

Financial professionals are often looking for ways to help clients improve their financial behaviors. Why not learn from a program that has been successful for years at helping people change their behavior such as Weight Watchers?

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Bonu$ Income Plan: A Directive Savings Tool

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Key Words: *goals, financial behaviors, savings*

The purpose of a Bonu$ income plan is to assist households in prioritizing cash windfalls to get ahead. The Bonu$ Income Plan utilizes theoretical concepts to help households make better use of cash windfalls. Through identifying bonus income, setting two to three financial goals based on their needs, and then assigning a percentage to each goal we create a plan that minimizes the impact of impulsive behavior in spending cash windfalls. A "fun" goal coupled with one or two long term financial goals influences temporal discounting.

The net result is a tool that establishes clear financial goals in writing, encourages households to stay within their monthly budget/spending plan, pre-emptively allocates cash windfalls, tempers temporal discounting tendencies, increases accountability, and encourages wise spending that supports the consumer's goals and values. The tool has been utilized primarily by low to moderate income clients to assist them in building emergency savings, eliminate debt, prepare for large purchases such as a car or home, and to save for retirement. It can be layered with other debt and savings tools.

The Bonu$ Income Plan was developed as an organic process of working with clients in a clinical financial counseling setting. The tool takes into account budgeting theories and concepts including mental accounting (Thaler, 1985). Ambiguity in mental accounting can lead to justifying overspending or robbing one category to pay for another (Cheema & Soman, 2006) overspending on expenses that only happen a few times a year, such as a birthday or vacation, and on categories that have greater activity such as food and entertainment (Sussman & Alter, 2012). Cash windfalls are disproportionately spent on nondurable goods and luxury purchases, especially for low income households (Johnson, Parker & Souleles, 2004).

It also utilizes theories in temporal discounting. When making decisions consumers often choose between spending that has an immediate reward, such as buying a big screen TV, a future reward, such as paying down debt early or saving for retirement (Kirby & Herrnstein, 1995). Research has found that making decisions in advance and increasing accountability can influence if we choose the immediate reward or the more significant future rewards (Thaler & Sunstein, 2008). The Bonu$ Income Plan allocates cash windfalls, thus triggering this decision making process.

Finally, setting financial goals can influence spending behavior (Shefrin & Thaler, 1988). In general, limiting the number of financial goals we have at one time increases our success at meeting those goals (Soman and Zhao, 2011). Clear goals also provide an additional layer of accountability. The Bonu$ Income Plan helps establish these goals.

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Building a Program Brand: How Branding Impacts College Financial Education Programs

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Key Words: *college students, financial education*

Branding is important, especially for college financial education programs. A brand, or an organization's image, helps students recognize that a financial education program and the program representatives are knowledgeable and understanding. The University of Nebraska – Lincoln (UNL) Student Money Management Center (SMMC) has found success with building a program brand that includes the aforementioned elements, as well relevance, fun, and approachability. Market research helped determine that UNL students perceived financial education as not relevant to their lives and boring, and financial educators as unapproachable. Thus, the SMMC focused on building a powerful brand that would position the program as relevant, fun, and approachable. Other motives for building a brand were increasing credibility among the University and state-wide community in order to gain more program partnerships and media exposures to order to support UNL recruitment efforts.

This poster covers branding activities completed from January 2012 to December 2012. Branding activities included resource development and event development. Print resource development focused on making financial education topics relevant to the target audience, such as a resource titled "The Biggest Money Rip-offs." Resources were also created to tie into campus-wide events that connected to students' values, such as a resource focused on "being green." Electronic resources also helped change the target audience's perception of financial education by showcasing financial education resources in different formats, such as pins on Pinterest. Social media campaigns focused on building up the "approachable" quality of the brand and increasing the number of brand ambassadors.

Financial education events helped position the program as relevant and fun. To avoid "boring" events, all events included competitive games, money personality quizzes, and piggy bank decorating. Event sponsorships were also an important part of brand development and helped change students' perceptions of financial education. For example, a partnership with the UNL Health Center's Stress Free Zone helped students realize that they could relieve stress through money management. Additionally, educational activities were offered in high-traffic areas. These activities were focused on helping busy students quickly get financial tips. Students completed short activities, such as "Financial Horror Stories," and were then entered into prize drawings.

These tactics were proven to position the program as relevant, fun, and approachable. Due to successful branding efforts, there was a 24% increase in the number of students who took advantage of program services, including one-on-one counseling sessions and workshops, compared to the prior year. Students who completed surveys after participating in program services described the SMMC as: approachable, friendly, understanding, fun, practical, knowledgeable, and helpful. Additionally, according to a random survey of program participants, 84% indicated they used program services because they viewed SMMC services as "relevant."

The program formed partnerships with an additional 32 University organizations. These organizations partnered on offering financial education workshops and resources for UNL students. According to a random survey of program partners, 100% of the partners decided to work with the SMMC due to their perception that SMMC representatives had expertise delivering financial education to college students in formats and language that college students prefer. Partners who completed surveys described the SMMC as: knowledgeable, creative, fun, entertaining, and practical. Additionally, national publicity exposures were estimated to be over 1 million and were recognized by University officials.

Branding is important, especially for college financial education programs. College financial educators need to take the time to determine how they want college students to perceive their program. If educators can uncover the reasons behind negative perceptions, they can craft a branding strategy that will help change their image and help them build a program that students will feel comfortable utilizing. Successful branding efforts can have significant positive effects on program usage, program partnerships, and publicity opportunities.

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Community Based Participatory Action Research Process in Financial Education

Lori Hendrickson[6], Extension Educator, University of Minnesota Extension; Cindy Petersen, Extension Educator, University of Minnesota; Mary Marczak, Evaluation & Research Specialist, University of Minnesota; Ebony Ruhland, Graduate Student, University of Minnesota, Patricia Olson, Family Relations and Family Resource Management Program Leader, University of Minnesota

Key Words: *community based participatory action research, action research, community engagement, curriculum development*

Community Based Participatory Action Research (CBPAR) is a research methodology that values the experience and knowledge that exists around an issue within communities. This methodology:

- Values community agencies as our partners in educational delivery to end users
- Recognizes community agencies as key informants to content topics
- Engages community partners as co-creators in curriculum development and program implementation
- Establishes and grows partnerships to create sustainable community based programs

Because of these characteristics, CBPAR was chosen as a valuable methodology in personal finance research and curriculum development. The CBPAR process was used by University of Minnesota Extension Educators in reviewing, assessing and revising a tenant education curriculum. Changing housing markets and changing demographics in rental populations in Minnesota made it necessary to update and revise the RentWise tenant education curriculum. Educators searched for an appropriate model to assess the curriculum and to revise the content, making it relevant to the agency staff teaching, and ultimately the potential tenants as end-users. The CBPAR model addressed educators' concerns related to:

- Relevance of content to tenants
- Cultural sensitivity
- Increasing community involvement
- Sustainability of the program within communities

The CBPAR process for the RentWise curriculum adaptation involved:

- Identification and selection of community groups to participate
- Team meeting to learn about the curriculum and agency and University roles
- Teaching/observing/interviewing community workshop participants
- Critical review of curriculum
- Team meeting to review data collected
- Adaptation of curriculum to reflect team's input

The CBPAR process showed that learners gained knowledge of being a responsible renter, validating the curriculum learning objectives.

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Consumers' Health Insurance Literacy vs. Overall Financial Literacy

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Key Words: *health insurance literacy, financial literacy*

Beginning October 1, 2013 many previously hard to insure consumers may have access to health insurance. Many of these consumers will be challenged to learn health insurance terms and assemble pieces of the insurance puzzle in a way that makes sense. Agencies are gearing up to help consumers select insurance and educators are creating resources to help decipher unfamiliar terms and concepts related to health care.

Reports about health insurance have identified demographic characteristics, health status and use of health care as factors associated with health insurance literacy (McCormack et. al., 2009; Nelson et. al., 2000; Ryan et. al, 1998). Older adults, those with lower education and income, and those with poorer health had lower levels of health insurance literacy. Financial literacy is the ability to use knowledge and skills to manage one's finances and resources effectively for lifetime financial security. Health insurance literacy is a subset of overall financial literacy and therefore should be similar to overall financial literacy.

This poster describes the results of a survey to determine taxpayers' perceived knowledge of their health insurance plan (i.e. health insurance literacy) and their overall financial knowledge.

A convenience population of 648 taxpayers who had returns completed at a university-based volunteer income tax assistance program (VITA) was surveyed, anonymously, using Survey Monkey (SM)(604) or a mailed survey (44). Returned mailed surveys were entered into SM. Data sets were merged into one file and analyzed using SPSS.

More than half of the taxpayers (388 or 60%) responded to the survey and the majority were Caucasian. Those responding by mail were likely to be age 65 or older with a high school diploma. Those responding by SM were younger (age 18-34) and the highest level of education completed was a bachelor's or master's degree. Less than 50% worked full-time and nearly half were full-time students. Although eligible for VITA, many respondents were temporarily low income. The majority had access to health insurance (86.9%) and 44% indicated they reviewed their health plans at least once a year. The majority (over 70%) rated themselves as fair to good on their perceived knowledge of their health insurance plan and overall financial literacy.

This highly educated group of respondents perceived their knowledge about their health insurance plan and overall financial literacy to be fair/good on a scale where the top choices were very good, excellent and exceptional. Consumer who have or have always had health insurance may not devote much time learning the plan details until they have to use it. The overall financial literacy of the respondents is in line with that of the general U.S. population.

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Does Race Matter for the Bank Account Ownership of Young People?

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Key Words: *Bank account ownership, young adults, racial disparity*

Wealth disparity between Blacks and Whites has been increasing over the past years, especially after the recent economic crisis in the United States. Bank account ownership is often regarded as an indicator of mainstream socioeconomic participation and of an access to additional financial opportunities (Heflin & Pattillo, 2002). Blacks overrepresent in the underbanked and unbanked population. Recently, the bank account ownership of young people, especially underrepresented groups such as low to moderate income households, has gained some attention (Elliott, 2012). Some researchers suggest that wealth inequality may begin early as some children may not receive the financial socialization to achieve financial attitude and knowledge (Kim, LaTaillade, & Kim, 2011) and also may not have experience of managing money in childhood such as bank account ownership (Elliott, 2012). The disparity of bank account ownership seems to last during young adult hood (Elliott, 2012) which may impede life-long wealth building for young adults.

The present study examines predictors of bank account ownership of individuals as adolescents and young adults. Racial differences have been documented in bank account ownership (Hefflin & Pattillo, 2002) but when the disparity begins or how it persists in young adulthood has not been explored. Results using data from the Panel Study of Income Dynamics Child Development Supplement and Transition into Adulthood are as follows.

Having a bank account as a child was significantly associated with the bank account ownership in young adulthood for both Whites and Blacks, and as we had expected, older young adults were 10% more likely to own a bank account than younger adults. With regard to racial differences, Black children were significantly lacking in bank account ownership which could impede getting benefits of participating in financial markets. Blacks were less likely to own a bank account ownership compared to Whites during adolescence and young adult hood. In addition, the association of family income/asset ownership and childhood bank account ownership was significantly different between White and Black.

Findings suggest that financial educators and counselors may need to inform Black parents with middle or higher assets and income regarding the benefits of childhood savings account ownership so that children can learn to manage and save money for their future. Meanwhile, additional analysis using Structural Equation Model found no racial differences in the effect of predictors of bank account ownership during young adulthood. Blacks are significantly lagging in terms of bank account ownership during young adulthood due to structural differences. With the importance of parental education in bank account ownership throughout the years, lower educational attainment of Black young adults may hinder bank account ownership, leading to labor income and wealth building in the future. Financial education to enhance bank account ownership needs to take place in childhood before individuals approach their young adulthood.

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Effectiveness of Peer Educators in Delivering Financial Literacy Information

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Key Words: *financial literacy, college students, peer educators*

Many studies have documented the need to prepare college students with financial skills for their newly found independence away from direct parental supervision as well as for life after graduation. A study conducted in 2005 at the University of Hawai'i at Manoa (UHM) highlighted specific financial literacy concerns of students. Based on this information, a Financial Literacy project was created through a collaboration of faculty and staff members from diverse units that recognized the need for financial literacy education. Due to successful results, the UHM administration advanced the UHM Financial Literacy project into an official program of the Office of Undergraduate Education (OUE). This poster focuses on whether peer educators can be effective in delivering financial literacy information.

One of the most important elements of the UHM Financial Literacy program is the utilization and development of a peer educator model, a methodology successfully implemented at other higher education campuses. At UHM, interested students who successfully completed their freshman studies were invited to become involved as peer educators who would be assisting underclassmen through facilitated instruction. Under guidance of the program coordinator with consultation from faculty and staff team members, students were trained in basic financial literacy concepts and asked to plan presentations on topics including budgeting, smart spending, and managing credit use to conduct in a variety of forums.

During July 2012 to May 2013, peer educators presented the workshops for audiences ranging from 10 to 160 students at a time. Workshops were conducted at all UHM New Student Orientation freshmen opening sessions and concurrent seminars for transfer students as well as Week of Welcome (student orientation held the week prior to the start of school). They also worked with freshmen learning communities and conducted sessions for the Student Parents at Manoa, Athletics, and Student Support Services. Many other campus organizations also requested special financial literacy presentations for their specific programs.

Student participants were asked to complete a two-page reflective pre/post evaluation survey at the conclusion of each session. For this eleven month period, a total of 938 evaluations were included in this review. Preliminary findings suggest that peer educators were effective in presenting financial literacy information to other students.

There were 855 students who attended facilitated sessions on Budgeting and Goal Setting by peer educators. As part of the workshop, the student participants were also asked to determine a student budget as a group and/or individually as well as apply one of the 3R's (Refuse, Reduce and Replace) to an item of their choice. Results from the analysis indicated significance differences between pre and post tests for all items. Student participants agreed that the information will be useful to me (96.1%); thought that the discussions were easy to relate to my life (94.4%); and felt that the session leaders were highly effective (95%).

The evaluations of sessions addressing Using Credit Wisely were analyzed for 83 student participants. Students were provided information through facilitated sessions by peer educators, asked to determine the advantages and disadvantages as a group, and learn about the costs of credit using credit card disclosure statements. Results from the analysis indicated significance differences between pre and post tests for all items. Participants agreed that the information will be useful to me (97.6%); thought that the discussions were easy to relate to my life (97.5%); and felt that the session leaders were highly effective (97.6%).

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The evaluation surveys provided information on the effectiveness of financial literacy workshops presented by peer educators at UHM for specific indicators developed for this study. These findings suggest positive implications for financial literacy programs delivered by peer educators on college campuses.

Examining Factors that Increase Cashiers' ID-Checking Behavior: A Systemic Field Study

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Key Words: *cashiers, credit-card fraud, ID-checking*

With the U.S. economy in a recession, Americans are exhorting to different tactics of survival. Unfortunately, this includes identity-theft criminals who engage in credit-card fraud. Credit-card fraud occurs when a thief illegally charges goods and services in another person's name by using a credit card or any similar payment mechanism. Credit-card fraud is one of the most frequent types of identity-theft crimes committed. Of the 369,132 complaints reported to the Federal Trade Commission (FTC) in 2012, credit-card fraud made up 13.4% of those cases (Federal Trade Commission, 2012). It has also forced cardholders and credit-card issuers to pay as much as a total of $500 million a year due to fraudulent transactions (Spam Laws, 2012).

With the growing expansion of technology (more specifically the use of mobile card readers), credit-card fraud will likely increase as a serious societal problem. As people lobby for laws to help credit-card fraud victims, research also needs to be conducted to prevent credit-card fraud and protect these individuals. Unfortunately, the intervention research on credit-card fraud is limited, but researchers and law enforcement (Anderson, Durbin, & Salinger, 2008; Mather, 2006; Sovern, 2004) argue the instances of credit-card fraud could be decreased if cashiers would check customers for their identification. Thus, one intervention approach to prevent credit-card fraud is to increase cashiers' checking of the identification (ID) of credit-card users. However, little is known about the factors that increase cashiers' ID-checking behavior. Thus, the goal of the present study was to examine the various factors that could influence cashiers to check customers' ID during credit-card purchases.

Using numerous research assistants, data were collected from cashiers in various businesses located in a southwest Virginia university community. Research assistants went into businesses and made credit purchases. Then, after leaving the store, they recorded on a standardized checksheet whether cashiers asked for their ID, while noting the cashier's demographic information, the store's information, and the characteristics of the credit card used.

Using a logistic regression, the results revealed whether the cashiers swiped the credit card and the type of store visited was influential in predicting whether cashiers checked customers' credit purchases for ID. Customers were 4.04 times more likely to be checked for ID when their credit card was swiped by the cashier compared to when they swiped it. Conversely, customers were 4.12 times more likely to be checked for ID when they made a credit purchase in a retail store versus a restaurant.

The results from the present study can help inform counselors and educators about factors that can increase cashiers' ID-checking behavior to decrease credit-card fraud. More importantly, the results can help researchers and educators design interventions to increase cashiers' ID-checking behavior.

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Financial Education and Counseling with VITA Taxpayers in Northwest Missouri

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Key Words: *VITA, MoTax, pre-tax education, financial counseling*

Cooperative Extension Service, Internal Revenue Service and the Center on Budget and Policy Priorities collaborate to increase the availability of free tax assistance programs in rural America. Missouri was invited to participate as one of seven states to pilot a Volunteer Income Tax Assistance (VITA) program in rural areas. Collaborators and participating states coordinate data collection and work together to evaluate the program and recommend strategies for future expansion. Volunteer Income Tax Assistance program volunteers provide free tax assistance for low to moderate-income, disabled, homebound, and "English-as-a-second-language" taxpayers. IRS provides all materials related to tax preparation and all IRS guidelines are followed. In addition, state-specific educational packets and financial counseling are shared with taxpayers.

The Missouri Taxpayer Initiative (MoTax) offers a gateway to financial education through taxpayer assistance. MoTax offers preparation of federal and state tax returns to low-income families and uses this opportunity to emphasize the importance of financial planning management. University of Missouri Extension along with federal and local partners, support the tax preparation; however our focus is one financial education. Financial counseling was added this year by this MoTax site coordinator/tax preparer.

MoTax program begins each fall with pre-tax education which provides information and outreach materials to inform taxpayers who are eligible for federal and state tax credits. Pretax season education provides money management workshops, definition and explanation of the various tax credits, and information on goal setting for those who may be receiving large refunds.

The 2012 tax return preparation season offered a new opportunity to work with taxpayers and their tax refunds with financial counseling. Taxpayers were asked questions by the VITA site coordinator/tax preparer (who is an AFC®) to ascertain financial goals, budget/spending plan usage, possible credit issues, and financial outlook. Depending upon answers/responses, potential changes and outcomes were shared by the counselor.

VITA and MoTax provides a valuable service to rural, low-income working families and low-income elderly. It is especially valuable for families with children who are eligible for the Earned Income Tax Credit which can amount to thousands of dollars; as well as those who are eligible for the Missouri Property Tax Credit which allows a credit on real estate taxes or rent paid during the year. The MoTax program can be an important economic development tool for communities as well. Many times, families either don't know about the credits (earned income credit, child tax credit, dependent care credit, etc.) or have multiple barriers to receiving them. In addition, families who file for these credits often pay an average of $250 in tax preparation fees they cannot afford.

As this was a pilot for financial counseling, no results are available to share. Taxpayers were very receptive to the counseling, as well as the continued financial education. Follow-up with specific taxpayers is planned for the 2013 tax season.

Poster presentation will include detailed description of the Missouri Taxpayer Initiative, taxpayer demographics and refund totals over a 7-year time period (# of taxpayers and refund amounts almost doubling each year), and examples of educational and counseling materials used with taxpayers.

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Financial Education, Literacy, and Capability: Evolving Concepts and Definitions

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Key Words: *financial education, financial knowledge, financial literacy, and financial capability*

In 2013, the Association for Financial Counseling and Planning Education celebrates 30 years dedicated to the improvement of personal financial management education and training for counselors, educators and related practitioners. This milestone is an appropriate time to reflect on the evolution of the concepts and terms used to describe our activities and the end goals we work with individuals and families to achieve. This exploratory study identified and analyzed conceptual and operational definitions of financial education, financial knowledge, financial literacy, and financial capability as they have appeared in research articles published in the *Journal of Financial Counseling and Planning* since 1990.

Israelsen (1990) reviewed family resource management research from 1930-1990 in volume one of the *Journal of Financial Counseling and Planning*. A scan of the bibliographic information for the items reveals that research related to financial management education has been conducted since at least the 1960s. Financial literacy is a later concept, dating from as recently as the 1990s. An even more recent concept is financial capability.

While the distinction between financial education, financial knowledge, and financial literacy is often blurred, financial capability has been used as a contrast to financial education and financial literacy. One recent report described financial education as set of provider outputs and financial capability as a set of consumer outcomes (Sledge, Tescher, & Gordon, 2010). Another report depicted financial education as a building block of financial capability (Sherraden, 2010). A third report described financial literacy, or lack of, as one of two barriers to a sound financial future (Rogers, 2012). Financial capability was identified as the second barrier. A shift away from financial literacy to financial capability is also seen at the federal level where the President's Advisory Council on Financial Literacy created in 2008 became the President's Council on Financial Capability in 2010.

Articles were identified using the search function on the journal articles publication page on the AFCPE web site. Forty-two unique articles were identified. In several instances more than one search term is associated with a single article. Financial education appeared 30 times. Financial knowledge and financial literacy each appeared 11 times. Financial capability as a search term returned no results. Results of the analysis document how researchers publishing in the *Journal of Financial Counseling and Planning* have used both conceptual and operational definitions. Implications for students, researchers and practitioners were discussed.

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Financial Literacy and Behavior of College Students in the United States and Japan

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Key Words: *financial literacy, financial behavior, college students*

This research project aimed to identify differences between U.S. and Japanese college students in terms of (i) level of financial knowledge, and (ii) financial behavior, in order to clarify financial areas that Japanese college students have less understanding. The development of financial literacy programs for Japanese college students is still in its infancy when compared with the number, variety, and quality of programs offered in U.S. universities and colleges. Therefore, there has been increasing various consumer troubles and over-debt issues among Japanese college students which may be caused by lack of financial literacy. To help them take independent and reasonable action to advocate and enhance their benefits, the Japanese government (i.e., the Ministry of Education, Culture, Sports, Science and Technology (MEXT)) issued an official recommendation that college students be provided with consumer education emphasizing both the skills necessary for future life planning and the significance of social participation in 2011. At the legislative level too, the Act on Promotion of Consumer Education of 2012 obliged national government and local authorities to promote consumer education for college students. Following such recommendation and legislation, the focus has moved to the stage to identify what subject/substance should be taught to college students for development of financial literacy program suitable for them.

This survey analyzed data collected from samples of 684 Japanese college students in January 2013, and 395 U.S. college students in April 2012. It utilized multimethod analysis following face-to-face classroom sessions. Results were also compared for reference with the data from a sample of 1,030 students in the Jump$tart national survey (2008 Survey of Personal Financial Literacy Among College Students).

This survey indicated meaningful differences between U.S. college students and Japanese college students in terms of (i) the level of financial knowledge, and (ii) financial behavior. U.S. college students demonstrated significant strength in their knowledge of the key elements for future money management (e.g., investments, financial planning, life insurance, and tax). With regard to financial behavior, the U.S. participants achieved higher mean scores than the Japanese in all ten related questions, indicating that U.S. participants were more accustomed to handling financial matters and more responsible in dealing with such matters than Japanese participants. In particular, the greatest mean difference in scores was found in the category "Identify needs/wants separately," followed by "Consider effects of present spending on future." Based on these findings, enhanced financial literacy education with an emphasis on investment and tax should be offered to Japanese college students, and it is also crucial to make them aware of the need to save regularly to achieve financial goals.

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How Financial Planners and Educators can Access Federal Records through the Freedom of Information Act

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Key Words: *FOIA, Freedom of Information Act, Funding, Form 5500*

The Freedom of Information Act (FOIA) provides residents of the United States with a unique view into Federal Government operations. This poster has two main objectives: 1. provide some background information on how the personal finance community and financial educators can use FOIA requests in their work and 2. explain the FOIA request process. This poster uses concrete examples from the authors' FOIA requests.

Journalists and other interested parties have used the Freedom of Information Act (FOIA) to request Federal records from executive branch agencies since Lyndon B Johnson signed the act into law on July 4, 1966. FOIA requests can uncover wasteful government spending, hidden government practices, and other opaque federal information. While this seems unrelated to personal finance, FOIA requests can intersect with the interests of the personal finance community.

Personal finance professionals already benefit from FOIA requests, albeit indirectly. Companies that offer benefits regulated by the Employee Retirement Income Security Act (ERISA) generally must file form 5500 with the Department of Labor. This form provides information about plan assets, compensation paid to plan advisors, and individuals covered under the plan. Within the benefits advisory industry, firms have specialized in requesting form 5500 from the Department of Labor, analyzing the data, and offering the results to financial planners. For example, a financial professional might review the filings, find a plan's weakness (excessive fees, poor returns, etc.), and offer a competitive solution addressing the weakness to the company offering the plan.

The authors, one a financial educator, have benefited from FOIA requests related to federal grants and contracts. Applications for federal grants become records of the relevant agency and are subject to FOIA requests. One-time grants may not be that useful to request, but if a grant is available on an ongoing basis, financial educators may find it useful to request copies of applications that received funding. Funders often provide feedback to both successful and unsuccessful applications, but reviewing successful applications can help strengthen weak portions of subsequent applications, especially if feedback was limited, or if the grant's evaluation criteria was interestingly applied.

Submitting a FOIA request is easy; shepherding a request through the appropriate agency is harder. Generally, FOIA requests need to identify the actual records sought, the agency from which the records are sought, a limit to the out-of-pocket costs the requester is willing to pay for the search, and how the records should be delivered. Several not-for- profits agencies provide online tools to create FOIA request letters using fill-in-the-blank templates. Plan for the request to take several weeks or longer; federal agencies may take longer than allowed by the law to find and return records to the requester. Continually following up with the FOIA officer at the federal agency may be required. A simple request could take months.

The usefulness of FOIA requests is not limited to journalists and other watchdog professions. Financial planners can use them to generate leads; financial educators can use them to review successful grant applications for insight into a federal funder's ideal application.

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In Their Own (Financial) Words: The 2Q Initiative

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Key Words: *college student, assessment, money attitudes, financial goals*

In providing financial education, counseling, and loan assistance, the Student Money Management Center (SMMC) at the University of North Texas prides itself in student-centered programming addressing students' needs. With financial difficulties accounting for many issues related to persistence and withdrawal, it is essential to develop personalized and needs-oriented education and interventions. Individual differences about finances can dictate behavioral decisions as money functions as a motivator (Mitchell & Mickel, 1991). In Fall 2012, the SMMC began to collect information about students' individual beliefs and goals about money in order to develop new programs and to learn more about the students we serve.

Knowing the top-of-mind issues students of all demographics can help the SMMC create targeted, intentional programming addressing issues deemed most important and beneficial to students during their time in college. Since financial issues and goals are universal to the adult population, this study can be replicated to any population served by AFCPE members. It is the hope of the SMMC that other populations will participate in the study so results can be cross-analyzed to determine commonalities within population sub-groups and across demographic constituencies.

Two questions are asked of each student participating in SMMC programs and services, including outreach events, presentations and workshops, individual consultations, and emergency loan program applications. The two questions are: 1) In ONE word, describe what money means to you, and 2) What's your #1 financial goal right now? These straightforward questions serve two purposes: to succinctly identify students' beliefs about money and their immediate financial priority. Student identification numbers are requested for demographic data. This data is disaggregated to determine whether different affinity groups (classification, ethnicity, family income, college major, etc.) might have differing attitudes and goals regarding their finances. Additionally, the type of service point is cross-analyzed to determine whether the type of interaction with the SMMC will be correlated with different money attitudes. To date, 949 students attending programming events have been tabulated and additional results from consultative services and loan programs will be included in the poster session. Totals will include all participants for the 2012-2013 academic year.

The 2Q Initiative has been well-received by students and is the first step for the SMMC to complete a more detailed breakdown of student demographics as related to their attitudes of money and its role in their lives. Further study of affinity groups and examination of differences in students' perspectives as they utilize different services of the SMMC may yield different variations on these financial themes.

The results of this year-long study will be utilized in strengthening the SMMC's intentional programming, allowing targeted events and educational sessions to better serve the immediate issues of concern for students. Targeted information geared toward top-of-the-mind issues will attract students, who see the topics they care about most addressed by their college and the Student Money Management Center.

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Learning through Serving: Preparing Today's Students to Become Tomorrow's Pro Bono Financial Planners

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Key Words: *college students, pro bono, financial planning*

This poster session describes *Apple Seed,* a new curriculum targeting students in college or university level financial planning education programs. An additional purpose is to create opportunities to discuss ideas for implementing pro bono financial planning experiences for students.

With the movement of the financial planning profession to increasingly offering pro bono services, an opportunity exists to introduce financial planning students to such services by incorporating experiential learning into college and university programs. In brief, pro bono financial planning provides a means for volunteers, in this case students, to provide free services to underrepresented populations or individuals with the least access to financial planning. Pro bono financial planning is typically provided one time or on a short-term basis (e.g., one on one sessions, workshops, seminars, phone bank, and financial planning days). It is service provided without an expectation for remuneration or no strings attached.

Apple Seed contains instructional materials and activities for use by students in preparation to become pro bono financial planners. The curriculum is intended to provide guidance and resources, including a review of fundamental interpersonal skills for client meetings and a refresher for personal finance topics that students may face with potential pro bono clients. The instructional materials will prepare students to provide supervised pro bono financial planning as part of a formal course, practicum, or student leadership organization.

Apple Seed contains seven units: 1) Pro Bono Culture and Structure, 2) Meeting Materials, 3) Presentation Materials, 4) Cash Management, 5) Debt Management, 6) Planning for Major Purchases, and 7) Using Financial Services. Within each unit, ice breakers and energizers are provided as well as templates and worksheets are available for customization by facilitators and students. PowerPoint presentations, worksheets, case studies, individual and small group activities, and hands-on experiences are provided to introduce or reinforce content elements to students and their facilitators (e.g., faculty, advisors) who supervise them while they provide pro bono financial planning services. An accompanying Facilitator's Guide to *Apple Seed* is available to help facilitators develop and implement pro bono programs on their campuses and in their local communities. The development of this curriculum was made possible by a grant from the Foundation for Financial Planning.

It is anticipated that participation in pro bono financial planning will: a) provide students with links to their future profession, and b) lay the framework for an environment of valuing the importance of and need for pro bono financial planning services to help individuals, families, and the community-based organizations who serve them. Through incorporating their classroom knowledge into hands-on service, students will learn through serving others and will plant seeds of knowledge to help their clients grow financially.

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Loss of Job or Plant Closings? Don't Panic, Take Control of Your Finances

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Key Words: unemployment, finances, career centers, financial workshops

The development of Don't Panic, Take Control of Your Finances (TCYF) began in early 2010, when faculty felt a specialized workshop of this nature was needed. The State Division of Workforce Development approached University of Missouri Extension's Career Options Project, which exists to help dislocated workers. At the inception of our program planning effort, United States Department of Labor reported a 9.5% national unemployment rate, the highest in 16 years. Missouri's rate was slightly below the national rate at the time. As a result, unemployment insurance benefits became the sole source of income for many laid-off individuals and households, and Missouri Career Centers were serving an increasing population of clients with financial problems; many were on the verge of losing property, filing for bankruptcy, or becoming homeless. University of Missouri Extension Personal Financial Planning Department was prepared to work with career centers and employers to address the increased financial needs of the workforce.

Our objective for TCYF was to address the following learning outcome goals: filing for unemployment benefits, communicating with family, reviewing family financial resources, creating and reviewing a spending plan/budget, bringing income and expenses into balance, reviewing outstanding debt/developing a debt reduction plan, communicating with creditors, avoiding financial predators, and utilizing community resources.

As a result, data show that over 1,500 participants have attended workshops to date, taking place at numerous job sites and career centers across the state. As a result of these workshops, participant outcomes include:

- Set financial goals (92%);
- Identifying ways to cut their spending (96%);
- Planning to track spending and develop a budget (90%); and
- Intentions to communicate with creditors (80%).

Participants also committed to taking specific financial management actions as a result of TCYF programming, with analysis of these open-ended responses finding common themes to involve participants reassessing needs versus wants (in spending) and plans to better organize and monitor daily cash flow. Concerning workshop satisfaction, the vast majority of TCYF participants find workshop leaders knowledgeable, the workshop useful, the format appropriate, and feel the information received will positively impact their family financial situations.

This poster presentation reviews, from both administrative and teaching perspectives, related to the TCYF program best practices for personal finance interventions with dislocated workers, as well as puts forth lessons learned concerning the financial situations of the recently unemployed.

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Money Matters Personal Finance for Entrepreneurs

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Key Words: *entrepreneur, financial literacy, extension*

Small businesses create more jobs than large employers, however, it takes money to start a business. Many individuals interested in starting a business have no savings and or low credit scores. The overall objective of the "Money Matters Personal Finance for Entrepreneurs" program is to enhance access to capital and credit for aspiring entrepreneurs through financial literacy education.

1. Participants will learn how to set and achieve goals
2. Participants will learn how to plan spending
3. Participants will learn how to use financial institutions
4. Participants will learn about the ins and outs of credit
5. Participants will learn to plan for the unexpected
6. Participants will learn how to take steps to protect their assets

Money Matters is a basic personal finance workshop for people who are planning to start their own business. This five to six hour workshop teaches the basics of financial management and helps participants to decide if they are ready to open their own business. Four modules are used to teach the workshop accompanied by numerous handouts and fact sheets.

Aspiring entrepreneurs and individuals who desire to start their own business. Low to moderate income individuals and families in the state of Georgia.

The Money Matters Personal Finance for Entrepreneurs program is a one day workshop conducted for five or six hours.

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Parenting Style, Self-Control, and the Use of Allowance: The Impact on Money Management and Financial Efficacy

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Key Words: *parenting style, self-control, allowance, money management skills, financial efficacy*

Allowance giving can be considered purposive financial socialization, where parents are intentional and directive about their socializing efforts (Gudmunson & Danes, 2011). Educators and practitioners alike extol the benefit of receiving a regular allowance to help children learn about money management, and parents embrace this advice. In a recent study, 47% of parents who provide an allowance indicated they do so to teach their children how to handle money (DoughMain, 2012). There is mixed empirical evidence about the effectiveness of allowance giving (Beutler & Dickson, 2008), yet surveys find 51 to 61% of parents use an allowance system (American Institute of CPAs , 2012; DoughMain, 2012). A recent critical review of family financial socialization concludes that many mysteries remain about how financial socialization processes transmit the effect of individual characteristics on financial outcomes (Gudmunson & Danes, 2011). In the current study, the financial practices of emerging adults are examined in relation to parenting style and self-control within an allowance and non-allowance context. We model parenting styles as influential on child self-control which, in turn, affects financial-efficacy and money management skills. We test for differences for those who did or did not receive an allowance.

The sample consists of 358 college students from a mid-western university, 35.2% of the students received an allowance from their parents. Structural equation modeling tested hypothesized pathways between parenting style, self-control and financial practices and compared a fully unconstrained model for allowance and non-allowance receivers. As hypothesized, maternal and paternal parenting styles respectively affect adolescent child self-control which, in turn, affects financial efficacy and money management skills. Examining the path between maternal and paternal parenting styles and emerging adult child's self-control in the allowance group, the pathway indicated that authoritative and permissive paternal parenting styles negatively affect self-control (β= -.40, p<.01; β=-08, p<.05). Among the non-allowance group, authoritative maternal parenting positively affects self-control (β= .18, p<.05), while authoritative father, and permissive mother's parenting styles negatively affect the emerging adult child's self-control (β= -.19, p<.05; β=-20, p<.05). The pathway from self-control to financial-efficacy showed significant paths for both groups, self-control positively affects financial efficacy for the allowance group (β= .29, p<.05) and non-allowance group (β= .38, p<.01). At the same time, self-control positively affected money management skills for both allowance receivers and non-allowance receivers (β= .83, p<.001; β=.74, p<.001).

The current study indicates that using allowance as a financial socialization tool to improve money management skills and financial efficacy was not effective. Rather, the importance of socializing a child's ability to self-regulate or build self-control was demonstrated. In terms of effective parenting style and financial socialization, parenting style is transmitted through self-control. Variations by type of maternal and paternal parenting style as part of the financial socialization process can be assumed to have different pathways and should continue to be examined in future studies.

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Promoting "America Saves Week" Through Community Engagement

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Key Words: *America Saves Week, financial literacy, community engagement, social media*

Abstract

America Saves Week (ASW), sponsored by the Consumer Federation of America, is a national campaign designed to motivate and support low to moderate income households to save, reduce debt, and build wealth. University of Minnesota Extension's 2013 ASW campaign was to promote community engagement through social and electronic media and face-to-face events at the state and county level. The experience required Extension educators to think strategically and creatively which provided valuable lessons in effective outreach to reach the largest number of participants. Both University of Minnesota regional and county Extension educators participated allowing the campaign to have multiple target audiences.

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Purposive Budgeting Socialization: Effects of Maternal Characteristics on College Students' Financial Outcomes

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Key Words: *budgeting, socialization, college students, gender*

American families face financial decisions of increasing complexity, and financial counselors, planners, and educators must address how financial behavior is transferred. Carlson, Grossbart, and Stuenkel found that 93% of mothers of elementary-aged students thought they were the "primary individual involved in their children's consumer socialization" (1992, p. 38). Parents are not only important to the financial socialization of children, but their influence on financial behavior also reaches into young adulthood (Palmer, Pinto, & Parente, 2001).

The objective of this study is to determine if the purposive actions that mothers used to teach their children about finances while they were growing up impact their child's budgeting behavior during college. Gudmunson and Danes defined purposive financial socialization as "intentional efforts family members use to financially socialize each other" (2011, p. 649). This research investigates both maternal reports of their own efforts to teach budgeting and current budgeting behavior of their children later in life (during college).

This research is unique because both parents and their adult children will be surveyed; seven instruments will be used to measure characteristics and behaviors of mothers and their college-aged children. 100 dyads, including undergraduate college students at a large Southeastern university and their mothers, will complete an online survey. The mothers will answer questions about their *purposive budgeting socialization, bargaining power,* and *gender ideology.* Children will answer questions about their *financial delay of gratification, financial well-being, budgeting behavior,* and their *mother's parenting style.*
The data will be collected summer and fall 2013. The proposed hypotheses are the following: (1a). Mothers with higher bargaining power in the household with engage in more purposive budgeting socialization with their children. (1b). Mothers with more egalitarian gender ideology will engage in more purposive budgeting socialization with their children. (2). Children will have improved budgeting behavior if their mothers engaged in more purposive budgeting socialization. (3). Budgeting behavior by children will be moderated by parenting style of mother and financial delay of gratification of child. (4). Financial well-being of children will be highly correlated with their budgeting behavior. OLS regression will be used to affirm the hypotheses.

While there are no results yet, there are potential implications from this research project. Financial counselors, planners, and educators could benefit from a better understanding of how budgeting behavior is passed through generations.

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Rasch Analysis of a Financial Literacy Measurement Tool

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Key Words: *Rasch, Measurement, Financial literacy, Evaluation*

Financial literacy education is in high demand, especially for young adults (Walstad, Rebeck, & MacDonald, 2010). Financial literacy refers to the knowledge one possesses and applies to making self-benefiting financial decisions, such as knowing how to pay bills or purchase a house (Huston, 2010). The majority of young adults lack the ability to make effective financial decisions, with less than one-third of young Americans possessing knowledge of topics such as interest rates and inflation (Lusardi, Mitchell, & Curto, 2010). Without apt knowledge of financial topics, consumers can not confidently avoid economic challenges such as over-indebtedness, underemployment, or bankruptcy. Yet despite the overwhelming call for financial literacy education to improve the decisions of consumers, no standard exists for evaluating the effectiveness of the financial literacy programs (Hastings, Madrian, & Skimmyhorn, 2013).

One of the most widely used tools for testing financial literacy is the Jump$tart Coalition survey, which is distributed nationally each year (Mandell, 2008). This survey tests both knowledge and application as it asks participants to select the correct definition of terms, as well as solve financial problems by applying skills (Mandell, 2008; Walstad et al., 2010). For these reasons, questions from the Jump$tart Coalition survey were used to evaluate the effectiveness of the financial education curriculum, the High School Financial Planning Program (HSFPP). The HSFPP is one of the earliest comprehensive, module-based education tools aimed at improving the financial literacy of young adults (Mandell, 2008). The program is nationally available to secondary schools and is distributed by the National Endowment for Financial Education.

The purpose of this study is to evaluate the test tool being used to measure the effectiveness of the HSFPP, specifically examining the Jump$tart Coalition questions used to determine financial literacy. A Rasch analysis will be performed on students' post-test responses to the Jump$tart Coalition questions used in the instrument. The Rasch analysis will identify if questions are being answered correctly in an expected manner based on difficulty and if the questions are appropriate for the measurement tool. Results of this study will either confirm the appropriateness of the Jump$tart questions as a means of measuring financial literacy or identify ways in which the tool can be revamped to build a stronger measurement tool. In addition, the results of the study will help build a clearer measurement of financial literacy.

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Spending Tracking Habits of Personal Financial Planning Students

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Key Words: personal finance, behavior change, students, tracking expenses

All Personal Financial Planning majors and some minors at Texas Tech University are required to take a class called Financial Problem Solving. In the Spring 2013 semester, the class was required to track their individual expenses for three months. The students were given a pre- and post-assessment to discover what, if any, methods were being used to track expenses, and to identify whether or not being forced to track their expenses would change behaviors, either positively or negatively. Nineteen students took both the pre- and post-assessments, so only those responses were tabulated.

Ten out of the 19 students indicated that they were currently tracking expenses before the project began and 17 students responded in the affirmative when asked if they would continue to track their expenses after the project had concluded. Several different methods were used before the project began: online banking, paper, saving receipts, Excel, and account statements. The students were required to choose one of the following three methods for the project: Mint.com, Excel, or paper. After completing the project, the majority of students who indicated that they would continue to track their expense would use either Mint.com or Excel.

Other information about the tracking habits of the students were also discovered through the assessments. Six of the 10 students who were already tracking their expenses said that they did so because they wanted to know how much they were spending or they had a fear of overspending; three students said they tracked out of habits modeled by their parents; one student tracked to avoid overdraft fees. Categories on which students spent their money did not vary much between the pre- and post-assessment and included the following: food/eating out, vacation/travel, entertainment, rent, school expenses, gas, insurance, car expenses, utilities/bills, clothes and shopping, and personal items. During oral presentations in class the students indicated that they were aware of the categories they spent money in, but they were not aware of how much of their income was going towards each category.

Students were asked to evaluate their tracking experience on the post-assessment. On a scale of 1 to 5, with one being "This experience was not beneficial at all" and five being "This experience was one of the most beneficial things I have ever done," six students ranked the experience a 5, seven students ranked the experience a 4, five students ranked the experience a 3, and one student ranked the experience a 2. Perhaps more telling, was that when asked if they would ask their future clients to track expenses one a scale of 1 to 5 (1 being never and 5 being always), 10 students answered a 5, five students answered a 4, and four students answered a 3.

As an educator I found the results of the post-assessment to be very encouraging, even though the sample size is small. While 10 students indicated that they were tracking, some of those responses where "sort of" and "kind of." To have 90% of the students indicate that they would continue tracking their expenses was very encouraging and showed that attitudes, if not behaviors, changed as a result of the tracking project. It was also encouraging to see that all of the students would have their future clients track expenses at least some of the time. The big implication of this project is that training students to track their expenses leads them to be more likely to have a better understanding of their own personal finances, which can lead to having a better understanding of their client's personal finances. I believe this project could be replicated on a larger scale across many colleges and universities in a more formalized study. There is also the opportunity to follow-up with the student participants over the next few years to find out if they continue to track their expenses and how often they recommend their clients track expenses.

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Student Loans & Student Payments: Providing Guidance with Repayment Plan Options

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Key Words: student *loans, plans, repayment, trends*

Introduction
Examination of students understanding and use of various federal student loan repayment plans. Empirical evidence demonstrates that a minority of students understand the number of repayment plans available to address their federal funded student loan debt obligations.

Description of Content and Method
Student Loans & Student Payments is an in-depth assessment of the various student loan repayment plans developed by the federal government. Utilize data gathered by National Consumer Law Center and the National Center for Education Statistics to uncover the usage of various loan repayment programs and the educational resources provided to borrowers. Understand how various repayment plans impact an individual's ability to address other personal finance goals.

Target Audience
Individuals who provide financial counseling to current and recent college graduates with student loans.

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The Impact of the Earned Income Tax Credit on the Economic Well-being of Rural, Low-income Families

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Key Words: *EITC (Earned Income Tax Credit); rural families; low-income families*

The federal Earned Income Tax Credit (EITC) is now the largest antipoverty federal program targeted at working low to moderate income families with about 27 million working families and individuals receiving the EITC in the 2010 tax year. The average EITC amount received by a family with children was $2,805 (CBPP, 2013). In addition, the EITC lifted at least 4 million individuals above the poverty line in 2007 (Meyer, 2010). The tax credit has been shown to: (1) incentivize labor force participation, (2) reduce income inequality, (3) increase families' purchasing power and build savings, (4) offset federal payroll and income taxes, and (5) be the largest program to decrease child poverty (Mammen, Lawrence, St. Marie, Berry, & Knight, 2011; Mammen & Lawrence, 2006). The purpose of the current study is to assess the impact of the EITC on rural low-income families using specific indicators of economic well-being.

Data used for the study came from the USDA-funded multi-state longitudinal project, NC 1711, "Interactions of Individual, Family, Community, and Policy Contexts on the Mental and Physical Health of Diverse Rural Low-Income Families." The sample consisted of 415 rural low-income mothers who had annual incomes at or below 185% of the federal poverty line and had at least one child under the age of 13 years. They were from 30 counties in 13 states: California, Hawaii, Illinois, Iowa, Kentucky, Massachusetts, Nebraska, North Carolina, New Hampshire, South Dakota, Tennessee, Texas, and Washington. The mothers were recruited through programs that serve low-income families such as the Food Stamp Program. Of the 415 mothers, 41% (170 families) had participated in the EITC program; the remaining 59% (245 families) included mothers who were not eligible for the tax credit as well as those who were eligible but did not participate in the program. The median age of the entire sample was 31.

We hypothesized that, compared to mothers who did not receive the EITC, the mothers who received the tax credit would be less likely to have: (1) had a hard time paying for their basic needs and for various other household expense, (2) said that their income was inadequate, and (3) reported depressive symptomology. In addition, the mothers who received the EITC would be more likely to be: (4) satisfied with their life and (5) food secure.
The results showed that among rural low-income mothers a larger percent of those who received the EITC (66%) reported that they had a hard time paying for their basic needs compared to those who did not receive the tax credit (57%). Among those who received the EITC, 63% reported that their income was not at all adequate or could only meet necessities while 35% of them could afford some of the things they want but not all they want. In comparison, among mothers who did not receive the tax credit, 70% reported that their income was not at all adequate or could only meet necessities and 27% could afford some of the things they want but not all they want. Mothers who received the tax credit were more likely to report being satisfied or very satisfied with their lives (65%) compared to those who did not receive it (59%). There was no difference in the percentage from both groups who were food secure (59%). Interestingly, those mothers who received the tax credit were more likely to be food insecure with hunger (22% vs. 13%). Eligible rural low-income families would benefit from the tax credit and should be encouraged to participate in the EITC program.

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The Value of Engaging Youth in Decision Making Life Skill Development

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Key Words: *decision making, life skills, youth*

Making consumer decisions can be challenging. Teens see their generation's money issues as being different from those of their parents/grandparents with more financial decisions to make (Charles Schwab, 2011*)*. Most Americans do not comparison shop or conduct only limited searches for the best prices or terms (FINRA, 2009). In addition, the financial literacy of high school students has fallen to its lowest level ever (Mandell, 2009). Young adults have identified that making better money management choices is the single most important issue for Americans today (Charles Schwab, 2009). The President's Advisory Council on Financial Capability recommends integrating financial education into local communities (NEFE, 2013). Teens indicate they'd rather learn about money management in a class before making mistakes in the real world (Charles Schwab, 2011). Decision making is an important skill young people need to learn because of the multiple decisions made daily. Learning and using a decision making process helps youth grow up to be independent, responsible, happy adults (Welker, 1998). Many decisions made during adolescence shape, expand or limit one's life (Mann, Harmoni & Power, 1989).

The 4-H Consumer Decision Making (CDM) program uses experiential learning to teach decision making skills. In a judging contest youth rank consumer items based on criteria, organize their thoughts and defend decisions. Youth also participate in a group process activity to gain experience with decision making as part of a team. The judging contest format is effective in teaching life skills. A study with 4-H livestock judging alumni found the program influenced the development of decision making skills (Rusk, Martin, Talbert, & Balshweid, 2002). Decision making can be taught in a variety of curriculum areas including resource management. Resources are needed to effectively teach the decision-making process to ensure youth understand and practice the skills (Mincemoyer & Perkins, 2003).

A survey was conducted with 70 current and former participants of the CDM program to determine the impact the program had on life skill development. Participants shared their perceptions about their development of life skills, how they gather information prior to making purchases, how they use the decision making process, and the level of influence the program had on positive youth development outcomes. The study participants report the CDM program influenced the development of multiple life skills, including decision making. More importantly, these skills are being utilized as adults in making key purchasing decisions. The study found participants are utilizing core decision making steps and a majority indicated the program has helped them become more competent and confident consumers. There is value in providing opportunities for youth to learn decision making skills. Engaging youth in decision making opportunities with structured guidance has been shown to aid individuals in internalizing the key steps when making future purchasing decisions. This unique work contributes to the financial counseling and planning literature because it reminds us that engaging youth in decision making skill building activities can and does make a difference in life skill development.

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Updating the National Norms for the Personal Financial Wellness Scale™ (PFW™)

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Key Words: *financial distress, financial well-being, financial wellness*

The Personal Financial Wellness Scale™ (PFW™) is an 8-item tool measuring perceived financial distress/financial well-being. Originally called the *InCharge Financial Distress/Financial Well-Being Scale*, the instrument, and details about its development and establishment of validity and reliability, were published in 2006 (Prawitz et al., 2006a; Prawitz et al., 2006b). Since that time, the PFW™ has been used by over 250 researchers and practitioners in 11 countries.

National norms for the PFW™ were established in 2004, and since that time the US has undergone a severe economic recession. As the nation continues to move toward economic recovery, it is crucial to determine the level of financial well-being of its citizens, as they may not yet have reached pre-recession levels of financial wellness experienced prior to the start of the economic downturn in 2008. The purpose of this study was to establish new norms to provide a current benchmark for comparison by researchers and practitioners using the PFW™. Testing also was done to ensure that the scale continues to reliably measure a single construct.

A representative national sample of 1,039 US adults was obtained through an online research firm. Survey data were collected online during December 2012. Participants were 65% male (n=675) and 35% female (n=364). Mean age was 43.5 years, and the majority (63%) had some college or technical education. The median gross annual household income was $55,000.

Similar to the initial testing of the PFW™ (Prawitz et al., 2006a), a principal components analysis revealed a one-factor extraction, which explained 74% of the variance. Cronbach's alpha was $\alpha = .95$, indicating high internal consistency. According to Nunnally and Bernstein (1994), for score-based decisions about individuals rather than groups (as is often the case when the PFW™ is used by practitioners), the desirable standard for reliability is .95.

The mean($\pm$SD) PFW™ score on a scale of 1=*overwhelming financial distress/lowest financial well-being* to 10=*no financial distress/highest financial well-being* was 5.2($\pm$2.2), significantly lower than in 2004, 5.7($\pm$2.4), p=.05. This indicated that, following the economic recession, Americans on average felt more financially distressed than they did eight years earlier. The distribution across score ranges was different from that of 2004, with the percentage of those experiencing the most financial distress (scores 1-4) at 32%, up slightly from 30% in 2004. The percentage of those in the range of average financial distress (scores 5-6) increased from 28% in 2004 to 44% in 2012. In contrast, the percentage with little financial distress (scores 7-10) decreased from 42% in 2004 to 24% in 2012. The current distribution of scores indicates that, overall, Americans are experiencing increased personal financial distress.

The new national norms for PFW™ scores for American adults are significantly lower than in 2004. The PFW™ items together continue to measure only one construct, financial distress/financial well-being, and explain 74% of the variance in this construct. The reliability for scale items continue to meet the desirable standard of $\alpha = .95$ (Nunnally & Bernstein, 1994) for use with scores applied to individuals. Researchers and practitioners can continue to count on PFW™ scores as valid, reliable measures of financial distress/financial well-being.

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Who Gets These Loans? An Analysis of Predatory Lending Saturation in Missouri

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Key Words: *payday loans, predatory lending, low-income communities, low-income families*

Predatory lending practices typically involve high interest rates, excessive fees, deceptive and aggressive marketing, and a general lack of concern for a borrower's ability to repay. This poster focuses on the most common small dollar loan products in Missouri that carry predatory characteristics (i.e., payday, car title, consumer installment). Research consistently shows that payday lenders target low-income communities. For example, payday lenders are more likely to be located in low-income neighborhoods (Graves & Peterson, 2008), and African-American neighborhoods are significantly more likely to have more payday lending stores per capita than white neighborhoods, even when neighborhood characteristics of income, homeownership, poverty, unemployment and other characteristics are controlled for (King et al., 2005). Further, the typical payday loan borrower has low to moderate income (Woodstock Institute, 2000), and we know that low-income consumers typically lack financial knowledge, have little or no assets, and have shorter financial planning horizons (Zahn et al., 2006).

Data collected and analyzed for this poster seem to support these findings. Specifically, predatory lender licensee data was mapped by geography and compared to indicators for the same area reported by the US Census Bureau.. When looking at data on predatory lending licenses (i.e., active licenses for payday, car title, and consumer installment lenders) for all Missouri counties, correlations show that counties are more likely to have a higher saturation of predatory lenders (i.e., active predatory lending licenses/current county population) when homeownership rates are lower, median incomes are lower, poverty rates are higher, there are more single mother households (with children under 18), there is a greater proportion of non-White individuals, and there are more families on public assistance (Missouri Division of Finance, 2013; U.S. Census, 2010; U.S. Census 2011a,b,c).

These correlations seem to contradict industry claims (e.g., Linafelt, 2007), and instead suggest single mothers on public assistance living in rental housing are more likely to be targeted by predatory lenders/users of predatory loans than others. Although correlations do not always indicate causation, it does appear that higher saturations of predatory lenders may contribute to poorer financial outcomes for families. Higher saturations of predatory lenders in counties appear to uniquely contribute to explaining lower rates of home ownership (only amos results) even when poverty rates, median incomes, and household type (i.e., single mother households with minor children) are accounted for. Predatory lending saturation also appears to uniquely contribute to higher per capita federal funds received for TANF assistance in counties even when household type, race, poverty rates, and median incomes for the county are controlled for. Indeed, predatory lending likely drains the wealth of already financially challenged families. For example, counties with higher rates of single mother households are significantly more likely to have higher rates of TANF usage (per capita), a correlation that may be partly explained by higher saturations of payday lenders (i.e., partial mediation found using previously outlined methodology).

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Practitioner's Forum

Bartering a Truce: Utilization of a Business Negotiation Model to Reduce Conflict in Marriages

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Key Words: *personal finances, communication, negotiation, marital conflict*

Material will be presented in a multi-media method utilizing slides. Speaker will user interactive methods and use real-world examples to illustrate the techniques discussed. Each participant will receive a packet of information that provides resources on material and additional trainings where practitioners can conduct additional resources and construct their own models for reducing marital conflict.

Practitioners will learn how to adapt interest-based negotiation models to working with couples on their finances. They will utilize non-violent communication and self-identified language to facilitate the free-flow of information between couples and use a four-step process to move people past their preconceived notions about personal finance.

The target audience for this presentation is practitioners and para-professional financial experts who work with married couples of all income levels. Educators and researchers will also find the program interesting and will hopefully spur research into the efficacy of interest-based negotiation techniques.

This presentation will require at least 45 minutes of presentation time followed by 15 minutes of question and answer session. At most, this presentation will last 1 hour and will require 20 minutes of question and answer.

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Budgeting from the Heart: Addressing Emotional Decisions in Money Management

Danielle Champagne[30], M.B.A., Assistant Director, Student Money Management Center, University of North Texas

Key Words: *money, budgeting, decision-making, behavior, psychology*

Target Audience
All practitioners – educators & counselors

Objective/Purpose
The purpose of this session is for financial educators and counselors to learn about the psychological side of managing money and making financial decisions. We can better serve our clients by addressing the root causes of their financial decisions when rooted to their emotional ties and decisions. Addressing these root issues, when related to family, relationships, and emotional coping mechanisms, can allow financial educators and counselors with better tools to help clients face their financial decisions with more clarity and with more sound decision-making skills.

The session will provide attendees with solid information regarding decision-making, emotional ties to money management, and how to guide clients to understand the 'why' behind their decisions (both past and future). The session will include information and instruction on how they can provide a more innovative approach to serving their clientele. Interaction and a case study will be included.

Description of Content and Method
There's continued anxiety about the U.S. economy. Fueling this is the news of consumers' purchasing power being sapped by high energy and food prices. Salaries remain stagnant with many higher education institutions facing significant funding challenges. According to public opinion polls, almost 6 out of 10 people were not prepared for a recession. How do financial educators and counselors address these emotional issues their clients are facing? With compassion and understanding, educators and counselors can address the emotional ties to money and financial decisions of their clients.

Financial counselors and educators can teach their clients hard and fast rules to manage their money – from setting goals to creating a budget to repairing their credit. But these rules and procedures will not always work to their clients' success if we as counselors and educators do not address the root causes of our clients' mismanagement of money. We must identify the emotional side of money management and decision-making to help our clients better for the short and long term.

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College Financial Literacy and Financial Aid: The Perfect Partnership

Mark Mielke[31], MPA, CFP®, Financial Aid Advisor and Money Wise Aggie Coordinator, Texas A&M University

Key Words: *money, financial counseling, budgeting*

Target Audience
Higher education financial practitioners, educators, administrators and advisors

Objectives/Purpose

- Explain the advantages of incorporating financial literacy counseling and training within the campus financial aid office
- Emphasize the importance of knowledge and authority in providing financial counseling
- Motivate financial aid directors and advisors who are considering this financial literacy model
- Discuss a case study demonstrating how a knowledgeable advisor on a variety of financial aid and financial literacy topics provides excellent customer service

Description
As a result of Texas legislation, Texas public colleges and universities will be required to offer student financial literacy training no later than Fall 2013. College administrators from other states are also exploring options for effective, cost efficient financial literacy programs.

The obvious need to establish financial literacy training and counseling to assist students who are sorely lacking in money management skills will be with us until students receive adequate training before entering college. This need for starting campus financial literacy programs comes at an inopportune time as colleges are facing continuous pressure to keep budgets low. The good news is that establishing an excellent financial literacy program need not be expensive.

There are a number of models for establishing college financial literacy programs and each has its own advantages or disadvantages for personnel costs, facility requirements and service to students. One model that scores well on all of these considerations is incorporating financial literacy counseling within the financial aid office. Offering financial literacy training and counseling to students in conjunction with financial aid provides a comprehensive "one-stop shop" that delivers exceptional customer service. Integrating financial literacy with financial aid provides a logical option for schools seeking to establish robust financial literacy programs at a reasonable price. The session will present eight reasons why partnering financial literacy with financial aid makes sense.

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Creating a Comprehensive Assessment Plan for Financial Counseling and Education

Danielle Champagne[32], M.B.A., Assistant Director, Student Money Management Center, University of North Texas

Key Words: *assessment, assessment plans, program review, funding*

Target Audience:
All practitioners – educators & counselors, particularly in higher education

Objective/Purpose
The purpose of this session is for financial educators, counselors, and planners to develop the assessment plans that will provide continuing improvement for intentional programming and counseling services that best serve their constituency groups and user populations. Advice and guidance will be provided for practitioners with all levels and experience with assessment.

Learning Outcomes:

1. Attendees will understand the components of a comprehensive assessment plan.

2. Attendees will be able to design and implement a comprehensive assessment plan for their programs or departments.

The session will provide an overview of the implications of comprehensive assessment plans, the interaction of assessment findings with strategic planning efforts, the components of an effective assessment plan, design of those components, and reporting formats for decision-makers and external constituencies. Interaction and sample assessment instruments will be included.

Description
Do your programs drive your data or do your data drive your programs? Get in the driver's seat to understand and create the components of a comprehensive assessment plan. Assessment plans will address quality control, programming and student learning outcomes, qualitative/quantitative assessment questions, and crafting components to create a successful plan. This session will provide an opportunity for financial literacy educators in all positions and assessment knowledge levels to improve your assessment efforts.

Assessment of programs and services will provide three areas of potential improvement to your efforts: effectiveness, efficiency, and evidence. Effectiveness of programming and counseling offerings can improve attendance and continued participation, learning outcomes associated with attitudes, skills, behaviors, and decision-making at the strategic level. Efficiency improvements can be made to address issues of limited resources, including time, staffing, and programming costs, and will demonstrate a concern for the value of your audiences' time. Evidence provides decision-makers in your organization for your continued viability and funding requests. These issues can make or break your efforts – they are essential to your continued existence.

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Creating a Web Based Financial Challenge

Elaine Courtney, Barbara O'Neill, Ricki McWilliams, Michael Gutter[33]

Key Words: *financial, challenge, money, Cooperative Extension, America Saves, savings*

Target Audience:

The target audience for this workshop is adult financial education professionals and financial counselors, especially those who teach and counsel clients that come from a wide variety of ethnic backgrounds.

Objectives/Purpose

- Participants will learn and understand the development, methodology and results of an online financial behavior challenge.
- Participants will learn to replicate and participate in an online financial challenge.

Description of Content & Method

People like to know how they are doing compared to others and make progress toward their desired goals. To address this need, the authors developed the first online financial challenge to promote and track financial behavior over a period of five weeks. The partnership of USDA/NIFA Cooperative Extension, Consumer Federation of America and America Saves developed the project.
The ***America Saves Financial Challenge*** was patterned after the Small Steps to Health & Wealth on-line challenge, developed by Dr. Barbara O'Neill and Dr. Karen Ensle at Rutgers University. During a five-week period, individuals completed online registration and daily submission of positive financial actions completed (for point accumulation). The online venue provided participants the ability to see their progress and compare to others. The daily positive financial actions included tracking spending, saving pocket change, share/discuss money with others, etc.

Weekly incentive awards ($25 gift card) were awarded throughout the program. At conclusion, participants who earned the most points receive incentive awards (gift cards). Marketing efforts included social media posts, web blogs, printed flyers, news releases and email blasts.

111 persons registered with 49 completing financial actions. Each individual completed an average of 99 positive financial actions over the five-week period. This represents an average of 2.8 daily positive financial behaviors. An on-line survey assessed participants' satisfaction and accomplishments at conclusion of program. Sixteen participants completed the survey: 75% reported the Challenge experience was very positive and motivational. 66% reported saving $251 or more: 33% saved less than $250. 26.7% eliminated over $500 of debt. Participants were able to share specific impacts. One shared "I keep daily spending log and save all my change. I now have over $30 in my coin jar." Another "found over $300 wasted in late fees. Using ledger, calendar, and auto-draft to make all payments on time now." Another participant began discussing money with her spouse.

An on-line financial challenge can promote positive results for participants and provide daily motivation to encourage traditional program clientele to adopt positive financial actions. Forum participants will learn how to incorporate a financial challenge into their financial programs and counseling. Further development will increase participation and results.

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Financial Therapy: Helping Clients with Money as well as Mental Health Problems

Jean Theurer, University of Florida and Michael S. Gutter[34], Ph.D., University of Florida

Key Words: *financial, therapy, money, financial therapist, financial stressors*

Target Audience

The program that will be presented targets all practitioners who help clients change their financial attitudes, beliefs or behaviors.

Objective/Purpose

The three purposes of this proposed session are to:

1. Share our experience of working with clients with both psychological and financial problems.

2. Discuss the complex issue of helping clients change their attitudes and beliefs about money.

3. Create a forum for practitioners to share how they have consulted or collaborated with mental health professionals.

Description of Content and Method

Few Americans have escaped the effects of the recent financial crisis and the subsequent Great Recession. The suddenness and severity of the recent global recession has precipitated a historic rise in debt and unemployment levels. While either one of these financial stressors may contribute to psychological distress, many American have experienced their confounding effects as they struggle with falling net worth in tandem with insufficient income to meet rising expenses. Without a steady paycheck, adequate home equity, a stable retirement portfolio or minimal savings to meet household expenses, millions of Americans are at increased risk for mental health outcomes such as depression, anxiety, low self-esteem, and suicide. Multidisciplinary research shows that stressors such as unemployment, indebtedness, foreclosure and bankruptcy are associated with financial as well as psychological costs. As such, clients may benefit from practitioners incorporating knowledge of the mental health consequences of financial stressors to their repertoire of assessments and interventions.

Even if not a source of stress, money is a subject that elicits a host of memories and reactions that are influenced by a person's gender, religion, culture, socioeconomic status, and ethnicity.

Research studies have revealed that attitudes and beliefs about money influence financial behavior. In addition, messages about money that have been received from families of origin have a profound effect on intimate relationships. For example, couples who quarrel over money report lower relationship satisfaction.

Consider the three roles: financial planner, financial counselor, and financial therapist.

While research and practice in financial therapy is in the beginning stages of professional development, the relevance and effectiveness of this approach is garnering attention from both financial planners and professional mental health counselors. Therefore, this session will begin with a brief overview of the research documenting the relationship between financial stress and mental health problems. As professionals in the mental health and financial planning fields, the authors will describe recent efforts to consult and collaborate with professionals in both fields. The sessions will include a robust discussion of the similarities and differences in the roles, objectives

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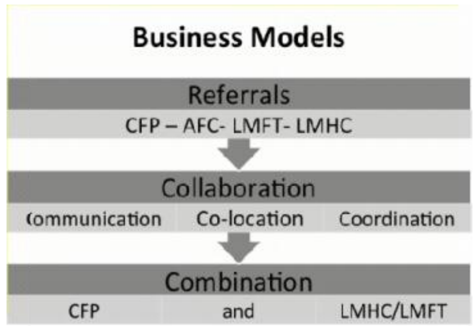
and skills of mental health counselors and financial planners and advisers. Finally, some discussion will be afforded to the nature of business models that may serve the needs of clients engaging professionals from both fields.

For example, consider the following:



"Game-ifying" and "App-ifying" Financial Capability and Financial Access: Exploring how games and apps are changing the landscape

Nick Maynard[35], Director of Innovation, Doorways to Dreams Fund (D2D); Carolyn Hall McMahon, Innovation Strategist, Doorways to Dreams Fund (D2D)

Key Words: *Gamification, Mobile Apps, Video Games, Innovation, Financial Capability*

Target Audience

Financial Planners, Counselors, Educators, Academics, Non-profits and individuals interested in cutting-edge innovation related to video games, "gamification," and Apple/Android apps as innovative tools for financial capability and financial access.

Objectives/Purpose

The purpose of this session is to educate practitioners regarding the increasing prevalence of both "gamification" and smartphone apps to build financial capability. After attending this session, participants will:

- Understand the opportunity that "gamification" and mobile apps present for improving financial capability and financial access
- Learn about in the state-of-the art in "gamification" and mobile financial services with lessons from the field and review of current games and new apps.
- Recognize how to deploy games and apps in different practitioner settings.

Description of Content and Method

This session will explore how video games have become a platform helping consumers build financial capability. Everyone plays games – 69% of heads of household play computer and video games; 97% of youth play games; and, surprisingly, 61% of surveyed CEOs, CFOs, and other senior executives say they take daily game breaks at work. (McGonigal, 2010) Games exist in a wide range of forms, from sports (soccer, golf) to card games (Poker), board games (Scrabble) to video games (*Tetris*, *Angry Birds*, *Candy Crush*). Financial Entertainment ("FE") uses the power of video games to engage consumers, cultivate financial self-efficacy and financial literacy, enable initial action, support sustained behavior, and realize positive economic outcomes. Data and field experiments from the RAND working paper, "Can Games Build Financial Capability" will be reviewed and discussed.

In addition, we will explore the application of "gamification" to real world financial capability and access challenges. A useful definition of "gamification" is the use of game elements and game-design techniques in non- game contexts (Werbach, Hunter). In the health and wellness industry, *Zombie Run* and Nike+ Running App are prime examples of "gamification" applied to influence behavior. While both of these apps employ game elements (for example, rewards for achievement), neither is a video game, or even a complete game. In this session, we will discuss what we have learned from three, current "gamification" projects tackling different financial challenges.

At the same time that "gamification" has grown in popularity, smartphone adoption has skyrocketed and from all accounts is on the rise. Greater smartphone adoption translates into (1) more robust web access as well as (2) more access to online products, services, tools and mobile applications. The challenge is not the potential of this platform, but the ability to harness the technology and the inherently personal and engaging mobile application experience to spark innovations in financial access and capability.

Attendees will learn about the outcomes generated from the national MyMoneyAppUp Challenge as well as the Financial Capability Development (FinCapDev) Competition. These competitions have generated ideas, designs, mobile app proposals, and downloadable apps that are rooted in the submitters' own financial experiences and

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challenges with financial capability and financial access. In particular, the FinCapDev apps address a host of financial needs, from savings for big-ticket purchases to calculating the tradeoffs of borrowing for college, to managing money with your spouse. They embrace and embed unique properties of mobile devices from geolocation capabilities to remote capture of photos and videos. During this session, we will share our learnings and progress, and many of the resulting apps from the FinCapDev competition.

Good Credit: The Game

Syble Solomon and Lee Gimpel[36], LifeWise Strategies, LLC

Key Words:

Target audience

- People building or rebuilding credit (college students, adults starting out or recovering from bad credit) and
- People attending general financial education classes to learn how to manage their money and their credit well.

Objectives/Purpose

Using interactive exercises and an engaging game format participants will identify:

- What is in a credit report
- How the credit report becomes a FICO score
- Why the score matters
- How to use credit responsibly to have the best possible score.
- Red flags to minimize surprises and unexpected consequences.

Description

New tools to promote effective, engaging learning about credit

This toolbox of interactive lessons presents credit information so it is enjoyable, promotes conversation and reinforces good practices. In Part I the activities build from (1) understanding what lenders are looking for when making a loan; (2) what goes into a credit report, and (3) how that report becomes a credit score to (4) why a credit score is important in our lives. In Part II a board game focuses on facts, myths and surprises related to credit reports, credit scores and credit cards. Knowing this information can help people become smarter consumers. The game also reinforces positive behaviors and provides consequence for behaviors that lower credit scores or increase debt. The activities have been field-tested using focus groups of university students and adults from a wide range of backgrounds. The program can stand-alone or complement other programs. It can also be substituted for the credit section in an existing program. Ideally it would be taught in a two-hour block. Each of the two parts can stand-alone.

Today's Reality

Although some voices in the field of debt management want everyone to cut up their credit cards, that is not always realistic. A credit card may be necessary to rent a car or pay for a hotel. Credit scores influence if someone can rent an apartment or get a job (especially if they would be handling money or need a security clearance.) Credit scores will affect how much someone pays for a loan and can affect insurance rates or how much of a deposit is needed to get cell phone or sign up for utilities. Although it is not legal in all states, many employers are using credit scores as a benchmark for predicting reliability for hiring. Some dating sites are even including credit scores as a data point for choosing a potential mate!

Removing the mystery /Avoiding the pitfalls

Unfortunately, understanding what goes into a credit report, how that report becomes a FICO credit score and what behaviors can improve or lower that score remains a mystery to most of us. According to the US Trade and Development Agency, adults in the U.S. average 3.5 credit cards each and the average household carries between $8,000 and $14,750 in credit card debt. In spite of that, most of us rarely read the fine print on our credit card agreements or understand the far-reaching consequences associated with lower credit scores.

These activities aim to de-mystify credit reports and credit scores and build awareness of how to use credit cards responsibly and avoid the pitfalls—and to do it in a way that people are engaged and enjoying themselves for more effective learning and greater retention. Focus group outcomes included participants going home and getting their reports, checking their scores, paying more than the minimum, using cards less and not opening new cards.

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Guiding Participants through Homebuyer Education

Nancy Stehulak[37], M.Ed., Ohio State University Extension; Melinda Hill, CFCS, CFLE, Ohio State University Extension; Curriculum Authors: Nancy Stehulak, Lois Clark, Nancy Recker, Cora French Robinson; Margaret Jenkins, Kathy Michelich

Key Words: h*omeownership; financial education; standards for homeownership education; certification*

Target Audience

Target Audience for the Homebuyer's Guide is adults contemplating homeownership. This session is appropriate for specialists looking for up to date resources to work with clients concerned with financial or mortgage issues, as well as consumer issues of housing.

Objectives/Purpose

Programming utilizing the curriculum will benefit participants by:

1. Reducing the risk of foreclosure
2. Greater understanding of the consumer issues of housing
3. Using financial tools to manage long term payments
4. Increasing financial stability of homeowners

Description

This practitioner's forum will provide an introduction to the curriculum, the Homebuyer's Guide. This curriculum is set against the National Standards for Homeownership and is suitable as a low cost curriculum to guide homeownership education. This curriculum has been extensively reviewed and includes chapters on assessing home readiness, money for housing, making an offer on a home, selecting a mortgage, closing the deal and defining success as a homeowner. This 65 page guide can help the practitioner work with consumers interested in learning all they can to ready themselves for homeownership.

Participants of this concurrent session will be able to review this publication and will be provided an opportunity to explore ways to present homeownership for their clients using this tool that is ready to go to work. Presenter will provide two teaching activities that correlate with the Homebuyer's Guide. Evaluation information is included.

Worksheets and checklists to determine individual concerns are included in the pages of this guide to support homeownership education. Over forty-five references are included to provide background for the client or the practitioner. A complete glossary of terms used in housing is included.

Research conducted with homeowners demonstrates that people who attend homeownership education can significantly increase their credit scores and purchasing power. Prepurchase education has been demonstrated to help reduce the probability of default or foreclosure.

This publication was designed as a standalone information source or to be used as a participant copy for homeownership education. Ordering information will be included in the presentation or can be found through http://estore.osu-extension.org/index.cfm Two copies of the Homebuyer's Guide will be given away in this session.

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Ins and Outs of Student Loan Repayment

Joe Braxton[38], TG Senior Default Aversion Consultant

Key Words: *financial aid, debt and credit counseling, federal student loans*

Target audience

Financial educators and counselors

Objectives/Purpose

The goal of the session is to provide financial counselors and educators with a better understanding of the repayment options available to help student and parent borrowers management repayment of their federal student loans.

Description

TG is a nonprofit organization, whose vision is to be the premier provider of information, products, and services to help students and families realize their education and career dreams.

While students receive information during federally-required student loan counseling, they and their parents often have questions about how loan repayment works. This session describes the repayment options available to students as they prepare to enter the workforce. Topics include: taking inventory of student loans; understanding the available repayment plans (including income-drive plans) and the advantages of each; reviewing the details of loan consolidation; and learning about deferment, forbearance, forgiveness, and cancellation options.

This session is a speaker-led presentation with powerpoint and discussion.

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Jump$tart Coalition Teacher Training Alliance Model: Helping Teachers Build Knowledge and Confidence in Personal Finance

Dan Hebert[39], Director of Professional Development Instruction and Northeastern Regional Director, Jump$tart Coalition for Personal Financial Literacy; Susan Sharkey[40], Director, High School Financial Planning Program; National Endowment for Financial Education (NEFE) and Jump$tart Coalition national partner

Key Words: *Financial Literacy, Teacher Training, Personal Finance, Jump$tart*

Target Audience

This workshop is targeted to any partners of a state Jump$tart Coalition or other practitioners interested in delivering training for K-12 teachers who teach personal finance.

Objectives/Purpose

The Jump$tart Coalition for Personal Financial Literacy is an umbrella group of more than one hundred governmental agencies, national organizations, and corporations devoted in part to personal finance education for young people. The Jump$tart Teacher Training Alliance (J$TTA) is a collaborative endeavor undertaken by the Jump$tart Coalition on behalf of its partners in response to independent and widely quoted research, conducted by the University of Wisconsin-Madison, which found that relatively few personal finance teachers felt adequately prepared to teach the subject or use their state's standards.

J$TTA and its Model is designed to help local organizations provide K-12 teachers with standard, consistent, and effective professional development that improves their own level of financial literacy, improving their confidence in, and enthusiasm for, teaching personal finance in the classroom. Delivered as a toolkit, this standardized model will help to ensure a sufficient and consistent level of competence for teachers of personal finance across states and professional disciplines, regardless of which organization or institution delivers the training.

Description

During this workshop, AFCPE members will be introduced to the J$TTA Model and learn how to utilize the Model in their own states and communities. The Model includes seven modules, each with its own learning outcomes, presenter resources, and learning materials. Three modes of assessment are also imbedded into the Model—attitudinal, behavioral, and qualitative—to enhance professional development for teachers of personal finance.

Specifically, workshop participants will do the following:

- Examine the format and best practices to customize and implement the J$TTA Model.
- Review assessment results of past teacher training events, and become familiar with strategies to compile assessment data for own events.
- Learn how to apply for free access to the J$TTA Model.
- Outline strategies for AFCPE members to collaborate with local partners to establish and sustain quality teacher training for K-12 teachers.

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LYFE: Living Your Financial Experience

Jeanette Tucker, Ph.D.[41] and Kim Jones, Louisiana State University Agricultural Center; Kim Bourgeois, Mia Perez, Sandy Lambert, and Anthony Landreneau, Louisiana Federal Credit Union

Key Words: *financial simulation, earning potential, technology, financial capability*

Target Audience

This session targets financial educators; Extension educators; Youth Development professionals; Government, Faith-Based, Banking, and Community Groups that target youth or underserved adult audiences.

Objectives/Purpose

Practitioners' Forum participants will:

- Explore the content and method of a comprehensive new financial educational program package including curriculum resources, hands-on simulation and evaluation strategy.
- Experience a turn-key simulation resource to build the financial capability of youth.
- Access LYFE curriculum resources and be motivated to implement the program.

Description

Living Your Financial Experience (LYFE), a turnkey financial education program, transports youth to the future world of a young worker starting their first full-time job. The experience of "earning money" and having bills to pay builds youth financial capability and understanding of how personal behaviors and decisions affect a person's finances and quality of life. This program differs from traditional financial simulations in that it emphasizes the impact of education on careers and earning potential by utilizing both standards-based interactive classroom instruction and the fun of participating in a dynamic, technology-based, financial simulation utilizing realistic scenarios. Although technology based, the program offers the flexibility of traditional programming options for situations where technology is not available or feasible.

An interactive, five-hour classroom curriculum helps students determine their career aptitude, examine the link between education and earnings, understand payroll taxes and deductions, develop realistic budgets, select insurance products and practice banking skills. Real-life simulations, conducted at two levels, utilize tablet and desktop computers, debit cards and on-line banking to enable students to prioritize needs versus wants, create a spending plan, and balance accounts. Students assume a realistic career based on their personality assessment and career inventory. Salaries are based on current salary data. Participants in grades 6-8 assume the role of a 24-year-old worker living independently in "Basic LYFE" simulations. They visit eight different storefront stations to make purchase decisions ranging from housing and transportation to insurance and connectivity services. They also address unexpected windfalls and expenses through "That's LYFE" events. High school students targeted by "Advanced LYFE" simulations assume the role of a 24-year-old married/widowed worker with children. Additional purchase decisions related to the cost of raising a child (age-appropriate nutrition needs, diapers, child care, clothing, enrichment and college savings), repaying student loans, credit card debt and selecting home goods enhance the eye-opening experience. Also included is a series of debriefing questions, technology-based "clicker" evaluation and facilitator's guide.

A sampling of follow-up survey evaluations reveals that 92% of participants plan to develop and follow a budget, 88% will make wise purchases to live within their means, 75% will consider potential earnings when selecting a career and 100% of school administrators requested that the program be offered to their entire student body within the next year.

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Love Your Money: New Tools for Educators

Barbara Metzger[42], M.S. - Family Economics Specialist; Dena Wise, Ph.D. - Professor & Consumer Economics Specialist; Ann Berry, Ph.D. - Associate Professor and Family Economics Specialist; The University of Tennessee Extension

Key Words: Financial literacy, education, online learning

Target Audience

The target audience for the presentation is educators targeting college students or older high school students with financial education, and for those implementing online courses in financial education.

Objective/Purpose

The purpose of the presentation is to

• familiarize educators with the new format of the website and the online course
• familiarize educator's tools and resources for course management and classroom support
• share project learning derived from teacher input, student input and evaluation data of the project

Description

Many studies have shown that there is a definite need for some kind of basic financial education for college students. The implications of poor financial management can affect more than students' finances. It can affect their academic performance, mental and physical well-being, and even their ability to find employment after graduation (Bodvarsson & Walker, 2004; Lyons, 2003, 2004). As of this year, the total amount American students and graduates owe on student loans will surpass $1 trillion. That's greater than the total amount Americans owe on credit cards, and it's half as much as the entire U.S. budget for national defense in 2012.

Love Your Money (http://loveyourmoney.org) is a proven and successful online financial education program designed to provide students with the tools they need to manage money, set goals, and save and invest wisely. First implemented in 2009, the online course was redeployed in 2012 with new features that greatly expand its usefulness to financial educators targeting young adults and college students. Included is

• A teacher's dashboard that allows the teacher to quickly and easily set up classes and monitor student progress. Instructors have the ability to run progress/grade reports, and can download classroom presentations and activities to expand upon and reinforce the learning concepts in each module.

• A student dashboard that populates personal data as students move through the course setting financial goals, calculating net worth, making a spending plan and bookmarking other websites and pages of interest (including Cash Course worksheets and information).

The site offers an online tutorial in a student-friendly format, and includes topics such as building wealth, budgets, credit cards, debt, 401(k) programs, employer benefit packages, identity theft, and more. It is a 'self-contained' online financial education course which takes approximately 2 ½ hours to complete. Love Your Money's purpose is to get college students motivated and interested in managing their financial futures starting right now while they are still in school. The program entices students to learn more about financial issues with scenarios that are interesting and engaging. Once in the learning modules, students are introduced to fellow students facing financial crises. They follow their stories throughout the learning modules, completing activities along the way, including a short quiz at the conclusion of each module that enhances the learning experience and helps students retain the information.

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Military Family Learning Network's Online Professional Development for Personal Finance Managers: Financial Position Analysis Webinar and Case Study

Michael S. Gutter[43], Ph.D., University of Florida, Barbara O'Neill, Ph.D., CFP®, Rutgers University, and Molly Herndon, University of Florida

Key Words: *Military, financial position, professional development*

Target Audience
The program targets military Personal Financial Management Program professionals, the reservist community, and Extension Agents who work with military clientele.

Objective/Purpose
The two purposes of this proposed session are to:

1. Share our experience using teaching financial ratios online to PFMs and other educators.
2. Discuss the use, creation, and analysis of key financial statements including balance sheet, income statement, budget, statement of cash flows, and statement of changes in net worth for use when working with military and non-military families.

Description of Content and Method
Having adequate records and understanding how to analyze these statements is essential when families are striving to improve their financial position; both in terms of net worth and cash flows. Many counselors and educators have not had formal accounting training so this workshop emphasized the use of five financial statements over the traditional three. The workshop also includes: assessing Strengths Weakness, Opportunities, and Threats (SWOT) using financial ratios and decomposition statements. By fully understanding client's financial position practitioners are able to have a more accurate picture and make strategic decisions about the future. Proper statements also help families account for the benefits or allowances they might be receiving. Further, solid financial organization can aid military families who may eventually face deployment or relocation.

The military employs Personal Financial Management Program (PFMP) managers to provide financial education and counseling to service members and their families. PFMP professionals have in-depth knowledge of service member experiences and their family's financial education and financial information needs. It is important for Cooperative Extension professionals and other financial educators to partner with PFMPs as they are the critical link to reaching our military families, who represent a unique culture with unique personal finance concerns. The Financial Security for All (FSA) Community of Practice (CoP) of eXtension is part of the Military Family Learning Network, which includes Land Grant campus and county faculty, the Community of Interest (both new and experienced PFMP professionals), and a Social Media Strategist/Concentration Leader.
This session will begin with a brief overview of the project. Next, describe a multi-lesson web class hosted by the team. The presenter was an experienced faculty member and Extension educator in Family Financial Education.

The web conferences attracted PFMP professionals, partners, and others who work with military families; over half of attendees were from the military. The presenter shared a great deal of information and joined the audience in meaningful dialogue on creating financial statements, maintaining records, and analyze the information through the use of interaction and a case study approach. Many participants shared resources they had developed or had found useful. In fact several participants from the first session worked with the presenter and contributed to the case study for the second session by creating what-if budgets for deployment

Most participants learned a lot in these sessions and planned to share the information that was provided with their clientele. As of this submission, 75 attended the first session and 47 viewed the recording. The second session had 93 attend live and the recording has not been posted yet. All attendees indicated they would apply this knowledge in their job. Additional evaluation results will be shared.

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Money Management Coaching & Credit Counseling Using the 8-Step Counseling Cycle

Jim Murphy[44], Marine & Family Programs, Headquarters & Service Battalion, Headquarters, U.S. Marine Corps

Key Words: *counseling, counseling cycle, credit, debt, credit report, PowerPay, debt management*

Target Audience

Conference attendees who have an interest in the "hands-on" nature of financial coaching and counseling of young adults who are experiencing their first regular employment and their first serious dilemmas in the use of credit.

Objectives/Purpose

The purpose of this session is (1) to highlight challenges in money management and credit management coaching and counseling, (2) to review lessons learned over eight years of coaching and counseling young Servicemembers, and (3) to underscore the importance of having a flexible counseling cycle to guide each counseling session from the initial contact with the client to final follow-up subsequent to the counseling session or series of sessions.

Description

As background, fortunately, the percentage of Servicemembers who develop significant credit obligations and, in some cases, legal financial obligations before they develop money management skills is relatively small. Servicemembers who are seriously in debt became so by incurring combinations of car loans, credit card balances, student loans, child support payments, indebtedness to the government, and other legal judgments subject to garnishment. Some obligations are secured; some are not. Some are dischargeable in bankruptcy; some are not. Almost always, the debts have pay-off horizons many months, even years, into the future. Many clients feel helpless and hopeless.

Understanding the Client's Situation and Expectations

Most meetings with clients start as money management and budget planning sessions. A goal in the first session is to make an estimate of the clients' recent average monthly expenses across all categories of expenses. Frequently, the magnitude of the clients' indebtedness does not begin to surface until they present their financial concerns in the 3d and 4th steps of the cycle (gather data, prioritize concerns). It is essential to confirm all bills for services, rent, and utilities, and all credit obligations and other debts (esp., child support, government indebtedness, and legal judgments), and the dates that payments are due. It is highly desirable to review the clients' checking and savings account transactions for the past sixty days. If the clients have not already stated they have debt issues, the issues become apparent at this point. The checking accounts invariably reflect frequent periods of negative balances exacerbated by insufficient funds charges or returned item fees. Frequently, clients are not aware of all their debts. Thus, if the clients have not brought recent credit reports, it is advisable to go online to procure one or more reports.

Developing Courses of Action

Occasionally, the clients' situation is worse than paycheck-to-paycheck. They do not have enough money to make it to payday. They are in a crisis-management situation, and a classic budget encompassing all normal categories of expenses is not a realistic outcome for the first session. The clients are better served if the counselor can help them (1) layout the details of their debts (balance, APR, minimum monthly payment), (2) make projections of the most efficient way to pay the obligations (using PowerPay, or a similar tool), (3) facilitate calls to creditors to clarify the client's understanding of the situation and negotiate more favorable payment terms, (4) make a 12-month projection of all income, debt payments, and "belt-tightened" expenses, and (5) make a series of one-month, day-by-day spending plans designed to make all payments while living on a "belt-tightened" budget. The latter is most effective if it combines a calendar to plan daily spending with debit-credit-balance columns to show the effect of each purchase and each deposit (e.g., pay) to the account. The balance column shows them clearly when they are about to "go negative." The challenges are always (1) the time required to confirm the estimated expenses and prepare the budget, and (2) the time necessary to teach the client how to track the budget. The presenter includes examples of PowerPay projections; 12-month projections of income, payments, and expenses; and day-by-day spending plans with debit-credit-balance columns. The presenter also provides a DVD and handouts of all materials.

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Money Smart -- Ideas That Work

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Key Words: financial education, access, personal finance, banking, money management

Target Audience

Everyone (Personal finance researchers, educators, counselors, and practitioners)

Objective/Purpose

According to FDIC research, 29 percent of households lack a savings account, with certain demographic groups and lower-income households much less likely to have a savings account. Longitudinal research indicates that the FDIC's Money Smart financial education program can result in sustainable behavioral changes (e.g. participants were more likely to open deposit accounts and save money in a mainstream deposit product 6 to 12 months after completing the Money Smart course compared to before beginning the course).

This session will equip AFCPE members to help youth and adults, including those from families who do not have a bank account, learn the basics of money management and how to effectively work with financial institutions and other community stakeholders to help the individuals gain access to appropriate savings and banking vehicles.

Description of Content and Method

Money Smart is FDIC's award winning, comprehensive financial education curriculum designed to help individuals develop financial skills and positive banking relationships. The FDIC has far exceeded its original commitment to reach one million consumers, having already reached over 2.75 million consumers over the past 10 years. Financial education and access to mainstream financial services are a critical ingredient to assisting individuals and families reach their financial goals. The session will overview best practices to delivering financial education, and using the FDIC's free Money Smart curriculum as an example, discuss how financial education lessons can be integrated into instruction on core educational standards and practical approaches to link financial education to financial inclusion initiatives, such as the potential role of financial institutions. The session will provide ways to facilitate financial education using the Money Smart curriculum. The session format will include lecture; facilitated discussion and group interaction whereby participants will discuss potential challenges and solutions to advancing financial education and inclusion initiatives. Highlights of the workshop will focus on practical implementation strategies for attendees. Takeaways include knowledge of the Money Smart financial education curriculum and how to use it, financial inclusion, and copies of FDIC financial education resources.

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Money $mart in Head Start: Increasing Financial Capability of Limited Income Households

Peggy Olive [47]and Kristi Cutts, University of Wisconsin-Extension

Key Words: *financial capability, Head Start, financial coaching*

Target Audience
Money $mart in Head Start (M$iHS) is both an approach and flexible curriculum for use by extension educators, financial coaches, and other financial educators who provide financial capability outreach for limited income audiences. In addition to young families in Head Start, this approach and educational outreach is applicable to other human service delivery professionals and programs where financial education is not currently offered.

Objective/Purpose
This practitioner's forum will examine how access to various methods of financial education may improve financial capability - the ability to manage one's resources based on knowledge, skills and access – for limited income families. Baseline and follow-up survey responses from this research project provide insight into the extent to which financial newsletters, workshops, and coaching impact families' financial attitudes and behaviors. In addition, financial educators will benefit from a better understanding of applications for the emerging approach of financial coaching, the successful integration of financial education into existing human service programs, and identification of additional opportunities to increase the financial capability of limited income households.

Description
The Money $mart in Head Start (M$iHS) initiative is a collaboration between community-based Head Start agencies and University of Wisconsin-Extension Family Living Educators, and offers an array of financial capability-building education to parents. This session will share a replicable and affordable community partnership that succeeded in significantly increasing financial capability behaviors and confidence of participating limited income households. This practitioner's forum will include resources and lessons learned during the M$iHS pilot and research projects. Additional applications and implications for this financial capability outreach approach will also be discussed.

This financial capability-building project targeted families with children enrolled in Head Start in 16 primarily rural counties throughout Wisconsin. At the start of the 2010-2011 schoolyear, 1536 households with children enrolled in Head Start child development services were invited to participate in this research project. Of these households, 507 consented to partipate and completed a baseline survey regarding current financial practices and attitudes. Baseline surveys were either distributed by Head Start staff during home visits or by Extension educators at Head Start events. The majority of the 507 participants were white (88%) and female (92%) between the ages of 18-64 years. Approximately half were unmarried (57%) and had attended some college (48%), while one-fourth were homeowners (28%). The mean take-home income fell in the range of $801-$1,200 per month.

Approximately 75% of the 507 households received one or more methods of financial education through Extension, while 25% of households were designated the control group and received no financial education. The financial capability education offered over 6-8 months during the school year included:

1) Eight financial education newsletters mailed or e-mailed monthly. The two-page newsletters covered topics such as setting financial goals, saving, and credit management.
2) Two one-hour workshops on the topics of saving and credit management.
3) Two in-person financial coaching sessions – one fall, one spring – with monthly follow-up. The extent of follow-up was determined by the household's financial goals and included phone calls, e-mails, additional office or home visits.

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All participants were then mailed a follow-up survey at the end of the schoolyear. Matching baseline and follow-up survey responses, the reported differences between households who received newsletters, and may also have taken part in workshops or coaching, were compared to households who did not receive any financial education during the previous eight months. Parents in the educational group reported positive changes, including an 18% decrease in debt levels, a 46% increase in ordering credit reports, and a 92% increase in having a written budget.

Providing a Pathway Out of Poverty for Single-Mothers

Joanne Roueche[48], MA, CFCS, CPFFE, Utah State University Extension

Key Words: *single-mothers, poverty, Individual Development Account (IDA), savings*

Target Audience

Single mothers are the primary audience; however, the material will apply to a general audience. Many avenues have been used to reach the single mother audience such as religious and church groups, the Family Support Center, Head Start, Domestic Abuse Shelter transitional housing, and the Hill Air Force Base Family Readiness Center.

Objective/Purpose

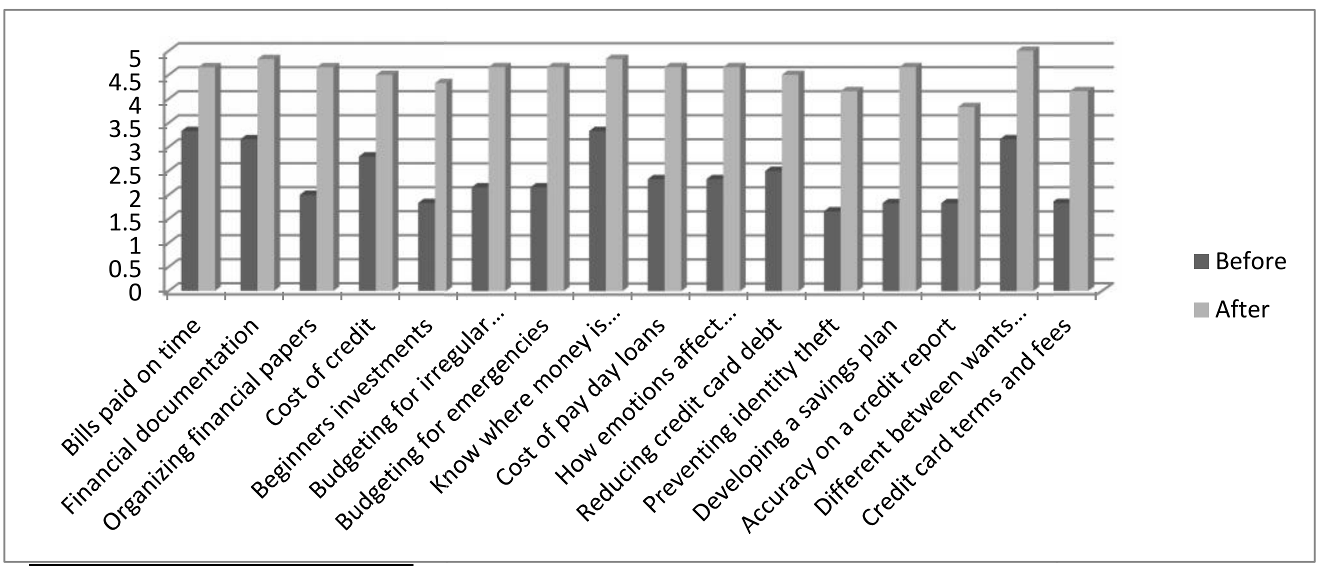
According to Casey and Maldonado (2012), single-mother households account for nearly 50 percent of families below the poverty line in the state of Utah. Twenty four percent of the 75 million children under the age of 18 are living in single- mother families (Mather, 2010). The effects of growing up in a single parent household increases the risk of dropping out of school, becoming teen parents, difficulty in the workforce and food insecurity.

There are many services available for single-mother households to include food stamps, Women, Infants, and

Children (WIC), housing assistance, Supplemental Nutrition Assistance Program (SNAP) and utility assistance. These programs, however, do not provide the education necessary to provide a possible pathway out of poverty. Cooperative Extension programs and community networking can provide the research based education classes and community support necessary for behavior change. Changes in behavior can have long term effects for generations to come and create the stepping stones necessary to get out of poverty.

Content/Method

The initial program began with an Individual Development Finance class for single mothers in a transitional housing program. The four-week series provides participants with necessary financial education to begin an Individual Development Account (IDA) savings account. The account provides a three to one match on monies saved to go toward a home, education or small business. All single mothers completing the classes did a pre/post evaluation on knowledge gained and completed a financial binder. The following graph shows significant increase in financial knowledge gained.



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Additional classes followed to educate and mentor the participants. Classes included Food Sense Nutritional Education (FSNE), research-based parenting classes, parenting and relationship education, information about couponing and stretching their budget, ideas for inexpensive activities for children, and suggestions on how to make the most of your money for the holidays.

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Saving for the Unexpected: Innovations to Help Consumers Manage Emergencies

Melanie Kwon Duch, Shaheen Hasan, Doorways to Dreams Fund[49]

Key Words: *Emergency savings, product innovation, prepaid cards, prize-linked savings, asset building*

Target Audience
Financial counselors and educators, particularly those practitioners serving clients that are not regularly saving

Objective/Purpose
The panel will provide financial educators and counselors with background on the pressing need for short-term savings and showcase innovations that can help their consumers plan for managing short-term needs, including financial emergencies. The Doorways to Dreams Fund (D2D) will discuss insights from its work on savings innovations on prepaid cards and prize-linked savings (PLS) that have helped consumers save and close the gap between the need for and access to an emergency reserve. Participants will walk away with product design tools that can help them in their practitioner work.

Savings on Prepaid Cards: Given their ease of access and increasing popularity, especially among low to moderate income consumers, prepaid cards can serve as a vehicle to help households set funds aside for emergency savings. D2D will share insights from its partnership with Banking Up to test and design a "Rainy Day Reserve" (RDR) savings pocket on their UPside prepaid card, with a specific interest in helping households save for emergencies. Promising findings reveal that not only has the RDR savings feature reached consumers and provided them with a savings tool, but consumers have used that feature as a revolving savings pocket to meet short-term needs.
PLS: D2D has also seen favorable results with its PLS work, which has successfully engaged consumers in savings and building a short-term emergency reserve. D2D will share findings from the Save to Win™ (STW) PLS product which was designed and tested with eight credit unions in Michigan and has expanded to 60 credit unions in four states that can be appl ed more broadly to help consumers build savings for financial emergencies. The STW product has been found to motivate consumers to start and maintain an emergency savings fund, rebuild the fund after withdrawing money, and leading evidence suggests that consumers are building a habit of small dollar savings.

Description of Content and Method
Nearly half of American households are vulnerable to financial shocks, with a 2011 study by leading researchers finding that 46% lack confidence in their ability to come up with $2,000 in 30 days. Without the right tools to manage these emergencies, families can experience hardships. The size of the shock may be small but the relative impact large, long-lasting, and potentially forever damaging. Using innovative products to help clients prepare for emergencies has an outsized impact on the financial stability of household balance sheets.

In this panel, D2D will highlight product innovations that have helped consumers successfully save for emergencies when they were not regularly saving before. Given that there is no universal solution to help consumers meet their needs for short-term, emergency savings, D2D has been working on various innovations to help households cope with emergencies, including a) savings on prepaid cards as well as b) prize-linked savings, an innovation that rewards consumers for saving with chances to win prizes based on their deposit activity.

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The Culture of Personal Finance: What Financial Practitioners Need to Know

Barbara O'Neill, Rutgers University[50]

Key Words: *personal finance, culture, values, ethnicity*

Target Audience

The target audience for this workshop is adult financial education professionals and financial counselors, especially those who teach and counsel clients that come from a wide variety of ethnic backgrounds.

Objectives/Purpose

1. Participants will learn about major cultural shifts that have taken place in the U.S.
2. Participants will learn about research findings related to culture and personal finance.
3. Participants will complete three activities to explore cultural influences on their personal financial behaviors.
4. Participants will learn about financial attitudes and practices of specific ethnic groups.
5. Participants will learn about financial cultural divides in the U.S. by gender and income.

Description of Content and Method

This workshop will present information about the impact of culture upon personal finance attitudes and practices. Culture, defined as collection of socially transmitted behaviors and beliefs, is a "lens" through which people view events and make decisions. This workshop will discuss teaching personal finance from a multicultural perspective and financial characteristics of specific ethnic groups. By 2043, the U.S. will no longer have a racial majority group according to the U.S. Census Bureau. Rather, it will be a "plurality nation" with no ethnic group in majority. Now, more than ever, financial educators must develop strong cultural competency skills. It is not enough to have personal finance subject matter expertise when delivering financial information to diverse audiences. Educators must also have "financial cultural competence;" i.e., understanding how different cultures view financial issues and manage money.

Values (i.e., beliefs about what is important or highly regarded) about money affect financial decisions and culture affects money values. For example, some cultures (e.g., Native Americans and Hispanics) place an high value on helping family members who experience emergencies or are less well-off, no matter how distant the blood relationship. Family members who are consistently pressured to support or bail out others may understandably decide not to save money lest their savings continually become a communal emergency fund. People of the Muslim faith do not believe in paying interest and therefore use alternative non-interest financing methods consistent with their beliefs. Specific financial challenges for many foreign-born citizens include establishing a credit history, "cash-only" financial management, lack of trust of financial institutions, and language and cultural barriers. Financial educators with cultural competence can help learners feel less stigmatized and make wise financial decisions.

This workshop includes a 24-slide PowerPoint presentation and three hands-on activities. It was developed for a professional conference for financial educators. The slides discuss the impact of culture on personal finance, cultural shifts in the U.S., why all Americans need to care about the financial security of immigrant populations, and research findings about the financial status of different ethnic groups. The workshop also includes a discussion of financial characteristics of specific populations including Hispanics, African-Americans, Muslims, Indians, Chinese, and Japanese. In addition, gender and income diversity in the U. S. with respect to personal finance and the widening income and culture gap between "haves" and "have-nots" will be discussed as Americans in different income strata increasingly have less in common with each other than ever before (e.g., tastes in food and mass media use).

The three workshop activities will be demonstrated. In the first activity, participants will complete a "Financial Culture Coat of Arms" by providing responses for the following sections of the worksheet: 1. the best money habit that I learned from my parents, 2. the worst money habit that I learned from my parents, 3. my money motto or

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philosophy, 4. how my culture and/or religion affects my personal finances, and 5. my greatest financial hope and financial fear. In the second activity, participants will create a "bucket list" of desired personal accomplishments. The third activity is a values clarification activity using a forced choice methodology to prioritize desired items. All of these activities can be replicated by workshop attendees with clients or students to uncover cultural influences on their financial lives.

Unique Money Issues Faced by Women

Martie Gillen[51], Lynda Spence, and Diann Douglas, University of Florida

Key Words: *women, financial planning, money issues*

Target Audience
Educators, advocates, financial planners, financial counselors, and those who are in the helping professions working with clients.

Objective/Purpose
The goals of this session are to provide attendees with evidence based information regarding the economic status of women including the impact of life cycle changes. Attendees will also receive resources and activities that can be used in their client work.

Description
Changing roles of women have reshaped education and career aspirations, marriage patterns, childbearing, caregiving responsibilities for children and elderly parents, housing decisions, and in many cases, redefined the family altogether. With ever changing societal gender roles and family structures, there comes a need for financial management education to address unique issues women encounter. This session will focus on the changes women may experience throughout their life cycle and the impact of these changes on their economic status including recent trends in the labor force and significant issues such as the gender wage gap. These issues pervade family transitions and span the life cycle. Nearly two-thirds of U.S. women ages 40 to 79 have already dealt with a major financial "life crisis," such as job loss, divorce, the death of a spouse, or serious illness (Duke, 2010). Women, in general, earn less (US Census Bureau, 2011), leave the work force more often (Duke, 2010), are less likely to participate in pension plans (Duke, 2010), invest more conservatively (Duke, 2010), are more likely to experience poverty (US Census Bureau, 2011), and live longer than men (National Center for Health Statistics, 2012). Increasingly, women are solely responsible for financial decision making at some point in their lives, yet they know less about money than their male counterparts (Duke, 2010). Uniquely positioned, Family and Consumer Sciences has responded programmatically to the changing roles and responsibilities of women in these uncertain economic times by developing education programming that addresses the unique money issues facing women today.

Program participants learn how financial familiarity and management positively influence their quality of life and understand how emotions influence how they use their money. Participants strengthen their skills and change behaviors that in the past may have rendered them insecure, ill informed, indifferent, unaware, or unable to save. This ten-hour course provides women with information and encouragement about being financially successful. Establishing the unique issues, the multi-session curriculum builds on financial organization, money communication, financial goal setting, asset protection, estate planning, and concludes with retirement.

The workshops increase the participants' confidence in their ability to manage finances by: 1) identifying family transitions and life cycle issues affecting personal finances, 2) organizing personal finance documents, 3) strategizing asset protection 4) setting SMART financial goals, 5) understanding investment options, and 6) developing, updating or revising an estate plan. The curriculum development team consisted of a state specialist and two county faculty members. The collaboration between state and county faculty aided in the development of evidence based curriculum that aligns with the target audience's needs at the county level. With this comprehensive curriculum, Extension faculty guide program participants to transition from the proverbial financial sidelines to primary decision makers for their respective households.

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Using Technology to Change Financial Behaviors

Jinhee Kim[52], Lynn Little, Mia Russell, Nancy Lewis, Michael Elonge, and Allison Schroeder, University of Maryland

Key Words: *workplace financial education, online education, retirement, investment*

Background
Numerous financial education and counseling programs exist today in various formats, including face-to-face programs, books and manuals, and increasing in popularity are online programs. Although it is too soon to say whether online financial education is effective, initial research indicates that tools such as “Financial Entertainment” games increase participants’ financial knowledge as well as their self-efficacy, which supports real-world behavior change in terms of savings and investment behavior (Maynard, Mehta, Parker, & Steinberg, 2012).

There are various free online financial education resources available to provide learners with basic financial literacy knowledge on a wide variety of topics. Online tools such as calculators, applications, games, and life scenarios help to facilitate the learning process and may be valuable complements to classroom or online instruction.

Target audience
Our program is targeted to employees at their workplaces and is appropriate for employees of all ages.

Objectives/Purpose
We have developed an online program to engage adult learners by providing a balanced mix of content and behavior change reinforcement. The purpose is to increase participants’ financial knowledge, attitudes, and intentions to change their behaviors around retirement investing. The program engages a variety tools such as online applications and texting to motivate and sustain behavior change.

Description
The program employs a rich variety of media to effectively engage adult learners. Content is communicated via online videos, webinars, downloadable presentations, handouts, and other interactive tools. We also connect learners to the vast array of online personal financial management and behavior change tools that have been developed, such as www.Mint.com, www.MySpendingPlan.com, www.SmartyPig.com, and www.Stickk.com.

Online modules cover the following subject areas:
• Financial Check-Up: Participants assess their personal financial situation and learn tips for financial planning, assessing insurance coverage, reviewing savings and investments, retirement planning, and other basic money management skills.
• Saving and Investing for the Future: This module guides participants to begin and/or increase savings, understand the differences between savings and investments, and recognize the pre-requisites to investing
• Understanding Investments: This module focuses on key investment concepts and principles, how to choose investments appropriate to one’s goals, risk vs. returns, and how to select the right investment professional.
• Planning for Retirement: Participants learn about the needs and sources of retirement income, tax-deferred retirement savings plans, and how to estimate the amount of money that needs to be saved for retirement.

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Using Therapeutic Communication to Help Clients in Transition

Susan Zimmerman, LMFT, ChFC; Steve Zimmerman, CFP, ChFC; Mindful Asset Programs[53]

Abstract

In this session, communication tools from the therapy world are shared to help clients more effectively navigate through transitions and make healthy modifications when needed. As financial practitioners we are typically trained extensively about managing "financial assets" (and liabilities) but lack training in "Human Assets." Human assets refer to client emotions, thought habits, decision styles, and relationship dynamics. This session uses eight money motives to create a communication structure for clients, helping them gain "prosperity clarity" to enhance their ability to move forward in positive and lasting ways, especially during tough transitions such as job loss or divorce.

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What Do the Recent Changes and Trends in Reverse Mortgages Mean for Professionals Working with Seniors

Cindy R. Stokes[54], M.S., AFC and Alena C. Johnson, M.S., AFC, Utah State University

Key Words: *reverse mortgage (RM), Home Equity Conversion Mortgage (HECM), housing counseling*

Target Audience
Professionals who work with pre-seniors/seniors: private practitioners; educators; financial counseling agencies; housing counseling agencies.

Objective/Purpose
As more and more Baby-Boomers enter their senior years, many unprepared for retirement; the need for financial planners and counselors increases (Stokes, Lown, Delgadillo, & Pfister, 2011). Today's financial planners and counselors are better prepared to assist seniors when they are knowledgeable about financial options available to the clients they serve. One prevalent option for seniors is the Reverse Mortgage (RM).

Each year, tens of thousands of homeowners age 62 years and older obtain RMs; a total of 808,035 Home Equity Conversion Mortgages (HECMs), as of March 2013, had been originated since the program's launch in FY 1989-90 (National Reverse Mortgage Lenders Association [NRMLA], 2013). The HECM is the most popular version of the RM, and is FHA insured. An average of 86,781 HECMs were originated annually over the past five years with 27,953 thus far in FY 2012-13 (October 1, 2012 through March 31, 2013) according to the NRMLA (2013). One study found the number of households seeking the required RM counseling to be twice the number of households that actually followed through with the RM (Stokes et al., 2011).

There are several concerning trends with RMs including the decrease in borrower's age and the increase in couple borrowers, both indicating that younger senior couples are using a RM at a higher frequency; often these couples extract their full equity to pay off an existing mortgage (Stokes & Johnson, 2012). Earlier this year, the U.S. Office of Housing and Urban Development (HUD) dropped the fixed interest rate Standard HECM loan partially because of the large rise in defaults by fixed-rate borrowers who extracted the maximum equity from their home (Kitces, 2013).

Description of Content and Method
This presentation seeks to address the concerns surrounding the increase in RM defaults and the loss of the HECM Standard fixed interest rate loan option, as well as to increase practitioner understanding of RMs as an option for senior homeowners looking for financial help. It is important for not only planners, counselors, and educators, but any professional working with seniors, to be aware of and have adequate knowledge about RMs. Professionals also need to be able to refer senior clients, as needed, to a qualified and unbiased RM counselor for additional detailed and required education so that seniors can effectively make the best decisions possible and be successful if they choose a RM.

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You and Health Insurance: The Why, What and How for Making a Smart Choice

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Keywords: *health insurance, insurance, personal finance, health insurance literacy, affordable care act, decision-making*

Target Audience

Individuals and families faced with making health insurance decisions that are a good match for their health needs and their financial resources.

Objective/Purpose

To explore the information you need to make the best health insurance decision for you and your family based on your needs and how much you can afford.

Anticipated short term outcomes for consumers participating in the Health Insurance Literacy Initiative (HILI) *Smart Choice* education program will be able to: ask key questions; make sense of the answers; use simple tools to choose; select smart choices and feel good about their smart choice decision.

Description of Content and Method

The passing of the Affordable Care Act (ACA) has created a new world for purchasers of health insurance and over 200M families are at-risk of not making a health plan choice that is a good match for their health needs and for their financial resources. National research suggests that most Americans do not understand health insurance plan information and therefore the choices available to them. A national assessment of the health literacy of U.S. adults, found that 88% cannot calculate an employer's share of health insurance costs using a table based on income and family size.

Seizing on the opportunity, a University of Maryland and University of Delaware Extension team developed a health insurance literacy initiative (HILI), including a *Smart Choice* curriculum, to increase and/or improve consumer competency, skills and knowledge to make wise health insurance decisions – smart choice. The curriculum is designed to help reduce the confusion, increase consumer capability and confidence so consumers will be able to make a smart choice their health insurance decision.

The *Smart Choice* curriculum has integrated the American Institutes on Research measure of health insurance literacy (combining financial and health literacy) and contains presentation materials, educator toolkit and consumer workbook, online educator and consumer resources, and evaluation tools. The curriculum is designed to teach consumers what questions to ask and how to find answers to help make a smart health insurance choice. Participants leave the program with tools they can use to select a plan that best fits their needs and confidence they can make a smart choice.

The program is designed to effectively engage adult learners with goals of providing knowledge gain, skill development and enhancement, and behavior change reinforcement. For more information visit www.extension.umd.edu/insure.

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Research Papers

Describing Risk Tolerance: Does a Risk Characterization Portrait Exist?

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Abstract

This paper reports findings from a study designed to determine if portraits of risk tolerance could be developed for a nationally representative sample. It was determined that risk tolerance is not entirely domain specific but rather a generalized attitude held by individuals. A latent risk-tolerance construct was developed consisting of driving, financial, occupational, health, interpersonal, romantic, and major life change risk tolerance. These seven items were found to be positively associated. Each of the items also loaded highly onto one factor within a principal components analysis. Additionally, portraits of risk tolerance were found to be both valid and reliable using a combination of *t* test and residual prediction methodologies. Opportunities for further research, based on this study, are presented.

Introduction

The typical American encounters and engages in multiple risk-taking situations on a daily basis. Risks can generally be classified into one of five domains (Weber, Blais, & Betz, 2002): (a) financial, (b) health/safety, (c) recreational, (d) ethical, and (e) social. Some risks, regardless of the domain, can be avoided, minimized, or transferred. It is common, however, for individuals to also actively engage in certain risky activities. That is, people often seek out risks, or when faced with a risky decision, they use their experience and acquired skills to deal with the situation. As might be expected, decisions related to participation in a particular activity, and when the engagement will take place, tend to be shaped by each person's unique experiences, preferences, and perceptions.

An important aspect associated with financial counseling and planning processes involves helping clients identify, analyze, and manage risk. Of the five primary risk domains, financial risk is often a central topic of concern for clients who work with financial counselors and planners. Nearly all financial-oriented recommendations and implementation strategies that a financial counselor or planner may recommend entail some degree of financial risk. As such, it is important for financial counseling and planning practitioners to have both a conceptual understanding and a practical appreciation for the concepts of general and financial risk tolerance.

Grable and Joo (2004) noted that risk tolerance can best be thought of as a person's willingness to take part in a behavior in which one or more outcomes are both uncertain and potentially negative. Although a simple concept, debate regarding the stability and specificity of the risk-tolerance construct has been nearly constant over the past two decades. In one camp are those who suggest that risk tolerance is domain specific. Those who make this argument point to examples where someone appears to be very conservative in several areas of life only to exhibit very low risk aversion in another area. An example would be someone who is unwilling to invest in high risk investments, yet is willing to engage in a risky recreational activity such as flying or skydiving. This type of example illustrates, for those who argue that risk tolerance is domain specific, that past experience and environmental factors influence risky decision choices.

In the other camp are those who argue that while it is true that individuals are not universally risk tolerant (or risk averse) in *all* areas of their life, individuals can be characterized by a general risk-tolerance portrait. This conceptual risk-tolerance sketch, can, according to those who make this argument, be used to differentiate people according to their generalized willingness to engage in risky behaviors. It is important to note that those who make this argument are not suggesting that it is impossible, or even unlikely, that a particular person would, for example, avoid risky

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investments and concurrently engage in a risky athletic event. Rather, this argument is premised on a broader characterization that individuals, on the average, exhibit consistent risk-tolerance attitudes across a wide variety of domains. As such, according to this line of thinking, it would be highly improbable that a large percentage of people, at any one time, would exhibit widely diverging behaviors that run counter to their generalized risk-tolerance portrait.

The purpose of this paper is to report tests that were designed to determine whether or not a risk-tolerance portrait could be developed that is accurate in characterizing individuals along a general spectrum of risk. In this study, seven risk-tolerance items, which fit within the five domains of risk as described by Weber et al. (2002), were evaluated. The analysis began with a test of the level of non-causal association between and among the items. Given the general agreement among researchers that women and men tend to differ in their appraisals of risk and the willingness to participate in risky activities, gender differences were tested on the seven items. Additionally, steps were taken to determine if risk tolerance is domain specific or whether a generalized risk characterization portrait exists and whether individuals do a reasonably good job of evaluating their overall tolerance for risk.

Review of Literature

Risk Tolerance: Domain Dependent or Cross-Situational?
According to Corter and Chen (2006), social and organizational psychologists have been debating whether risk attitudes and risk-taking behavior is context dependent or cross-situational for quite a long time. There is evidence supporting both sides of the argument. For example, Eysenck and Eysenck (1978) argued that a person's propensity to take risk is a general personality trait. Researchers studying sensation seeking have often noted that people who are drawn to complex and novel behavior share a common personality profile (Wong & Carducci, 1991; Zuckerman, 1994). Others have reported that risk taking cannot easily be explained by a general 'appetite' for risk (Corter & Chen; Slovic, 1964). Instead, these researchers argue that risk taking is domain centered, with experience and knowledge accounting for much of the variation in risk taking within domains.

It is useful to note, however, that what some researchers call domain specific tolerance for risk may actually be related to the way a person's values, goals, and beliefs overlap (Callan & Johnson, 2002). It is possible that when broadly conceptualized, people may exhibit greater consistency across domains, even though they may sometimes engage in behavior that appears inconsistent. There is little empirical evidence within the literature to indicate whether people's inconsistencies occur systematically or whether inconsistencies are short-term in nature, with a longer term revision to a person's generalized risk-tolerance characterization.

It is also possible that inconsistencies that have been reported in the literature and media are an artifact of small sample sizes or samples that are prone to exhibit biases. Take, for example, a *Wall Street Journal* report (Shellenbarger, 2013) that told stories of people who were living relatively mundane lives but suddenly engaged in an impulsive behavior. What makes these stories interesting is the fact that the people highlighted are not typical or normal. Statistically, those highlighted in such stories may be statistical outliers. While it may be useful to identify those who are likely to be biased in relation to risk tolerance, the singular focus on this group, which is likely very small, may distract researchers and financial counseling and planning practitioners from evaluating the more important homogenous nature of people's general tolerance for risk. In the final analysis, financial counselors and planners need risk characterization tools that work with a wide segment of society. While it is easier to dismiss the prospect that people have a risk-tolerance portrait based on stories of outlying behavior, it behooves the counseling and planning professions to look more deeply into this concept as a way to help more clients deal with risk decisions.

Gender and Risk Tolerance
When asked, nearly all financial counselors and planners will indicate that women tend to exhibit lower risk tolerance than men when faced with a financial decision. The notion that women and men differ in their tolerance for risk, across domains, may be explained in part by the different goals, values, and experiences held by women and men. This is the reason gender tends to be an effective tool for validating risk measures. In terms of risk tolerance, men tend to exhibit a greater willingness to engage in behavior where potential negative outcomes are likely (Arano, Parker, & Terry, 2010; Grable, 2008; Neelakantan, 2010). This observation is true across the spectrum of risky activities, but especially in relation to financial decisions (Yao & Hanna, 2005). Additionally, men tend to overestimate their risk tolerance, while women are prone to underestimate their tolerance for risk (Roszkowski &

Grable, 2010). These estimation biases appear to be robust across domains, but certainly within the context of financial risk taking (Gilliam & Grable, 2010).

This does not mean that gender should be used as a stereotypical risk profiling tool within the financial counseling and planning processes. Advisers who stereotype in this way can only state that given two identical individuals, one being female and the other male (i.e., same age, socioeconomic background, experience, etc.), the male should exhibit a greater willingness to take risk. As indicated by Martin (1987), such gender stereotypes may be true to an extent, but the tendency to over exaggerate the association is always present. Furthermore, it is entirely possible that gender differences are simply a reflection of a person's knowledge and experience (Grable, 2000).

This last point is of particular importance. While it is true that within an experimental context women often report a lower willingness to engage in certain behaviors, it is also true that once women are exposed to information, knowledge, and appropriate risk-adaption strategies differences in risk tolerance between women and men shrink (Grable & Joo, 2004). This is an important insight for practitioners who deal with clients on a daily basis. Where gender differences in risk tolerance come into play, and are quite useful, are research situations. This is particularly true when women and men are asked a series of risk-tolerance assessment items with little preparation or time to contemplate outcomes associated with responses. In these typical research design situations it is reasonable to hypothesize that women will be more risk averse than men.

Portraits of Risk Tolerance and Estimation Bias

Much of the research devoted to understanding the determinants and outcomes associated with risk tolerance, particularly financial risk tolerance, has focused on examining the role demographic factors play in shaping risk attitudes and in linking risk tolerance to consequences of a personal nature (Hanna, Waller, & Finke, 2008). This helps explain why so much is known, at least descriptively, about the relationship between risk tolerance and gender, but as Grable (2008) highlighted, the use of demographic factors as proxies for risk tolerance should be avoided. Rather, factors, such as gender, should be used primarily as measurement tools for research, rather than practice.

This is one reason much of the research that has attempted to create demographic and socioeconomic profiles of risk takers has failed. These types of variables do not work, either individually or jointly, because there is little theoretical reason that they should. What researchers and practitioners need is information about ways that can be used to characterize the risk-tolerance attitudes of individuals. As has already been discussed, there is no definitive evidence regarding the possibility that a risk-tolerance portrait can be developed for individuals. However, there is good reason to believe that portraits of risk tolerance can and should be developed. Any tool that can provide a broader perspective regarding someone's attitude towards taking risk adds to the tools and techniques that a counselor and planner can use when working with clients. Of course, this is true only if a general characterization is valid and reliable, and statistically associated with behaviors of interest. One important outcome associated with this study is to help answer questions related to the validity and reliability of a generalized portrait of risk tolerance.

Methods

Data Source

Data for this study were obtained from the 2010 National Longitudinal Survey of Youth, 1979 sample (NLSY79). The NLSY79 is conducted by the US Department of Labor's Bureau of Labor Statistics. The sample consists of men and women born in the years 1957 and 1964. The survey was designed to gather information at multiple points in time on significant life events of several population samples of U.S. citizens. The NLSY79 is a nationally representative sample (N = 12,686) who were 14–22 years old when they were first surveyed in 1979. These individuals were interviewed annually through 1994 and are currently interviewed on a biennial basis.

The NLSY79 originally contained three subsamples: (a) a cross-sectional sample of 6,111 respondents designed to be representative of the civilian U.S. youth population; (b) a supplemental sample of 5,295 respondents designed to over sample civilian Hispanic, Black, and economically disadvantaged non-Black/non-Hispanic U.S. youth; and (c) a sample of 1,280 respondents designed to represent the population ages 17–21 who were enlisted in the military.

The survey contains an expansive set of questions ranging basic demographic data to psychosocial and attitudinal assessments. For example, the survey includes detailed questions on educational attainment, training investments, income and assets, health conditions, workplace injuries, insurance coverage, alcohol and substance abuse, sexual activity, and marital and fertility histories, as well as measures of risk taking. In this study, 7,504 respondents answered at least one of the risk-assessment items.

Variables
For the purposes of this research, seven domain specific risk-tolerance assessment items, one general risk assessment, and the gender of respondents were coded and analyzed. As discussed in the review of literature, people can behave differently in unusual situations. One advantage associated with the use of the NLSY79 for this type of analysis is accessing respondents' responses to the seven risk-tolerance questions. Respondents were asked, "How would you rate your willingness to take risks in the following areas?" The seven domains were: (a) driving, (b) financial matters, (c) occupation, (d) health, (e) interpersonal, (f) romantic relationships, and (g) major life changes. For each of the situations listed, respondents were asked to rate themselves on the following willingness scale: 0 to 10, where 0 means 'unwilling to take any risks' and 10 means 'fully prepared to take risks.' Descriptive data for each item are shown in Table 2.

In addition to questions about driving, financial, occupational, health, interpersonal, romantic, and major life change risk taking, respondents were also asked the following item: "Are you generally a person who is fully prepared to take risks or do you try to avoid taking risks?" Respondents were asked to rate themselves on the same risk-tolerance scale, where 0 means "unwilling to take any risks" and 10 means "fully prepared to take risks." Based on 7,504 cases, the mean, median, and standard deviation data associated with this question were 4.82, 5.00, and 2.96, respectively. Answers to this query were used to validate portraits of risk tolerance as estimated in this paper.

Gender was also evaluated in this study. The variable was coded dichotomously, with 1 = male and 2 = female. The sample was nearly 50% female and 50% male.

Data Analysis Procedures
Four data analysis procedures were used to determine if a generalized risk-tolerance portrait characterization could be developed for respondents. Non-causal associations between and among the seven risk-tolerance items were assessed using Pearson correlation coefficients. Gender differences among the seven items were evaluated using *t* tests. Principal component analysis was employed to determine whether a risk-tolerance portrait could be developed to characterize respondents. Finally, a residual prediction modeling technique was used to determine how well those in the sample were able to evaluate their general tolerance for risk. Differences in residual scores between women and men were estimated using *t* tests.

Residual prediction is a term used to describe a technique in which scores on one test are used to predict a self-assessment. The difference between the self-assessment score and the predicted score indicate the degree to which an estimation bias exists. In this analysis, scores on the seven risk-tolerance items were combined. This summation was based in part on results from the principal components analysis and the resulting reliability estimation, both of which are described later in this paper. The summed score was used to predict each respondent's answer to the general risk-tolerance item (i.e., "Are you generally a person who is fully prepared to take risks or do you try to avoid taking risks?"). Reported and predicted scores (after rounding) ranged from 0 to 10. Predicted scores (i.e., residuals) were saved and subtracted from reported scores. The difference was hypothesized to represent the level of estimation bias exhibited by respondents. For example, a positive difference was indicative of someone who overestimated their general risk tolerance. A negative score indicated an underestimation of risk tolerance, while a score of zero suggested accurate estimation

Results

Correlation Results
The first step in the analysis to determine whether a generalized risk-tolerance portrait, that is characteristic of an individual, could be estimated involved assessing non-causal associations between and among the seven domain-specific risk-tolerance variables. As shown in Table 1, the seven items were found to be correlated to some extent. The effect size associated with the majority of correlations was small; however, several associations showed a moderate effect size, including: (a) diving and health risk tolerance, (b) financial and occupational risk tolerance, and (c) occupational and life change risk tolerance. All of the associations were statistically significant. Overall,

results from the analysis suggest that a person's domain-specific willingness to engage in risky behavior appear to be positively associated with other forms of risk tolerance.

Table 1. *Non-causal associations between and among the seven risk-tolerance items*.

	Driving	Financial	Occupational	Health	Interpersonal	Romantic	Life Change
Driving	1.00						
Financial	.44**	1.00					
Occupational	.45**	.57**	1.00				
Health	.50**	.38**	.42**	1.00			
Interpersonal	.29**	.37**	.38**	.33**	1.00		
Romantic	.32**	.35**	.39**	.33**	.40**	1.00	
Life Change	.34**	.49**	.50**	.33**	.39**	.47**	1.00

Notes: *p < .05 **p < .01

t *Test Results*

While the results shown in Table 1 indicate that a generalized risk-taking portrait may exist, the next step in the analysis involved determining if the risk-tolerance items were, on their face, valid. As discussed in the review of literature, it is reasonable to hypothesize that women and men should score differently on the seven items. Table 2 presents the results from *t* tests that were designed to evaluate the differences in mean scores between women and men on the seven items. As shown, men scored statistically significantly higher on six of the seven items. Similar to Weber et al. (2002), no differences were noted on the interpersonal risk item. Overall, these results help to confirm that the risk-tolerance items do appear to be effective in discriminating across a scale of a person's willingness to engage in different risk behaviors.

Table 2. *Tests of gender differences in risk-tolerance items*.

	Gender	*N*	*M*	*SD*	Std. Error	*t*	df	Std. Error Difference	95% Confidence Intervals Lower	Upper
Driving	Male	3600	2.82	3.07	.05	13.04***	7394	.07	.75	1.02
	Female	3796	1.93	2.78	.05					
Financial	Male	3625	3.99	2.82	.05	11.75***	7466	.06	.62	.87
	Female	3843	3.25	2.66	.04					
Occupational	Male	3566	4.24	3.32	.06	8.35***	7322	.08	.48	.78
	Female	3758	3.61	3.13	.05					
Health	Male	3620	2.85	2.96	.05	8.62***	7471	.07	.44	.70
	Female	3853	2.27	2.79	.05					
Interpersonal	Male	3609	4.08	2.84	.05	-.54	7413	.07	-.17	.10
	Female	3806	4.11	2.93	.05					
Romantic	Male	3565	3.79	3.43	.06	7.23***	7338	.08	.42	.72
	Female	3775	3.22	3.32	.05					
Life Change	Male	3592	4.40	2.97	.05	4.06***	7420	.07	.14	.41
	Female	3830	4.12	2.91	.05					

Notes: *p < .05 **p < .01 ***p < .001

Principal Components Analysis Results

The previous two tests indicated that the seven risk items were positively associated and that, in general, the items did a relatively good job of differentiating among levels of risk tolerance in different domains between women and men. Given these findings, a principal components analysis was undertaken to determine if one or more factors would emerge when the items were subjected to this data reduction methodology. Prior to the analysis it was hypothesized that if more than one factor emerged this would add support to the argument that risk tolerance is primarily a domain specific attitude. If, on the other hand, only one factor was derived this would add credence to the argument that a generalized risk-tolerance portrait can be estimated that characteristic of an individual.

The principal components analysis was conducted using an Eigen greater than 1, with 25 iterations, criteria. Data were initially rotated using varimax rotation. The Kaiser-Meyer-Okin measure of sampling adequacy was strong (.86), and Bartlett's test of sphericity was not significant (χ^2 = 14618, df = 21). Table 3 indicates the results from the test. As shown in the table, only one factor was extracted. All of the risk-tolerance items loaded at a .60 or higher level on the one factor. Because of this unique finding, a second principal components analysis was conducted using an oblimin rotational criterion. It was thought that the initial results may have been due to the relatively high intercorrelations among the seven items. However, results from this follow-up analysis were exactly the same; namely, one generalized risk-tolerance portrait emerged.

Table 3. *Principal components analysis results*.

Risk-Tolerance Item	Factor Weight
Driving Risk Tolerance	.68
Financial Risk Tolerance	.75
Occupational Risk Tolerance	.77
Health Risk Tolerance	.67
Interpersonal Risk Tolerance	.64
Romantic Risk Tolerance	.66
Life Change Risk Tolerance	.73

Notes: Varimax and Oblimin Rotation

Estimation Accuracy

Findings from the principal components analysis provided clear support for the notion that while an individual's willingness to engage in different risky behaviors may vary, a risk-tolerance portrait can be painted that accurately characterizes people along a spectrum of risk attitude. Given this finding, scores from the seven risk-tolerance items were summed into a risk-tolerance scale. The reliability of this scale was estimated using Cronbach's alpha. The resulting alpha was strong (0.82). A *t* test was used to confirm that gender differences existed on the scale. As expected, the mean score for women was 22.52, while the mean score for men was 26.15. The difference was statistically significant (t = 10.47, df = 7013).

Next, scores on the summated scale were correlated with each respondent's subjective response to the general risk-tolerance question. The two items were significantly associated (r = .81). Findings from the residual prediction are reported in Figure 1. Data represent the results of regressing each respondent's subjective estimate of their general risk tolerance on summated scale scores. The regression model was statistically significant. Summated scores significantly predicted general risk-tolerance responses, b = .59, t_{7003} = 60.38, p < .001. Summated scores also explained a significant proportion of variance in general subjective evaluations, R^2 = .34, $F_{1,\ 7003}$ = 3645.71, p < .001. Data in Figure 1 represent response frequencies for respondents to the subjective general risk-tolerance question compared to frequencies of response to predicted scores.

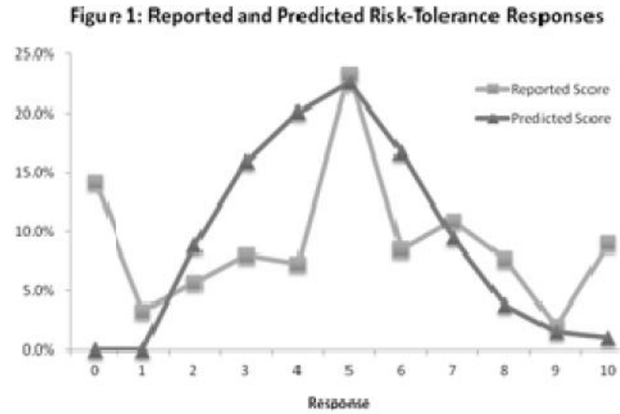
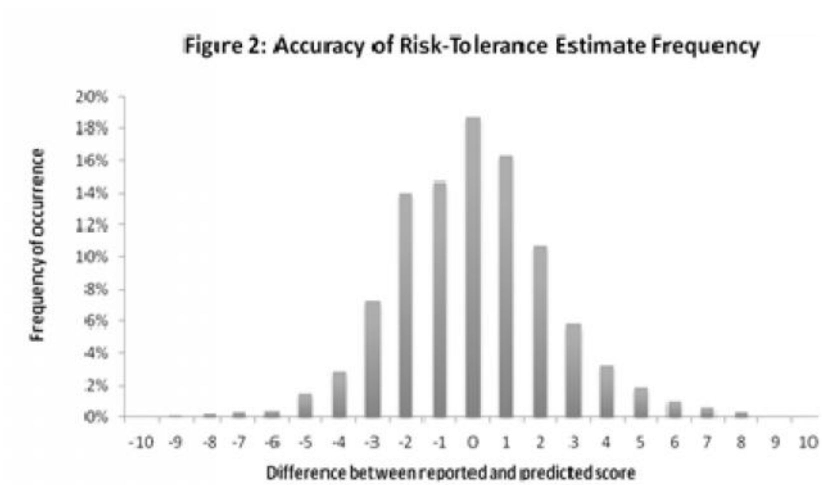


Figure 2 shows how accurate respondents were when estimating their generalized tolerance for risk. Data in the figure were calculated by subtracting reported predicted risk-tolerance scores from the general risk-tolerance item. Negative scores represent a tendency to underestimate risk tolerance, whereas positive scores are indicative of overestimation. Although the variance in accuracy was wide, in general, respondents did a reasonably good job of evaluating their overall risk tolerance. This is evidenced by a mean estimation bias score of .0007 (*SD* = 2.38) and the grouping of estimation bias scores from -3 to +3.



A final test of validity was conducted by comparing risk-tolerance estimation bias scores in *t* tests between women and men. As suggested by Grable and Roszkowski (2007), it was reasonable to hypothesize that biases in estimation would be exhibited by women and men. A significant difference was noted. Women tended to underestimate their risk tolerance (*M* = -.12), while men overestimated their tolerance for risk (*M* = .13). These results confirm what has been published in the literature, which indicates that the summated measure (i.e., portrait of risk tolerance) appears to offer a relatively high degree of validity as a generalized measure of risk taking attitudes.

Discussion

The primary takeaway from this study is that risk tolerance does not appear to vary dramatically from one domain to another. Rather, it does look as if a portrait of risk tolerance can be developed that is both valid and reliable. This risk-tolerance portrait is characteristic of a person's general willingness to take risk. In some respects, this finding is intuitive. Nearly everyone, at some point in their life, does something that deviates from their normal life course. For some, this might be something like trying sky diving. For others, it may involve investing in a startup venture or having an extra-marital affair. As these examples illustrate, it is reasonable to anticipate that people will deviate from their general pattern of risk taking from time to time. This explains the variance in scores on the seven risk-assessment items. However, when viewed holistically, the evidence suggests that people are more likely to assess their willingness to engage in behaviors where outcomes can be both negative and large similarly. This is true across domains.

While it is true that, in general, financial risk tolerance was positively associated with driving (r = .44), occupational (r = .57), health (r = .38), interpersonal (r = .37), romantic (r = .35), and life change (r = .49) risk tolerance, financial counselors and planners are cautioned to note that findings do not suggest that a general risk-tolerance portrait should solely be used when developing portfolios or in calculations that require specific information about a person's willingness to take financial risk. In these situations, financial counselors and planners ought to use measures specifically designed for a financial risk assessment purpose. This is not only prudent, but it may be a legal requirement as well.

Instead, results from this study provide some evidence and support to the notion that people can, generally, be characterized by a portrait of risk tolerance. That is, people do appear to hold relatively consistent attitudes across risk situations. This knowledge can assist financial counselors and planners when they begin to discuss concepts related to risk taking and decision outcomes. Knowing, for instance, that someone is willing to take driving and health risks may be a clue that the person, when given appropriate information and guidance, may also be willing to engage in risky financial behavior. Knowing about a client's general risk-tolerance portrait may help a counselor or planner better match product and service recommendations to what drives a client's fears and expectations about the future.

In the final analysis, it does look like portraits of risk tolerance can be developed for individuals. This does not mean that some individuals will not make rash, biased, illogical, or inconsistent decisions from time to time. These results indicate, rather, that for the majority of Americans aged 45 to 53 years are more likely to exhibit consistency across risk situations. Future research should be focused on determining how well a portrait of risk tolerance compares to domain specific risk-assessment tools. It may turn out, for instance, that even though both the general risk portrait and, say, a financial risk-tolerance measure, are positively associated with financial risk taking, the financial measure may explain variance in risky behavior to a greater extent. Additionally, research is needed to determine if people's inconsistencies in risk attitudes and behaviors occur systematically or whether inconsistencies are short-term in nature, with a longer term revision to a person's generalized risk-tolerance characterization.

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Evaluation of an Investor Education Program

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Key words: *program evaluation, retirement education. Logic model*

Abstract

Policy makers are concerned about the low level of financial literacy of many Americans, fueling increased recognition of the need for financial education. In addition to the erratic economy, many new and complicated financial products are confusing to consumers. Although there is a plethora of information on the internet about investments, it is hard for consumers to judge if the information is reliable. Financial education programs disseminate information, but whether or not they result in improved financial practices is not clear. Evaluation is critical to the design and implementation of an educational program. Many financial programs focus solely on improving financial knowledge; yet financial education that motivates change is likely to be more successful at creating long-term, beneficial action. Program evaluation is necessary to help financial educators determine if their program is meeting the needs of participants and if they experience positive behavior change. Financial practitioners and educators can use this study as a model to evaluate their financial education programs.

The purpose of this study was to evaluate the effectiveness of the Investor Education Seminars taught by the Utah Division of Securities. In order for educators to help individuals achieve investing capability they need to understand the mechanisms of behavior change. The Transtheoretical Model of Change (TTM) demonstrates how individuals progress through the stages of behavior change: precontemplation, contemplation, preparation, action, and maintenance and provided the conceptual framework for the study. Logic models are used to define how a program intends to achieve its objectives by providing a conceptual framework to guide the program and to increase the credibility of evaluation results. The NEFE *Financial Education Evaluation Manual* was designed to help financial educators assess program outcomes.

The following research questions guided the program evaluation.

1. How satisfied were participants with the Investor Education Seminars?
2. Did financial knowledge, confidence, and attitudes increase more for those participants than for a comparison group?
3. Three months after the Seminars, did participants improve their financial practices?
4. Was participation associated with behavior change to a higher stage of change in the TTM for some participants? If so, for which participants?

The research design was a quasi-experimental, pretest, intervention, posttest, comparison group design. A logic model (available from authors) was developed to guide the program evaluation.

Using the Investor Education 2020 Curriculum the 1 ½ hour classes were taught once a week for four weeks by Division employees. The convenience sample consisted of individuals who self-selected to attend. To establish a comparison group, email addresses were obtained from non-profit organizations in the comparison group county. Surveys were sent via email; responses were tracked by email.

Pre- and posttest surveys assessed changes in participants' financial knowledge, confidence, and attitudes towards investing and satisfaction with the course. The 3-month follow-up also measured and behavior change. Demographic information was gathered on gender, age, marital status, employment status, education level, race or ethnicity, household income, and investment assets.

Crosstabulations were conducted for the categorical demographic variables to identify differences between treatment and comparison groups. Chi-square showed the treatment group was significantly younger than the comparison group, more likely to be White and to be students.

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The dependent variables were: financial knowledge, confidence, attitudes, satisfaction, and financial behavior change. *Knowledge* was assessed using two measures. The first measure was a self-rating of individuals' *perceived* investment knowledge. The second measure was a 22-item true/false and multiple choice investment quiz. *Financial confidence* was assessed with two measures. The first assessed respondents' confidence in their ability to make investing decisions with five questions. The second financial confidence measure was a 12-item self-efficacy scale. *Financial attitudes* were measured using the short version of the Financial Planning Personality Type scale to establish participants' TTM stage of behavior change. *Satisfaction* was measured with "How would you rate your overall level of satisfaction with the Investor Education Seminar?" Four additional open-ended questions assessed participant satisfaction.

The three month follow-up survey measured *Financial Behavior* by asking respondents what actions they had taken as a result of the Seminars. Actions included: setting specific investing goals, reviewing or revising investing goals, and/or calculating the amount of money needed for a specific goal. *Financial Behavior Stage of Change* was measured using the FPPT questions.

Pretest surveys were emailed prior to the seminar. The posttest survey was sent to the treatment group immediately following the last seminar; the follow-up survey was administered three months after the posttest. A gift card drawing was the incentive to completing all three surveys.

Seventy-one participants registered for the seminars. For the treatment group, 46 individuals responded to the pretest for a response rate of 64.8%. The posttest response rate was 61.0%; the follow-up survey response rate was 54.0%. For the comparison group, 35 people responded to the pretest invitation. The treatment group sample was 46 and the comparison group sample was 35.

Treatment and comparison group mean ages were compared using an independent samples t test. The treatment group was significantly younger than the comparison group. Crosstabulations were conducted for the categorical demographic variables to identify differences between treatment and comparison groups. Chi-square showed the treatment group was significantly younger than the comparison group, more likely to be White and to be students.

The majority of respondents were satisfied or very satisfied; 95.4% said that they would recommend the seminar. Some participants wanted more depth on stocks, bonds, and how to invest in a mutual fund. Additional comments from the posttest were: very educational and useful information; done really well for basic investor knowledge; switching teachers each week made it more interesting; the lecturers were knowledgeable and did a good job of answering questions; I would have liked more opportunity to ask questions; I didn't even know a Department of Securities existed; and I wish we could go into further detail about investing and how to do it yourself.

Half the treatment group self-rated their pretest financial knowledge as fair or good; none rated their knowledge as excellent. In the treatment group posttest, 9.3% reported a poor knowledge level. Similarly, 90.7% reported a fair or good level of financial knowledge. The comparison group pretest reported that 37.2% of respondents felt they had fair or good levels of financial knowledge; on the posttest 54.6% ranked their knowledge as fair or good. On the 22 financial knowledge questions the treatment group pretest scores ranged from 9 to 21 and from 15 to 21 on the posttest. The average treatment group financial knowledge score increased from 18.2 on the pretest to 20.5 on the posttest. The average comparison group pretest score was 17.4 with an average posttest score of 17.2.

Hierarchical regression analyses was used where there was an increase from pretest to posttest to determine if the Seminar contributed to financial knowledge, confidence, and attitude gains above and beyond pre-test scores. Age, ethnicity, and employment status were included as covariates in the regression models to control for group differences. Using standardized t scores, results from the financial confidence scale indicate that the treatment group improved their financial confidence from the pretest (M = 12.9) to the posttest (M = 18.3).

Since financial confidence significantly increased from pretest to posttest, hierarchical multiple regression was used to determine if participation contributed significantly to financial confidence scores above and beyond pretest confidence, age, ethnicity, and employment status. Age, ethnicity, and employment status were entered as covariates with pretest confidence in the first step to statistically control for group differences. Group status was entered on the second step. Participation in the retirement seminar was associated with increased financial confidence at posttest above and beyond pretest scores of financial knowledge, age, ethnicity, and employment status accounting for an additional 25% of the variance. Both pretest financial confidence scores and employment status remained significant predictors of posttest financial confidence.

In addition to evaluating immediate improvements in financial knowledge, confidence, and attitudes, improvements in financial practices were assessed at the three month follow-up with questions about the implementation of financial actions that were encouraged during the seminars. More than half of participants said that they had calculated the amount needed for a specific goal and 41.1% had reviewed or revised their financial goals. Forty-three percent had set a specific investing goal, and 41.5% reviewed or adjusted their investments. Twenty-seven percent started investing or increased their investments and 8% of participants opened a retirement account.

Behavior changes based on the TTM model were examined in relation to seminar participation. The most common pretest TTM stage for the treatment group was strugglers (44.4%) followed by savers (33.3%), planners (13.3%), and impulsives (8.9%). The most common TTM stage for the pretest comparison group was planners (40.7%), followed by savers (28.1%) and strugglers (25%). On the follow-up, the treatment group increased in savers (59.5%) and decreased in strugglers (29.7%). The comparison group did not change TTM stage.

The demographics of participants who moved to a higher TTM stage were examined to determine which individuals were likely to progress to a higher stage. Of the participants who progressed to a higher stage, 50.0% were students, 57.0% were in college, and 85.7% were White. Total household income of less than $50,000 for those who changed was 57.1% and 78.6% of participants who indicated behavior change had less than $100,000 in assets. Chi square revealed no demographic difference in participants who changed TTM stage and those who did not.

Overall, participants were satisfied with the seminar and would recommend it to others. Financial confidence improvements were greater for those attending the Investor Education Seminars than those in the comparison group after controlling for pretest financial confidence scores, age, ethnicity, and employment status. The greatest shift in TTM stage the treatment group was from struggler to saver. Most importantly, more than half of participants reported that they had made positive financial behavior changes.

The results provide evidence that the Investor Education Seminars were effective in improving participants' financial confidence and initiating behavior change. While seminar attendance did not increase financial knowledge, this result is due, in part, to high pretest financial knowledge scores which left little room for improvement. This finding is consistent with research that persons who seek financial education are likely to have a higher level of financial knowledge than individuals who do not participate.

Most previous studies report that financial education increases participants' knowledge. Even though the treatment group's financial knowledge scores did not increase, respondents reported that their financial knowledge had improved, suggesting that the measure used in this study may not be sensitive enough to pick up on perceived financial knowledge increases. The increase in financial confidence is promising and consistent with previous research. This increase in confidence can help participants build on the knowledge they already had and promote investing capability. Increasing financial capability can improve Americans' financial security.

The results of this study are consistent with Prochaska's Transtheoretical Model of Change (TTM). In the treatment group there was a shift from struggler to saver (i.e., preparation to action). Treatment group participants either maintained or increased their TTM stage from pretest to follow-up. Increased confidence resulting from the seminars may have motivated them to make positive behavior changes. In contrast, the comparison group did not change TTM stage. The majority of participants were already in the preparation, action, or maintenance stages prior to the seminars. Most of the treatment group participants appeared to be motivated to learn and make changes. This is consistent with previous program evaluation research. It is not surprising that few seminar participants were in the precontemplation and contemplation stages.

Overall, the majority of respondents indicated that the information was useful and were satisfied with the Investor Education Seminars and would recommend them to others. Some suggestions were made to improve the seminars, such as more in depth information on stocks and bonds and how to select a mutual fund.

Financial education has the potential to assist individuals in achieving financial capability. Persons who lack financial knowledge and confidence may be more vulnerable to financial struggles and investment fraud. While they have a greater need for financial assistance and education, they are less likely to seek or participate in financial education. Thus, one area that financial educators, counselors, and policy makers should concentrate on is advertising techniques that provide targeted incentives for participation to persons in the early stages of change.

One of the primary strengths of the study was the use of a comparison group. Because it was not feasible for this program to randomly assign participants to the treatment or comparison group, a true experimental design could not be used. The use of established valid and reliable measures also strengthened the study. While the majority of program evaluations assess financial knowledge and some measure behavior change, very few evaluate attitudes and confidence. This program evaluation, guided by the logic model, measured all four categories. An additional strength of this study was the use of a logic model and the longitudinal design. Many financial education evaluations collect data at only one point in time. The use of an independent evaluator further strengthened the study. Most program evaluations are conducted by individuals within the organization; an independent evaluator can control for bias when assessing program effectiveness.

Future studies should consider adding a qualitative component to provide additional information about financial education effectiveness. Qualitative data could provide a richer perspective on what participants found useful and what motivated them to take action. Mixed methods research is needed to better understand program effectiveness.

A longer follow-up period, as well as multiple follow-ups, would provide more information about how effective the seminars were at changing financial behavior. The 3-month follow-up was used because it was reasoned that participants were likely to make financial behavior change soon after the seminar. However, it is possible that the follow-up itself prompted additional behavior change for some individuals. Future studies should include a second brief follow-up to measure additional behavior change prompted by the initial follow-up. A short survey after each class would provide data on the effectiveness of the different instructors.

In sum, the investor education seminars were successful in increasing financial confidence and motivating participants to take action. Confidence is key to helping individuals progress from financial knowledge to financial capability. The seminars empowered more than half of participants to take action and some participants reported improved financial knowledge.

What Makes Wealth Grow?

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Abstract
Wealth growth opportunities are difficult to observe using traditional financial statements. In this paper a wealth sensitive balance sheet and income-expense statement is presented to help identify corrective adjustments that promote wealth growth. Adjustments involve the application of straight forward financial practices —e.g. pay-off debt, live within your means, save and invest 10% of earned income, re-invest all investment income, and convert excessive depreciating assets into wealth producing assets. Also demonstrated is how to anticipate the dollar amount of wealth growth likely to occur from undertaking a set of corrective actions.

Key Words: consumer lifestyle, wealth growth, balance sheet

Introduction

Walking back to my office I couldn't help feeling pleased. I was just returning from a wealth growth seminar presented by my upper division finance students. The students had done well and were able to demonstrate, through the balance sheet and income and expenditure analysis presented in this paper, how the Dover family could increase their wealth in preparation for retirement by more than $60,000 annually. This was a remarkable insight for the Dover's. Only ten years from retirement these recommendations, if implemented, could dramatically change the landscape of their golden years. But the real pleasure I felt was for my students. They had matured. Especially considering that in the first week of class, when introduced to this case problem, their only recommendation to find the money to accelerate wealth growth was to invest part of the grocery money and the entire clothing allotment.

Wealth growth for retirement and other purposes is a topic introduced early in personal finance courses and other venues. As early as 1911, financial success had gathered around five lifetime financial objectives: pursing maximum earnings and wealth, practicing efficient consumption, finding life satisfaction, reaching financial security, and accumulating wealth for retirement and an estate to leave to heirs (Kinley, 1911). These objectives are the underlying cornerstones for the financial management techniques or recommended practices that have been taught since that time (Muskie & Winter, 2003).

Money comes in and goes out in our financial lives. As in the past, saving for a better tomorrow is the mantra of today's financial professionals. We can't control the stock market or the economy, but we can have a voice in how and where we save for the future. In today's high tech world there is a great deal of information regarding wealth accumulation. However much of it is misleading, biased, and self-serving. The information explosion accommodated through technology advances, with all of its advantages, has placed many dimensions of our financial lives in flux and continuous transition. At a time like this the basics of a sound financial foundation should not be overlooked. *Balance sheet* and *income and expenditure* statement analysis continue to be valuable guides in the creation of wealth.

Nearly three decades ago a colleague and I co-authored a paper on wealth growth within the context of the employed or wage earner household (1984). That early work spawned in me an enduring interest in the topic of wealth growth and how it occurs over a generation of family life. In that early paper the sources and paths of household wealth accumulation were explained via algebraic equations. The approach illustrated here is to demonstrate how a given family's wealth can grow and be enhanced through adherence to simple financial practices.

Having learned from experience how important it is to help students realize how wealth grows, I began my instructional unit with an assignment to review the case problem, create a traditional balance sheet and (I & E) statement and indicate the financial strengths and weakness revealed in the review of the statements. Assembling the traditional financial statements is typically straight forward for the students but their analysis is usually erroneous because they haven't yet learned the importance of keeping finances simple and adherence to wealth growth

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principles. Without knowledge of these principles there is no way for them to recognize when they have been violated.

This study demonstrates a side by side review of the *balance sheet* and *income and expenditure statement*, followed by an evaluation of the financial practices needed to accelerate wealth growth. This wealth growth review provides a methodology that helps identify corrective adjustments. These adjustments involve the application of simple financial practices and avoid high powered or creative financing. As will be shown, this approach applied to the Dover case increased wealth growth from an annualized rate of $24,000 to a rate of $67,000.

Taking a family strengths perspective, this paper considers the financial situation and practices of the Dover family, a high income family that like many Americans has developed a taste for a consumer lifestyle. Ten years from retirement they have less than the equivalent of one year's income allocated for that purpose.

Related Literature

This study draws on a perspective from the family strengthens literature as articulated in the work of DeFrain, Stinnett, and colleagues (Skogrand, Johnson, Horrocks, & DeFrain, 2011; DeFrain & Asay, 2007; DeFrain & Stinnett, 2002; Stinnett, Sanders, & Defrain, 1981). Focus is on the strength of families and what they can uniquely and individually do to make progress. Rather than taking a deficit perspective that explains why people fail, the strengths perspective taken here emphasizes what individuals and families can do to move forward and at the same time help others to prosper as well.

In this review, financial practices and household variables associated with wealth growth receive attention. These variables act together like instruments in a large orchestra. None of the instruments give their best performance alone, not any of them tell the whole story. When all of them are playing together they produce a rich and robust sound. Such is the case with household variables and wealth growth. None achieves maximum success alone: each variable adds a dimension that builds upon the other and if properly applied accelerates the outcome.

Income is the first wealth growth variable. Most individuals and families depend on earned income for their source of revenue. Non entrepreneurial families who live off earned income need to save money out of their earned income so they have money to invest. Higher income is associated with accelerated wealth growth (Baek & Devany, 2004; Yao et al., 2002; Moon et al., 2002). Higher family income spawns the likelihood of discretionary income, dollars without marked destinations allowing more potential for accumulating savings and investments. Huberman, Iyengar, and Jiang (2007) found that an increase in financial compensation resulted in increased participation rates in IRA's, contributions, and savings.

Education, work, and industry are variables frequently associated with wealth growth (Yao et al., 2002; Moon et al., 2002). In Baek and DeVaney's work (2004), having a college education correlated with other variables associated with wealth growth such as earning a higher income, always paying off credit card balances, saving regularly and spending less than one's income. Typically, during years of intensive education and preparation for a career—invitations to live a consumer lifestyle should be resisted, years of career earnings should be years of wealth accumulation—years of positive saving and investing out of earned income. Stanley and Danko (1995) report that frugality is the cornerstone of wealth building among millionaires, and that most people who build wealth in America are used to a lifestyle of hard work, discipline, sacrifice, thrift, and sound investments habits. Being frugal provides them with the dollar base to invest.

Higher levels of wealth growth are associated with strong and successful marriages (Sanders & Porterfield, 2010). According to Skogrand et al. (2011) 'great marriages' are those where decision making, responsibility, and family work were shared. Three themes with implications for wealth growth emerged from the data. First, for most couples one of the partners was the manager and handled the day-to-day finances. This required trust and effective communication between spouses. The research indicates that couples with 'great marriages' trust each other with money and are able to communicate effectively about financial matters such as checking account management, investment decisions, and planning for retirement (McConocha & Tully, 2001; Stanley et al., 2002). The second finding was that these couples had little or no debt or had a goal of paying off debt. Third, these couples lived within their means and were frugal.

Debt is an especially sticky issue. Bryant et al. (2008) reported that tensions generated by difficulties with budgeting, credit, and debt lowered marital satisfaction and thus wealth growth. In a study of over 21,000 couples, Olson and Olson-Sigg (2000) found that debt was a top five financial stumbling block in marriage. Consumer debt such as automobile and credit card debt negatively relate to marital satisfaction (Skogrand et al. 2005). Although financial education can help couples increase marital satisfaction, Muskie and Winter (2001) found that only a minority of couples actually implement financial practices that improve couple relationships.

Debt is not only problematic in terms of wealth growth among married couples; it is also problematic among college students not only in terms of wealth growth but also other life choices that affect prosperity. In 2009 a survey among undergraduate college students found that 84% of them possessed one or more credit cards. More troubling in that report, was that 82% of the students surveyed carried a credit card balance that averaged $3,173 (Sallie Mae 2009). Keeping a credit card balance of more than $1,000 is associated with risky credit behavior and other unhealthy behaviors, such as eating poorly, abusing drugs and alcohol, engaging in unsafe sex, and driving recklessly (Adams & Moore, 2007; Nelson et al., 2008). Roberts and Tanner (2000) found correlations with compulsive buying. Grable and Joo (2006) found that heavy credit card debt among college students is also associated with financial stress.

The above findings are in direct opposition to those that show a positive relationship between responsible financial behaviors, including prudent borrowing practices, and their connection with increased wealth, not only in terms of retirement earnings but in other important ways as well, life satisfaction and physical and emotional well-being (Xiao, Tang, & Shim, 2009).

Muskie and Winter's (2004, 1999) qualitative work among average Midwestern families observed that families rely on consumer debt. Debt was viewed by these families as an ongoing, normal, and acceptable way to control the family's financial situation. Debt enabled continuity. Debt for "toys" seemed a perfectly logical thing. The feeling amongst them was that "most people have a credit card that is never paid off." Family money managers wanted flexibility rather than the constraints they perceived in the formal budgeting process. Consumer debt enhanced life satisfaction and allowed stability, ease, and comfort. Even when they could pay it off, families continued to use credit reporting that it gave them a sense of freedom. The practice seemed harmless, and inexpensive. Why not borrow some money and have a little extra to do the things they would like to do now?

Due to the devastating financial effects that can accompany death, disability, health challenges, and property loss, to name a few, sound risk management methods have a high priority in a wealth growth plan (Garman and Forgue 2012) as do recommendations to keep finances simple. Simplicity allows you to more easily know when you are living within your means (Hibbert, Beutler, and Martin, 2004). Simplicity in investment style also facilitates easy access to reports on returns and fees (Quinn, 2009). You can tell when you are making money and when you are not.

The purpose of this paper is to demonstrate the potential for the creation of wealth within a household, through the use of a side-by-side review utilizing a wealth sensitive *balance sheet* and *income and expenditure* statement, followed by adjustments that draw on financial variables established in personal finance literature. In today's complex financial arena, it is easy for families to feel that the day to day decisions made regarding consumer expenditures, savings, and debt have very little influence on their wealth growth. Certainly stock brokers and mutual fund managers would like individuals/households to feel that the creation of personal wealth is totally in their hands. But that is far from true, the purpose of this paper is to illustrate that family money managers can be key players in wealth growth.

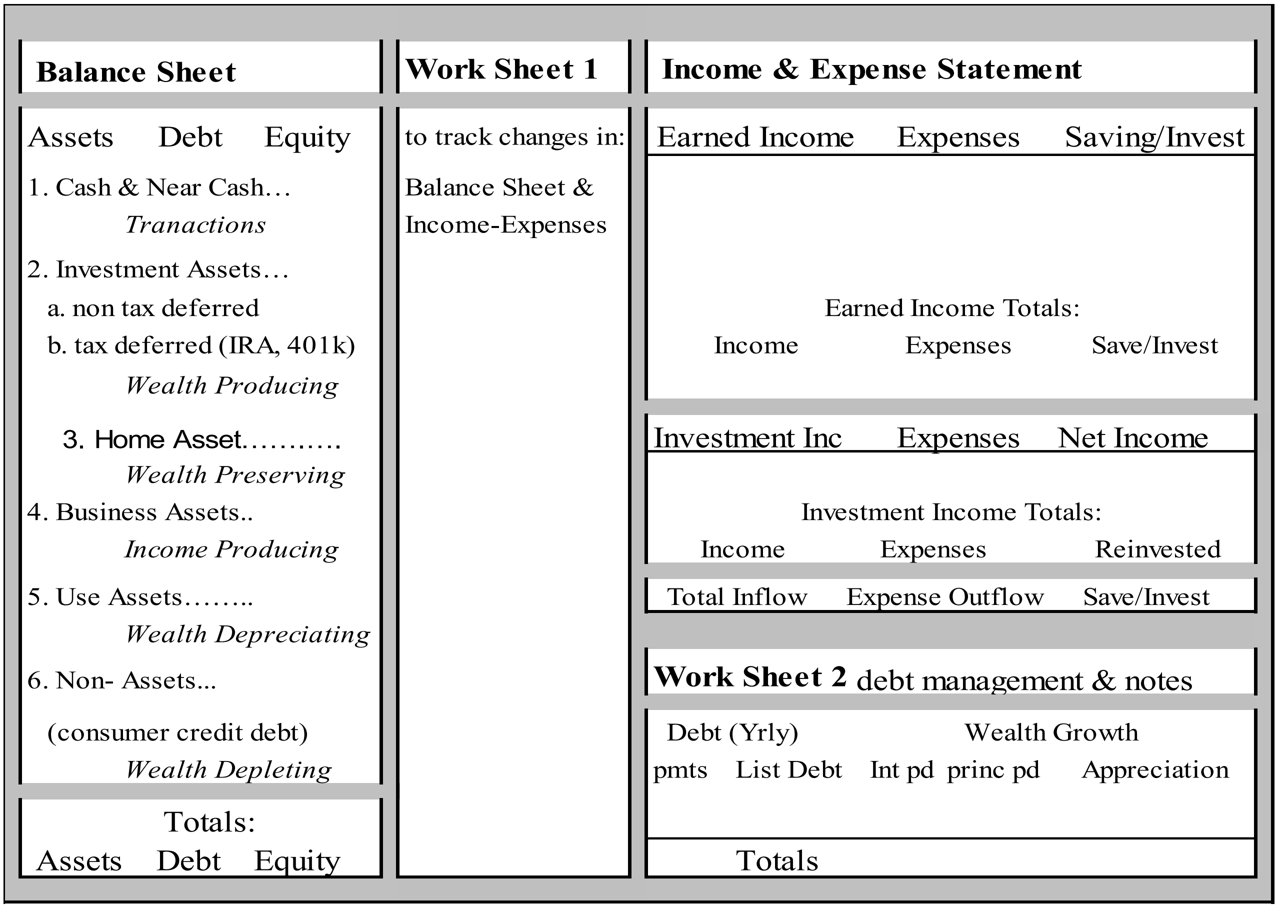
Methodology

It is difficult to observe missed opportunities for wealth growth using traditional financial statements. To remedy these shortcomings a wealth sensitive financial statement was created as illustrated in Figure 1. The statement consists of two worksheets, a balance sheet and an income and expense statement.

Wealth Sensitive Balance Sheet

The wealth sensitive balance sheet contains the same information as the traditional balance sheet, but the information is presented in a different format. As illustrated in Figure 1, the information for each sub-category of cash and near cash is entered on a single line as the asset amount, the debt amount and the equity dollar amount respectively from left-to-right. The same pattern is continued for each of the remaining five balance sheet categories.

Figure1. Wealth Sensitive Financial Statement Illustrated



From a wealth creation perspective the role of each asset class was labeled: cash and near cash for *transaction purposes*, investment assets as *wealth producing*, home residence as *wealth preserving*, business assets as *income producing*, use assets as *wealth depreciating*, and consumer debt as *wealth depleting*. Viewed in this way some obvious implications for making wealth growth became more apparent. For example, the advantage of conserving on the purchase of certain use assets and investing that amount instead in wealth producing assets was recognized as an obvious wealth creation strategy.

The Wealth Sensitive Income and Expense Statement

The wealth sensitive income and expense statement was arranged in three columns by type and amount: income in the first or left column, expenses in the second column, and saving/investing in the third or right column. A second formatting difference is that *earned income* (e.g. salary & wages), the expenses paid out of earned income, and saving/investing out of earned income are listed in the *top section* of the (I & E) statement. In the second or *bottom section* is listed *investment income* (e.g. realized dividends, interest or rental income), expenses paid out of investment income, and re-investment of realized investment income.

With (I & E) arranged as described above, saving and investing out of earned income provided a direct observation of how much earned income had contributed to wealth growth—a direct link to the balance sheet. Likewise the formatting provided a direct observation of how much investment income had contributed to wealth growth—a second direct link to the balance sheet.

Wealth Sensitive
1 provided a way to track adjustments made in the balance sheet that would also affect the (I&E) statement. 2 provided a way to track how debt adjustments in the balance sheet affected changes in the (I & E) statement. 2 was also utilized to track appreciation or depreciation of assets.

The Dover Wealth Accumulation Review
Dover finances were initially reviewed using traditional financial statements (see Appendix B). All data used in the Dover wealth review were taken from the Dover Case problem, a brief narrative followed by a summary table of their relevant financial data (see Appendix A*)*. The Dover debt and asset appreciation data table was then developed as phase *1* of the review.

In *phase 2* the appreciation data table was integrated into a wealth sensitive formatted balance sheet and (I & E) statement (i.e. the 2001 Dover *wealth sensitive unadjusted financial statement*.) The unadjusted statement was then adjusted in *phase 3* to become the Dover 2002 financial plan. This plan identified the way debts and assets would be managed to make wealth grow in the next 12 months while maintaining living expenses at their 2001 level. Guidelines used in making these adjustments are contained in Appendix C. In *phase 4* anticipated wealth growth will be illustrated in the final summary table.

Phase 1: The Dover Data ***Table***
A Dover *debt management and appreciation data table* was developed as shown in Table 1 below. Note that the first section contains all Dover asset values, the stated interest rate and the principle outstanding on each debt. The data was current as of the day the Dover review was conducted (December 31, 2001, the same date as will be listed on their balance sheet) and the 2001 rates were accepted as a reasonable estimate of rates during the next 12 months.

Table 1. Dover Debt Management and Appreciation Data Table

	`			Previous 12 Months-year 2001						Next 12 Months-year 2002		
Asset Value	Description	Interest Rates[1]	Principle Balance	Pmt Amounts Monthly	Yearly	Principle Paid	Interest Paid	Appreciation[3] Rate[2]	Amt.	Principle Paid (p)	Interest Paid (i)	Appreciation Amount
449,440	Home	7.125	220,742	1,828	21,936	5,975	15,961	5%	21,402	6,415	15,521	22,472
0	H Equity Loan	8	34,900	361	4,332	1,475	2,857	--	--	1,598	2,734	--
150,000	Rental House	8.5	86,394	765	9,180	1,755	7,425	3%	4,369	1,910	7,270	4,500
0	Student Loan	6	1,200	100	1,200	1,092	108	--	--	1160	40	--
33,000	SUV	6.5	32,754	587	7,044	4,746	2,298	(0.2)	(8,250)	5,064	1,980	(6,600)
48,000	Beamer	--	--	--		--	--	(0.2)	(12,000)	--	--	(9,600)
56,000	Winnebago	--	--	--		--	--	(0.2)	(14,000)			(11,200)
225,000	P. Belongings	--	--	--		--	--	--	--	--	--	--
	Credit Card	12.5	1,100	40	480	320	160	--	--	363	117	--
30,124	MMMF	--	--	--	--	--	--	4.8%	1380	--	--	6
130,000	401k Bond F.	--	--	--	--	--	--	5.6%	6,894	--	--	7,280
1,121,564	**Totals**	**--**	**377,090**	**3,681**	**44,172**	**15,363**	**28,809**	**--**	**(205)**	**16,510**	**27,662**	**6,858**

[1] infoplease: Business Finance (Nibet Market Interest Rates, 1980-2002 [http://www.infoplease.com/ipa/A0908373.html]; Stated interest rates.
[2] http://observationsandnotes.blogspot.com/p/housing-retirement-strategic-planning.html (Obsrv 01-07-13). [3] Rates of apprec. (+) or deprec. (-).

The second section of the data table details information regarding Dover debt payments made over the course of the previous 12 months, broken out by principle and interest paid during 2001. Also shown is the rate and dollar amount of asset appreciation (positive numbers) or depreciation (negative numbers). This information for the year 2001 is repeated for the year 2002 based on the assumption that the Dover's will continue debt payments on schedule 'as agreed,' and that 2001 appreciation/depreciation rates will continue in 2002.

Phase 2: Dover Unadjusted Wealth Sensitive Financial Statement.
This phase consisted of combining data from the Dover traditional statements (Appendix A) with the data from the Dover data table (Table 1) into an integrated wealth sensitive format. But since the data had not been adjusted to affect the dual goals of the review it was labeled the Dover *Unadjusted Financial Statement*. The analysis was completed in a side-by-side landscape format but is shown below in a portrait orientation (see Table 2a and 2b).

A review of Table 2 was conducted and the following observations were made. Checking ($2,000) and saving ($7,050) totaled $9,050 available for transaction purchases. Investment asset equity included MMMF ($30,124) a rental house ($63,606), a 401k tax deferred bond fund ($130,000 equivalent to after-tax value of approximately $90,000). Thus investment assets combined were valued, after tax, at approximately $185,000.

The home asset ($449,440) had two debts, a first mortgage ($220,742) and a second mortgage ($34,900) with equity of $193,798 ($228,698 - 34,900). The Dover's have taken over payments on their daughter's student loan ($1,200). For lack of a more justifiable space on the balance sheet, and perhaps with hopeful aspiration, student loan debt has been listed under business assets held for the purpose of creating income. The blue book market value of their vehicles (including Winnebago) totals $137,000 with $32,754 of debt against Dan's recently purchased SUV, and the use value of their personal belongings have been listed as $225,000. Finally, the Dover's wealth depleting credit card debt has been posted at a modest $1,100.

Table 2. Dover Wealth Sensitive Unadjusted Financial Statement

Unadjusted — **Balance Sheet** — Dover, Dan & Sue — December 31, 2001 — Work Sheet 1

Assets		Debt		Equity
1. Cash & Near Cash				
2,000	Checking	0		2,000
7,050	Saving	0		7,050
2. Investment Assets				
a. non tax deferred				
30,124	MMMF			30,124
150,000	Rental House	86,394		63,606
b. Tax deferred				
130,000	401k Bond Fund	0		130,000
3. Home Asset				
449,440	Home	220,742	H. Mortg	228,698
0	Home Equity Loan	34,900		(34,900)
4. Business Assets				
0	Student Loan	1,200		(1,200)
5. Use Assets				
48,000	Beamer--Sue	0		48,000
33,000	SUV--Dan	32,754		246
56,000	Winebago	0		56,000
225,000	P. Belongings	0		225,000
6. Non- Assets				
0	Credit Card Debt	1,100		(1,100)
Total Assets		Total Debt		Tot Eq
1,130,614		377,090		753,524

A_0 = Appreciation during previous 12 months X_c = Current asset value

Unadjusted — **Income & Expense Statement** — Dover, Dan & Sue — Jan-Dec 2001 — X0

$ Earned Income	$ Expenses	Saving / Invest
120,000 Sue Salary	2,400 Charity	
42,000 Dan Salary	45,384 Taxes	
	79,982 Living Exp	(7,958) Discritionary Sv/in
	34,992 Debt pmts	7,200 Commited 401k
162,000 Total Earn Inc	162,758 Total Liv Exps	(758) Save/Invest E Inc
Invest Income	**Invest Expense**	**Reinvestment**
20,420 Rental house Exp	15,020 Rental Expenses[1]	5,400
317 Interest Income		317
3,600 Employer Match		3,600
24,337 Total Inv Inc	15,020 total In Exp	9,317 sav/inv
		9,317
Total Inflow	Expense Outflow	Saving / Invest
186,337	177,778	8,559

Worksheet 2

Debt Management and details for previous 12 months--2001

pmt (p+i)	Debts Listed	Mrtg Insur	i=int pd	p=princ pd	Apprec./Deprec.
21,936	Home Mort	--	15,961	5,975	21,402
4,332	H Equity L.		2,857	1,475	--
9,180	Rental H.	--	7,425	1,755	4,369
1,200	Student Loan		108	1,092	--
7,044	SUV		2,298	4,746	(8,250)
	Beamer		--	--	(12,000)
	Winnebago		--	--	(14,000)
480	Credit Card		160	320	--
	MMMF				1,380
	Bond Fund				6,894
44,172	<Totals>	0	28,809	15,363	-205

[2]Freed-up cash by paid off debt via balance sheet adjustments

r = Appreciation or Depreciation rate   Appreciation A0= Xc[r/(1+r)]   Depreciation D0 = Xc[r /(1-r)] X0

Strengths of the Dover end of year (December 31, 2001) balance sheet were observed as: impressive total assets ($1,130,614), relatively modest total debt ($377,090) and considerable total equity ($753,524). Likewise from their income and expenditures over the previous 12 months; ample earned income ($160,000) and saving/investing ($9,317). These are indeed positive financial strengths to build on.

A critical review from a wealth growth point of view found the following. Within the next ten years when the Dover's retire, they are facing a financial disaster. Their investment assets ($185,000 after tax value) will be sufficient to provide them with no more than $10,000 of purchasing power for a period of 30 years from the point at which they retire, given 3% inflation per year (Israelsen, 2010). That $10,000 per year, plus social security, will not measure up well compared to the $170,000 that their current lifestyle depends on, especially considering that without a course change they will continue to carry considerable outstanding debt.

From a wealth growth perspective four course corrections would be enormously helpful to the Dovers. First, keep finances simple and live within their means. Progress toward simplification would be made by paying off their home equity loan, Dan's SUV auto loan, and their credit card debt. This outstanding debt has allowed them to live beyond their means.

Second, save and invest 10% of earned income annually. This is a need shared by most if not all employee wage earning families. In recent years the Dover's have persisted in living beyond their means by at least $10,000 a year; last year with vacation travel, and this year (2001) with a heavily financed SUV purchase. In order to make her 401k contribution ($7,200) and qualify for a partial employer match, Sue borrowed $7200 and an additional $758 to cover other expenses. Consumer debt financing allowed the Dover's to hide-from-themselves this form of overspending.

The third course correction would be to reinvest as much of their net investment income as they can; working towards the ideal to invest all of it. Fourth, conserve on use asset holding and invest the freed up dollars in wealth producing assets. In *phase* 3 the specific effect of these corrections on Dover (2002) wealth growth will be demonstrated.

Phase 3: Dover Adjusted Financial Statements—Solution A

The first task in *phase* 3 was to identify capital in cash/near cash, non-tax deferred investment assets, and use assets that can be accessed and used in more productive ways to simplify their finances and accelerate wealth growth. Tax deferred investment assets were not considered for this purpose because they are taxed as current income upon withdrawal, plus an additional tax penalty would be levied for early withdrawal. Conservative amounts of capital were accessed in the early development of this exercise, but it became apparent that taking as much as was needed created the greatest wealth growth, which was an over-arching purpose for this exercise. For this reason, and a hope that the Dover's would realize their dire situation, the reach for capital in this section was deep. Capital was taken from Dover near cash savings($4,348) and from the non-tax deferred MMMF ($30,000), as indicated in the left column of worksheet 1a under the 'cash available' heading (See Table 3a). Capital was also taken from the sale of Dover use assets: their Winnebago ($56,000), Sue's Beamer ($48,000), and Dan's SUV ($33,000).

Table 3a. Dover Adjusted Financial Statement—Balance Sheet and Worksheet 1a

Adjusted Statement--Projected 2002					Worksheet 1a		
Wealth Sensitive Balance Sheet					Balance Sheet		
Dover, Dan & Sue				Date: Jan 1, 2002	Cash Available	Cash Used	Description
Assets		Debt		Equity			
1. Cash & Near Cash							
2,000	Checking	0		2,000			
2,702	Saving	0		2,702	4,348		
2. Investment Assets							
a. non tax deferred							
124	MMMF			124	30,000		
150,000	Rental House	0		150,000		86,394	Pd off mort.
b. Tax deferred							
130,000	401k Bond Fund			130,000			
3. Home Asset							
449,440	Home	220,742	H. Mortg	228,698			
0	Home Equity Loan	0		0		34,900	pd off h eq.
4. Business Assets							
0	Student Loan	0		0		1,200	Pd off S loan
5. Use Assets							
10,000	Buick sedan--Sue			10,000		10,000	Buy Buick
0	Beamer--Sue	0		0	48,000		Sell Beamer
0	SUV--Dan	0		0	33,000	32,754	Sell SUV
5,000	Honda--Dan			5,000		5,000	Buy Honda
0	Winebago	0		0	56,000		Sell Wineb.
225,000	P. Belongings	0		225,000			
6. Non- Assets							
0	Credit Card Debt	0		0		1,100	payoff CC
Total Assets		Total Debt		Tot Eq	T Available	Total Used	
974,266		220,742		753,524	171,348	171,348	

A_1 = Appreciation during previous 12 months *X_c = Current asset value*

Table 3b. Dover Adjusted Financial Statement—Income and Expenses, and Worksheet 1b and 2

Worksheet 1b

Income & Expense

Anticipated Cash Flow Change

Description	Decrease	Increase
Up charity		2,400
		7,000
Less debt pmts	14,937	
Up Save E Inc		436
Up Employee Contribution		2,400
Less debt pmt[1]	6,999	6,999
Up rent house reinvest		
	T. Cash Freed up	T. Cash Allocated
	21,936	19,235

Adjusted Statement--Projected 2002 X1

Wealth Sensitive Income & Expense Statement

Dover, Dan & Sue Jan-Dec 2002

$	Income	$ Expenses	Saving / Invest
120,000	Sue Salary	4,800 Charity	
		7,000 daughter home gift	
42,000	Dan Salary	45,384 Taxes	
		79,982 Living Expense	
		22,756 Debt pmts	
			(7,522) Discritionary Sv/in
			9,600 Commited 401k
162,000	Total Earned In	159,922 Total Liv Exp	2,078 Sav/Inv Earned
	Invest Income	Invest Expense	Reinvestment
20,420	Rental house Inc	8,021	12,399
122	Interest Inc		122
4,800	Empler Match		4,800
25,342	Total Inv Inc	8,021 total In Exp	17,321 sav/inv
			17,321
	Total Inflow	Expense Outflow	Saving / Invest
187,342		167,943	19,399

Worksheet 2

Debt Management and details anticipated for next 12 months--2002

Debt Pd Off Today	Principle Balance	Cash Flow Freed up[2]	pmt (p+i)	Debts Listed	Mrtg Insur	i=int pd	p=princ pd	Apprec./Deprec.
0	220,742	0	21,936	Home Mort	--	15,521	6,415	22,472
34,900	0	3,512	0	H Equity L[1]		0	0	--
86,394	0	6,999	0	Rental House[1]	--	0	0	4,500
22,000	0	1,200	0	Student Loan		0	0	--
				Buick-Sue		0	0	(2,000)
32,754	0	7,044		SUV		--	--	0
				Honda-Dan				(1,000)
				Winnebago		--	--	
1,100		480	0	Credit Card		0	0	--
				MMMF				6
				Bond Fund				7,280
177,148	220,742	19,235	21,936	<Totals>	0	15,521	6,415	31,258

[1]After tax amount given mtr = 30%

[2]Freed-up cash by paid off debt via balance sheet adjustments

r = Appreciation or Depreciation rate Appreciation A1= Xc (r) Depreciation D1 = Xc(r) X1

Capital used was entered in the second column of worksheet 1 under the heading of 'cash used.' Note that the capital was used to pay-off debts until there were insufficient funds to pay-off more debts. The following debts were paid in full: the rental house ($86,394), the home equity loan ($34,900), their daughter's student loan ($1,200), Dan's SUV auto loan (32,754), and the credit card ($1,100). More modest vehicles were also purchased for Dan (a $6,000 Honda) and Sue ($9,000 Buick sedan)—sometimes the steep price for living within ones means. In worksheet 1 all capital was accounted for by checking to see that total cash available ($171,348) equaled total cash used ($171,348) as shown at the bottom of worksheet 1 (see Table 3a).

All adjustments described in this exercise were assumed to incur zero transaction costs—an assumption which could best be realized had the principles which underlie this exercise been practiced from the outset (see Appendix C). Also a garage sale of some of the Dover personal belonging might have been used to offset transaction costs—albeit they would have sold well below the value listed on the balance sheet.

This completes the balance sheet portion of the review process. Note that the first portion consisted of selling assets to pay-off debt, not just pay it down. The result was that Dover net worth did not change, the value of total assets was reduced, but the value of total debt was reduced by the same amount. This was a second check point to assure that the accounting had been completed correctly—net worth remained unchanged.

Part two of the *phase* 3 review consisted of accounting for changes in the Dover income and expenditure statement (Table 3b. statement right side) that became necessary as a result of debts paid in full with balance sheet adjustments (Table 3a. statement left side). These 'right side' changes were next entered on worksheet 2 (Table 3b. bottom right side) under the heading 'Debt Management Detailed Notes.' As indicated, the first mortgage payments on the Dover home for 2002 will total $21,936—($6,415) principle paid and ($15,521) interest paid. Also, based on the assumption here that rates of change in asset values during 2001 would be acceptable estimates for what to expect in the next 12 months, home appreciation is anticipated to be $22,472 in 2002.

The home equity loan was paid off on January 1, 2002 ($34,900) freeing up a perpetual cash flow equal to the eliminated debt payment (after tax $3,512). Rental house entries included: 1) appreciation ($4,500), 2) debt paid-off (January 1, 2002, $386,394), and 3) freed-up perpetual cash flow ($6,999 after tax). The student loan, SUV, and credit card debts were paid off resulting in additional freed-up cash flows totaling $20,055. This freed-up cash flow was then entered into worksheet 1b adjacent to the 2002 Dover income and expenditure statement and entered there as a decreased anticipated cash flow via less debt payments (i.e. compared to 2001, 2002 debt payments made out of earned income would be reduced by $13,056 and the remaining $6,999 would be the result of less debt payments (after tax) paid out of gross investment income on the rental house.

With 2002 debt payments scheduled to decrease, it was necessary for accounting integrity to record how the resulting increased cash flow would be allocated. In accordance, these entries were entered as shown under the column heading 'increase' in the column immediately right of the 'decrease' column within worksheet 1b: increased charity—$2,400, daughter home down payment gift—$7,000, discretionary saving—$436, increased 401k employee contribution—$2,400, and freed up cash flow from paid off rental house mortgage—$6,999. Note that the 2002 (I & E) statement reflected these adjustments compared to the 2001 statement.

Phase 4: Dover Wealth Growth Summaries: Results

In *phase 4* the drum roll sounds! It is time to unveil the wealth growth summaries which summarize the wealth growth achieved as a result of the Dover financial statement review. Shown in Table 4 are the wealth dimensions and the extent to which they contributed to the overall wealth growth of the Dover's in the preceding 12 months, 2001 and in the next 12 months, 2002. During 2001 the single greatest factor that contributed to Dover wealth growth was home and investment asset appreciation ($34,045). The greatest wealth growth detractor, use asset depreciation ($34,250), was sufficiently large as to completely cancel out their greatest contributing factor. With these two factors cancelling each other out the next important contributor to wealth growth was principle paid to reduce debt ($15,363), followed by the reinvestment of investment income ($5,717). An additional detractor was saving out of earned income which was negative ($758). In 2001 Dover wealth grew by $23,717. An interesting detail can be observed in column 2002 unadjusted. This column reveals what the anticipated wealth growth will be if the Dover's make no adjustments except to discontinue their pattern of taking on new consumer debt each year.

Making this adjustment their wealth growth for 2002 will be $30,520, an increase of nearly $7,000 from this single positive financial practice.

Table 4. Dover Summary Examples of Making Wealth Grow

	2001	2002	2002	2002
Wealth Growth dimensions:	**Unadjusted**[1]	**Unadjusted**[2]	**Adjusted**[3] **Solution A**	**Adjusted**[4] **Solution B**
a) Finaical Goal met: Increased Charity	0	0	2,400	2,400
Home down payment gift--daughter	0	0	7,000	7,000
b) Saving/Investing out of earned income	(758)	(3,158)	2,078	19,358
c) Reinvested Investement Income	5,717	5,729	12,521	5,522
d) Employer Match	3,600	3,600	4,800	4,800
e) Principle paid to reduce debt	15,363	16,510	6,415	1,910
f) Use Asset Depreciation	(34,250)	(27,400)	(3,000)	(3,000)
g) Home & Investment Asset Appreciation	34,045	35,698	34,389	34,258
Total	**23,717**	**30,979**	**66,603**	**72,248**

[1]Dover actual wealth growth during the previous 12 months (2001).

[2]Dover anticipated wealth growth next 12 months given no financial adjustments except to discontinue taking on additional consumer debt.

[3]Dover anticipated wealth growth next 12 months given: refocused assets from depreciating to wealth producing, a full employer match, and reduced debt load.

[4]Doover anticipated wealth growth next 12 months if capital had been sufficient to payoff home mortgage debt instead of rental house debt.

The next column in Table 4 (2002 Adjusted Solution A) reveals the stunning results that accompany the adjustments recommended in the wealth growth review presented here. The greatest detractor to Dover wealth growth in 2001 was overcome in 2002 by shifting use asset depreciation from a negative $34,250 to a negative $3,000. The next most important factor was to nearly double, in 2002, the amount of reinvested investment income. It grew from $5717 to $12,521 in 2002. Another very important factor was the improvement in saving out of earned income, from a negative $758 to a positive $2,078. In addition they were able to meet all three of their financial goals. They paid off the remaining balance on their daughter's student loan, doubled their charitable contribution, and contributed $7,000 toward a home down payment for their daughter. Adherence to the wealth growth review adjustments nearly tripled Dover wealth growth—from $23,717 in 2001 to $66,603 in 2002. If this pattern is continued this will not be a onetime rush, but a reoccurring wealth growth realization.

Solution B in the last column is a 'what if.' The Dover's didn't have enough capital to pay off their home mortgage instead of the rental house mortgage as in Solution A. Had they been able to pursue that course of action, Solution B could have been operable resulting in nearly $4,000 of additional wealth growth compared to Solution A.

Implications and Discussion

This paper demonstrates the potential for the creation of wealth within a household, through the use of a side-by-side review utilizing a wealth sensitive balance sheet and income and expenditure statement, followed by adjustments that draw on financial variables and principles established in personal finance literature. In today's complex financial arena, it is easy for families to feel that the day to day decisions made regarding consumer expenditures, savings, and debt have very little influence on their wealth growth. Certainly stock brokers and mutual fund managers would like individuals/households to feel that the creation of personal wealth is totally in their hands. But that is far from true. This paper illustrates how family money managers and the financial educators and planners, who assist them, can be key players in the creation of their own wealth growth.

Many families are too casual about decisions that influence wealth growth dramatically, valuing satisfaction and comfort over frugality (Muskie & Winter 1999). Financial decisions about saving and spending seem small while participation in consumer debt seems inexpensive. The only cost foreseen is the interest payment and getting what they want now far outweighs the price of credit, or so it seems. However as demonstrated by the Dover case, decisions about incurring consumer debt, investment income spent and not reinvested, savings that never accrue, and not qualifying for an employer match on an IRA are decisions that really do have a great impact on wealth growth.

Muskie and Winter (2004, 1999) conducted in depth interviews with respondents they described as average American families. They reported that most if not all of the families interviewed indicated that they liked the freedom of carrying an outstanding balance on their credit card. When asked why they didn't pay it off, they reasoned that the cost was not high, that it gave them freedom, and helped them to manage. Their responses were sufficiently compelling to prompt the authors to raise the question, 'Should financial professionals continue to recommend the long standing conservative practices regarding the avoidance of debt and the frugal use of resources, given that those we seek to assist seemed to care most about comfort, ease, and being able to pay their bills in the short term?' The research presented in this paper provides an answer for the Dover's as it could for each person seeking assistance. The wealth sensitive forms introduced in this paper help in answering the question 'how much wealth growth are we willing to forgo in exchange for a consumer lifestyle? Have we realized that the cost in foregone wealth growth may well be twenty to forty thousand dollars a year?

Individuals and families need help from educators and planners to better understand and implement financial policies and practices that result in adequate wealth growth toward a simple and sufficient financial future. As demonstrated here wealth growth analysis can help in this regard. It shouldn't be lost on the reader that what the wealth growth review, presented in this paper, asked of the Dover's was to give up their consumer lifestyle in exchange for what Stanley and Danko (1995) documented as the lifestyle of *The Millionaire Next Door*!

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Appendix A. The Dover Case

Dan and Sue Dover are in their mid fifties. Sue works at Soft Skin International in management with income of $120,000 in 2001. Sue's 401k retirement account, current balance $130,000, increased during 2001from three sources: (1) Sue's 2001 employee contributions $7,200, (2) her employer match (equal to ½% for each 1% she contributes up to a maximum match of 4%), and (3) appreciation in the asset value of her diversified bond portfolio posting an increase of $6,894 in 2001 for an investment return of 5.6%, a little below the funds ten year average. Dan works as a nurse practitioner at a care facility, $42,000 salary in 2001 without benefits.

The Dover's also received income from additional sources in 2001. Interest income totaled $317 from their saving account which pays 4.5% interest ($7,050 current balance). The Dover's also own a rental house (current market value $150,000) which produced a cash flow of $5,400 of net income ($20,420 income – 15,020 Expenses) in 2001, and it has appreciated at an annual rate of about 3% over the last several years. The mortgage balance against this property is $86,394 with a stated rate of 8.5% and monthly payments of $765.The Dover's current checking account balance is $2,000. They also have a money market mutual fund with a balance of $30,124 which increased by a rate of 4.8% on its previous year balance.

Two years ago the Dover's purchased a 4000 square foot home which today has a market value of $449,440 and appreciated in value during 2001 by about 5%. They have a mortgage on this home (current balance $220,742) with monthly payment of $1,828 and a stated annual interest rate of 7.125 percent. Their nicely refurbished home contains personal belongings with replacement value of around $225,000.

Use assets owned by the Dover's include Sue's late model Beamer (blue book value $48,000). A year ago they traded in Dan's aged Toyota Tercel toward the purchase of a new SUV (current value $33,754) that was financed with a 6.5% loan and $587 monthly payments. They also own a new Winnebago RV motor home (blue book value $56,000). To help finance travel expenses incurred lately ($10,000) and to refinance a loan they incurred a few years ago in the purchase of their motor home, which they use much less than they anticipated, the Dover's have accumulated a home equity loan, current balance $34,900, 8% stated rate, and monthly payments of $361.

Dover children living at home include twins age 16 and an older daughter with her husband and two young children who live in the basement while they are finishing school and saving for a home down payment. Expenditures during the last year were: $2,400 Charity, $45,384 taxes, $79,982 food and other living expenses, and debt payments with other financial information detailed below.

Top 2002 financial goals for the Dover's are as follows (assuming employment earnings remain at 2001 levels).

1) Maintain their positive savings, to keep their wealth growing and prepare financially for retirement.
2) Maintain living expenses at their 2001 and double charitable contributions in 2002.
3) Payoff daughter's student loan (as detailed below) and gift $7,000 toward her home downpayment.

Dover Case Details December 31,2001

Asset Value	Description	Interest Rates %[1]	Principle Outstanding	Monthly Payments	Appreciation Rate %[2]
449,440	Home	7.125	220,742	1,828	5.0
0	H Equity Loan	8.0	34,900	361	--
150,000	Rental House	8.5	86,394	765	3.0
0	Student Loan	6.0	1,200	100	--
33,000	SUV	6.5	32,754	587	(0.2)
48,000	Beamer	--	--	--	(0.2)
56,000	Winnebago	--	--	--	(0.2)
225,000	P. Belongings	--	--	--	--
0	Credit Card	12.5	1,100	40	--

[1]Stated interest rates on debts outstanding (based on: Infoplease. (2005). Money Market Interest Rates and Mortgage Rates, 1980–2002.)
[2]Positive rates of appreciation or negative rates of depreciation

Appendix B. Dover Traditional Financial Statements

Dover Traditional Balance Sheet

Assets		Liabilities	December 31,2001
Current (or Monetary) Assets		Current Liabilities	
Cash	2,000	Credit Card	1,100
Checking	7,050	Home Equity Loan	34,900
Investments			
non tax deferred		Long-term Liabilities	
MMMF	30,124	Home Mortgage	220,742
Rental House	150,000	Rental Mortgage	86,394
		SUV Loan	32,754
tax deferred		Student Loan	1,200
401k Bond Fund	130,000	**Total Liabilities**	**377,090**
Housing			
Home residence	449,440		
Vehicles			
Beamer--Sue	48,000		
SUV--Dan	33,000		
Winnebago	56,000		
Personal Property			
P. Belongings	225,000		
Total Assets	**1,130,614**	**Net Worth** (assets-liabilities)	**753,524**

Dover Traditional Income and Expenditure Statement

Income		Expenditures	Jan 1 - Dec 31, 2001
Salary--Sue	120,000	Charity	4,800
Salary/wage--Dan	42,000	Taxes (federal, State & Local)	49,384
Interest Income	270	Debt Payments	34,992
Renal House Net Income	5,400	Additional Living Expenses	
Employer Match (401k)	3,600	Food	13,680
		Housing	12,596
		Transportation	17,802
		Health Care	7,720
		Clothing	6,876
		Other	17,308
Total Income	**171,270**	**Total Expenditures**	**165,158**
		Saving/Investing	**6,112**

Appendix C. Methodology Guidelines in a Wealth Growth Review

General Recommendations

1. Give proper attention to education that leads to adequate income.
2. Be safety minded, use appropriate risk management methods to forestall potential devastating losses.

Specific Recommendations

3. Consider using excess cash/near cash, non-tax deferred assets, or low priority use assets to pay off debt and invest the resulting freed-up perpetual cash flow toward wealth accumulating assets.
4. Conserve on wealth depreciating use assets; when timely convert from wealth depreciating to wealth producing assets.
5. Consider refinancing a mortgage at more favorable terms.
6. Reinvest all net investment income.
7. Get a partial or full employer match (401k) when available.
8. Pay down debt on your home to less than 80% of its asset value to avoid mortgage insurance charges.
9. Save and invest 10% to 12% of earned income for the long haul.
10. Live within your means.

Two general and eight specific guidelines were considered in the wealth growth review reported in this study. These guidelines were selected from the literature review and from reasoned conclusions established in extant personal finance literature. Education and career development that leads to earned income is the underlying engine of wealth accumulation in the employee or wage earning family. Likewise proper risk management methods are essential in safe guarding whatever wealth is accumulated.

When adequate income and proper risk management methods are in place, a particularly powerful move toward wealth accumulation is to identify a pool of mobile capital within the current balance sheet. This capital is typically obtained from excess cash/near cash, the timely sale of non-tax deferred investment assets, or the sale of use assets (those you no longer want to afford or have sufficient use for).

Once obtained, this pool of capital will typically be used to pay-off expensive debts that can be paid in full. An exception would be the acceleration of mortgage payments to pay down the mortgage to 80% of the property value in order to eliminate mortgage insurance charges. When a debt is paid in full, the freed-up cash flow creates an income stream in the (I & E) statement. Freed-up cash flow can be achieved in other ways as well (e.g. by refinancing a mortgage at more favorable terms, or by reinvesting realized investment income (e.g. interest, dividends). As will be illustrated below, these income streams can be sizable and fruitful avenues for wealth accumulation.

Freed-up cash flow can be directed toward a variety of wealth accumulating guidelines, such as items 7 thru 9 in the table above or used to meet other priority family financial goals. Not at any time in this analysis were resources taken from the Dover's living expenses or from their tax obligations to federal, state or local governments to create a freed-up cash flow. However if the Dover's were to reduce living expenses, that would also add to their wealth accumulation.

Student Papers

The Financial Behaviors of Soldiers Before and After Deployment

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Key Words: *deployment, financial anxiety, financial behavior, financial knowledge, military*

Abstract

This research reports the findings from primary data collected at a Midwestern U.S. Army installation on the financial behaviors of military service members before and after deployment. This paper reviewed the two financial surveys administered to Soldiers before (N = 701) and after (N = 670) they left for a yearlong deployment to a war zone. It is one paper in a series of essays that further explore financial behaviors of military personnel.

Introduction

The military offers a variety of challenges and demands for service members due to multiple roles and missions, which range from combat to peacekeeping and humanitarian situations. It is one of few professions today where injury and death are constant companions (Harris, 2011). In addition to the stressors of the job, service members have rated financial pressure as more stressful than deployments and personal relationships (U.S. Department of Defense [DoD], Office of the Assistant Secretary of Defense, 2012). As acknowledged by military leaders and the President of the United States, financial readiness is a key component of the well-being and psychological health of military service members and military families (United States, Executive Office of the President, 2011). The research in the current three essay dissertation seeks to analyze the personal financial matters, specifically financial behaviors, of service members in an attempt to gain greater insight into the personal readiness of military members and their families. If financial health directly impacts psychological health, which in turn impacts mission readiness, then the financial behavior outcomes of military personnel have potential national security implications.

Military Demographics
Today's U.S. military is the largest all-volunteer force in our nation's history, consisting of ground forces (Army and Marine Corps), air fighters (Air Force), and water forces (Navy) (Harris, 2011). In total, the military consists of 3.6 million people of whom 40% are active-duty service members, 30% are Ready Reserve (National Guard and Reserve), and 25% are Department of Defense (DoD) civilians (U.S. DoD, Office of the Deputy Under Secretary of Defense for Military Community and Family Policy, 2012). The Army is the largest branch (and the focus of this dissertation) with 561,000 active duty Soldiers who compromise 39% of the active duty fighting force (U.S. DoD, Office of the Deputy Under Secretary of Defense for Military Community and Family Policy, 2012). Air Force is the next largest Service branch (23%) of the active-duty force, followed by the Navy (22%), the Marine Corps (14%), and the Coast Guard (3%) (U.S. DoD, Office of the Deputy Under Secretary of Defense for Military Community and Family Policy, 2012).

The rank structure of the military serves as both a hierarchical structure used for promotion and classification purposes. Rank, along with years of service, is directly correlated with income (Defense Finance and Accounting Service, 2010. It can be classified in two main categories: officers and enlisted. Officers usually give the orders and can be both commissioned and noncommissioned. The enlisted ranks typically execute the given orders. In the Army active-duty force, there is one officer for every five enlisted personnel (U.S. DoD, Office of the Deputy Under Secretary of Defense for Military Community and Family Policy, 2012). The average age for Army officers is 35, while the average age of an enlisted Soldier is 28 years old (U.S. DoD, Office of the Deputy Under Secretary of Defense for Military Community and Family Policy, 2012). The majority of officers (83%) hold a bachelor's degree

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or higher while only 5% of enlisted personnel hold a bachelor's degree or higher (U.S. DoD, Office of the Deputy Under Secretary of Defense for Military Community and Family Policy, 2012).

In terms of gender and ethnicity, females constitute approximately 15% of active-duty Soldiers and over 30% of Soldiers identify themselves as a minority (U.S. DoD, Office of the Deputy Under Secretary of Defense for Military Community and Family Policy, 2012). The military is also a highly married force. Over 57% of military members are married, including 70% of officers and 54% of enlisted personnel. In the Army, almost 7% of the population is in a dual military marriage relationship (U.S. DoD, Office of the Deputy Under Secretary of Defense for Military Community and Family Policy, 2012). These demographics provide an overview of the military population and specifically offer insight to the demographics of the Army population.

Military Life Stressors
A unique aspect of military life is deployment. The last decade has been a time of unprecedented deployments in the history of the all-volunteer force. There have been almost 2.5 million service members deployed to Operations Enduring Freedom, Iraqi Freedom, and New Dawn (Defense Manpower Data Center, 2012). These deployments have been longer than prior deployments. Reoccurring deployments to combat are common, and breaks between deployments are infrequent (Tanielian & Jaycox, 2008). As of October 2012, the Army had deployed 70% of its active-duty force at some point in the recent conflicts (Defense Manpower Data Center, 2012). The Army supported 52% of all DoD active-duty deployments, despite only making up 39% of the force strength (Bonds, Baiocchi, & McDonald, 2010). As of October 2012, the Army had over 108,000 Soldiers in their second deployment, 65,000 Soldiers in their third deployment, 28,000 Soldiers in their fourth deployment, and over 17,000 Soldiers in their fifth or more deployment (Defense Manpower Data Center, 2012). Deployment has been cited to have the strongest effect on work-related stress for Soldiers (Bray, Camlin, Fairbank, Dunteman, & Wheeless, 2001; Hosek & Martorell, 2009).

Along with deployment, personal financial concerns have been one of the most serious challenges military leadership has faced in recent years. In fact, according to the Acting Deputy Assistant Secretary of Military Community and Family Policy, Chuck Milam, a recent Department of Defense survey showed that service members rated finances as one of the most significant stressors they face, rating it higher than deployments or personal relationships (U.S. DoD, Office of the Assistant Secretary of Defense, 2012). Recent research has indicated that service members are not likely to save, have substantial credit card debt, and have difficulty making ends meet financially (Financial Industry Regulators Authority [FINRA], 2010). Other research has also shown that relocation, deployments, and cost of living do not determine who has financial problems (Tiemeyer, Wardynski, & Buddin, 1999). Findings have revealed that the Navy has lost between $172 million to $258 million in overall productivity costs due to personal financial problems (Luther, Garman, Leech, Griffitt, & Gilroy, 1997). Furthermore, financial preparation is a key part of deployment preparation, and there can be significant stress surrounding this financial preparation (Castaneda, Harrell, Varda, Hall, Beckett, & Stern, 2008; Hosek, Kavanagh, & Miller, 2006; Rotter & Boveja, 1999). Both deployment and personal financial matters have been shown to be a source of stress for military members (Bray et al., 2001; Drummet, Coleman, & Cable, 2003; Hosek et al., 2006; Hosek & Martorell, 2009). Therefore, it is imperative to improve the mission readiness of our military men and women by improving the financial resilience of military members and their families.

Personal Financial Counseling Programs for the Army
In order to help service members and their families with personal financial problems, the DoD and the Department of the Army have funded several financial assistance and counseling programs to enhance the personal readiness of service members. As a part of the larger family readiness system (FRS), DoD has given specific instruction to support DoD-operated programs and community-based family readiness services that are available through a large variety of access points (U.S. Department of Defense [DoD] Instruction, 2012). Both DoD and Army personal financial counseling programs include: Army Community Service's financial readiness programs (U.S. DoD Instruction, 2012), Army Emergency Relief program (Army Emergency Relief, 2011), Personal Financial Counselors (part of the Military Family Life Counseling program) (MHN Government Services, 2013), and a variety of web-based resources, such as MilitaryOneSource.com, ArmyOneSource.com, and MyArmyBenefits.us.army.mil.

Each military branch operates installation based Military and Family Support Centers (MFSCs) (U.S. DoD Instruction, 2012). In the Army, the MFSC is called the Army Community Service (ACS) center. These centers are located on installations all over the world and can be accessed by any service member or family member. These centers provide a large variety of services, which include relocation assistance, child and youth programs, financial readiness programs, and many other programs (U.S. DoD Instruction, 2012). The Personal Financial Management (PFM) services are "proactive personal life cycle financial management services that provide service members and their families with the tools and information they need to develop individual strategies to achieve financial goals and address financial challenges" (U.S. DoD Instruction, 2012, p. 15).

This program has instituted financial education offerings, training programs, and financial counseling programs to help service members and their families with consumer financial information and education. At a minimum, the financial education program gives basic financial training to service members within three months of arriving at their first permanent duty station (U.S. DoD Instruction, 2012). The instruction explicitly states that service members with a leadership role, primarily officers and noncommissioned officers, should be informed about the "policies and practices designed to protect junior military members" (U.S. DoD Instruction, 2012, p. 15). The counseling program is designed to provide individual assistance to service members and their families concerning their individual or family budgets in order to help them achieve their short-term and long-term goals. This prepares them to "contribute to individual and operational readiness" (U.S. DoD Instruction, 2012, p. 15). The instruction specifically states that the counseling should be provided prior to deployment in order to help develop a financial plan for use during the time of the service member's absence (U.S. DoD Instruction, 2012).

Referrals may be made if needed, but the PFM services are to incorporate the DoD Financial Readiness Campaign pillars, which are: (a) maintain good credit, (b) achieve financial stability, (c) establish routine savings, (d) participate in the Thrift Savings Plan and Savings Deposit Program, (e) sustain the Service member's Group Life Insurance (SGLI) and other insurance, (f) encourage low-cost loan products as an alternative to payday lending and predatory loans, (g) use low-cost Moral, Welfare, and Recreation (MWR) programs, and (h) preserve security clearances (U.S. DoD Instruction, 2012). The PFM program is led by a Personal Financial Manager who serves as a primary expert on personal finances and holds a bachelor's degree as well as a nationally recognized financial counselor certification (U.S. DoD Instruction, 2012). It is estimated that the Department of Defense spends $38 million dollars annually (FY 2010) on the Personal Financial Management program alone (U.S. Government Accountability Office [GAO], 2012).

Under the Garrison Commander of an installation, many of the PFM programs also serve as the lead for handling and controlling the emergency relief loans provided through the various Service Branch relief societies. The Army Emergency Relief (AER) program provides funds to Soldiers, retirees, and their families on the basis of financial need (Army Emergency Relief, 2011). AER loans are interest-free loans, grants, or a combination of a loan and a grant that are based on valid financial need and are available through military commanders to help meet the needs of their Soldiers and dependents. Since the program's inception in 1942, AER has provided $1.4 billion of relief aid to 3.4 million Soldiers and their families (Army Emergency Relief, 2011). In 2011, AER provided $69.4 million in interest-free loans and grants for almost 59,800 Soldiers and their families (Army Emergency Relief, 2011). AER has invested over $1 million to teach a personal financial management course to over 111,000 at Soldiers' Advanced Individual Training (AIT) sites throughout the Army (Army Emergency Relief, 2011).

Approximately 10 years ago, DoD initiated the Military Family Life Consultant (MFLC) program to support service members and their families who were struggling with the effects of extended and repeated deployments due to the conflicts in Iraq and Afghanistan (MHN Government Services, 2013). The MFLC program was set up to augment the existing support services available to active-duty military and their families by providing non-medical counseling services which focused on a short-term problem resolution. In 2007, this program was extended to include additional support services for the National Guard and Reserve, child and youth services, and other military programs (MHN Government Services, 2013). In 2008, the program was expanded to include financial counseling support through the Personal Financial Counselors (PFC) program (MHN Government Services, 2013). These PFCs are Certified Financial Planners (CFP®), Accredited Financial Counselors (AFC), or Chartered Financial Consultants (ChFC) and provide education, support, and assistance on personal financial matters. These financial experts provide individual and family financial counseling and planning sessions as well as live workshops on financial education topics. Sessions provide "professional, individualized financial planning and consultation services, which includes assistance with money management, credit and debt liquidation, analysis of assets and liabilities, and establishing and building savings plans" (MHN Government Services, 2013). These PFCs also serve as a referral network for additional assistance or counseling when necessary.

Finally, there are also several DoD and Army internet-based resources specifically targeted for military and Army audiences. A few of these include: MilitaryOneSource.mil, ArmyOneSource.com, and MyArmyBenefits.us.army.mil. MilitaryOneSource (MOS) is a DoD funded program that provides comprehensive information and services to service members and their families (MOS, 2013). MOS offers a 24/7 call center to support a variety of issues ranging from managing grief, strengthening relationships, and better parenting and childcare practices and opportunities (MOS, 2013). The financial planning resources include financial counseling services free of charge to any service member, including National Guard and Reserve, and their family members and can be administered by telephone or in person if location sites are available (MOS, 2013). MOS also offers a wide array of information, resources, tax preparation, and articles on financial topics of interest to military families online. MOS also will send free information, including CDs and books, to service members and families regardless of location (MOS, 2013).

ArmyOneSource.com is a web-based resource that offers a variety of financial educational articles and tools targeted to help Soldiers and their families with questions surrounding personal financial issues (ArmyOneSource, 2013). They offer financial calculators, retirement planning courses, and a financial literacy game to teach Soldiers and Army families about important personal financial topics (ArmyOneSource, 2013).

In addition to these resources, MyArmyBenefits.us.army.mil provides useful information on federal and state benefits for Soldiers and their dependents (MyArmyBenefits, 2013). The website also has deployment and redeployment calculators to help Soldiers determine the changes to their paychecks before and after deployment. A number of other benefit calculators exist on the website for retirement, survivor benefits, and disability benefits and can be accessed with the Soldier's Common Access Card (CAC) or Army Knowledge Online (AKO) access (MyArmyBenefits, 2013). All of these financial planning and counseling services are offered to military members and their families free of charge. There is breadth and depth in the variety of services, resources, and information offered through these programs to help service members and their families make smart financial decisions.
Statement of the Problem

Given the severity and pervasiveness of the recent economic recession and the last decade of war deployments for U.S. service members, it is no surprise that service members and their families are experiencing financial challenges. When considering military personnel, personal financial problems can have significant negative effects that impact their military career. Service members who experience serious financial problems can lose security clearances, face criminal sanctions, and/or are discharged from the military (FINRA, 2010). In 2012, then acting Secretary of Defense, Leon Panetta, stated, "The number one reason people in the service lose their security clearance is because of financial problems. And that's something that we absolutely have to address" (U.S. DoD, Office of the Assistant Secretary of Defense, 2012). Ultimately, the Department of Defense strives to maintain a fighting force that is mission ready and prepared to fulfill its duty.

In order to build resilience and enhance performance, the Army has outlined a comprehensive Soldier and family fitness resource that contains five dimensions of strength: physical, emotional, social, family, and spiritual readiness (U.S. Army, n.d.). These pillars encompass what the Army defines as personal readiness, which then ultimately plays a direct role in mission readiness. Mission readiness is what the fighting force must maintain in order to perform its primary duty.

Currently, the comprehensive Soldier and family fitness pillars do not include personal financial readiness. This dissertation lays forth compelling reasons to include financial readiness as a sixth pillar (see Figure 1.1). The theme of finances is underlying all of the other five pillars, and therefore, has a direct implication on personal readiness. Ultimately, financial readiness impacts mission readiness via personal readiness.

Summary and Connection to Current Research
The lack of military financial behavior information combined with the continuing stress of ongoing deployments and separations indicate the need for further research. The Acting Deputy Assistant Secretary of Military Community and Family Policy, Chuck Milam, stated, "[t]he Department of Defense considers debt from any source a concern and a potential threat to readiness, especially if not managed properly, as it could spiral out of control and cause undue hardship. . .the financial health of our force is absolutely critical to our overall military readiness" (U.S. DoD, Office of the Assistant Secretary of Defense, 2012). The gulf between the numerous financial counseling resources and the high rate of financial problems (FINRA, 2010) gave incentive for further clarification of why personal

financial behaviors in a military setting are so rampant. The previous Director of the Office of Personal Finance within DoD, David Julian, affirmed, “DoD firmly believes that the financial readiness of their troops and families equates to mission readiness” (U.S. Department of the Treasury, 2010). There is a need for empirical and quantitative research to understand the financial behaviors of Soldiers before and after deployment. The following sections detail the financial resilience surveys that sought to provide this needed research. This data served as the primary data for the following chapters of the current dissertation.

Methodology

The financial resiliency surveys used in the current study are unique surveys that were a cooperative effort between researchers at a Midwestern university and an Army installation. Discussions began in August 2010 to work cooperatively to address the financial issues stemming from Soldiers’ habits and behaviors, especially in relation to pre- and post-deployment periods. The discussion led to a joint agreement to administer a financial survey to a unit of deploying Soldiers in order to more fully understand and gain greater insight into the financial behavior of Soldiers before and after deployment. The surveys were conducted within a single command and approval was given by the unit commander. Approval was also obtained by the university Institutional Review Board (IRB) to administer the survey. Respondents were assured that: (a) participation was voluntary, (b) responses would remain strictly confidential, (c) only members of the university research team would have access to the raw data, (d) respondents were free to not answer any question and stop at any time with no penalty or loss of benefit, and (e) no risks were anticipated from participating in this research study. All respondents who completed the survey acknowledged their voluntary agreement to participate in this study and gave consent for their results to be used in the data analysis. The Army installation received command approval from the Division’s leadership as well as the unit’s leadership to administer the survey to the Soldiers before and after deployment given the above directed criteria. After the data was analyzed, the installation and unit received the information for feedback on their Soldiers.

With the support and approval of both the Army installation and the university, the survey was administered to a unit of Soldiers in November 2010, prior to their deployment to a war zone. The Time 1 survey covered topic areas such as demographic characteristics, pay and special pays, use of financial products, financial anxiety[1], help-seeking behavior, subjective financial knowledge[2], financial behaviors[3], and locus of control[4]. The quantitative survey was administered using a pencil and scantron to 825 Soldiers before they left for their overseas mission. After deleting missing data and invalid surveys[5], the final sample size for the Time 1 survey was reduced to 701 (85% response rate).

Within weeks of the unit returning home, the Time 2 survey was administered in late November and early December 2011. It also contained 50 questions and was administered using a pencil and scantron. The Time 2 survey covered similar topics as the Time 1 survey with only a few changes. Some of the demographic questions were deleted since the information had already been gathered on the Time 1 survey. Some of the wording was changed to reflect the Soldiers’ post-deployment status. A few questions were consolidated and a few new questions were added to replace the deleted and consolidated questions. The final Time 2 survey was administered to 932 Soldiers with 670 usable responses (72% response rate) after deleting missing data and invalid surveys.

The research design called for a collection of data from the same group of Soldiers pre- and post-deployment, but in reality only one-third of the Soldiers completed both the Time 1 and Time 2 surveys. All Soldiers came from the same brigade in both surveys, but less than 1,000 Soldiers were actually surveyed out of a potential 1,500 to 3,200 (depending on the actual size of the brigade at the time). All efforts were made to survey the same units within the brigade before and after deployment. Those who completed both surveys were matched by using the last four digits of the Soldier’s social security number and their birth year, which were collected on both surveys. The data with Soldiers who took both Time 1 and Time 2 surveys were analyzed more fully in Chapter 2 of this dissertation.

Descriptive Statistics for Time 1 and Time 2 Surveys

Given the unique nature of these surveys, the descriptive statistics for both the Time 1 (N = 701) and Time 2 (N = 670) surveys were analyzed. This review provides insight into some of the major descriptive findings of the surveys, including a reflection of the sample characteristics, such as age, rank, education, marital status, number of dependents, number of deployments, and job type (Military Occupational Service [MOS]) among other variables. All statistical analyses were completed by using SAS version 9.3 statistical software.

Descriptive Variables
Six primary demographic variables were asked in these surveys (see Table 1). Respondent age ranged from 18 to 47 years old on both surveys, where 26 (SD = 5.74) was the mean age for Time 1 survey and 27 (SD = 5.82) was the mean age for Time 2 survey. In the Time 1 survey, 39% (n = 274) were single and in the Time 2 survey, 43% (n = 290) were single. Since many of the descriptive variables were not expected to change during the deployment period, some questions were asked only in the Time 1 survey. The variables only asked on the Time 1 survey were gender, ethnicity, number of dependents, and education level. More than 97% (n = 682) of the sample was male with over 67% (n = 468) of the sample reporting Caucasian as their ethnicity. In this sample, almost 55% (n = 384) reported caring for one or more dependents. Education level in the Time 1 survey revealed less than 1% (n = 5) had less than a high school education, 51% (n = 354) had a high school diploma or GED, 38% (n = 269) had completed some college, 9% (n = 63) held a bachelor's degree, and slightly more than 1% (n = 10) had a graduate degree or higher.

Table 1

Descriptive Statistics of Time 1 and Time 2 Surveys

Descriptive Variables	Range	Time 1 Frequency (N = 701) %	Time1 M (SD)	Time 2 Frequency (N = 670) %	Time 2 M (SD)
Age	18 to 47		26.00 (5.74)		26.90 (5.82)
Caucasian[a]		66.76 (n = 468)			
Male[a]		97.29 (n = 682)			
Single		39.09 (n = 274)		43.28 (n = 290)	
One or more dependents[a]		54.78 (n = 384)			
Education level[a]					
Less than high school		0.71 (n = 5)			
High school/GED		50.50 (n = 354)			
Some college		38.37 (n = 269)			
Bachelor's degree		8.99 (n = 63)			
Graduate degree		1.43 (n = 10)			

Note. [a] Not all questions were asked in the Time 2 survey since the information would not have changed during deployment.

Military Specific Variables
Several military specific variables were included in order to best assess detailed implications of the sample (see Table 2). Two questions, specifically branch of service and job or military occupational specialty (MOS), were asked only on the Time 1 survey since these data points were not expected to change during the deployment period. The entire sample, 100% (n = 699), reported their branch as Army active-duty. The unit surveyed was an infantry unit, and therefore, 66% (n = 464) of the sample had the job or MOS of combat arms, followed by 14% (n = 97) who worked as support (including intelligence and signal), 19% (n = 131) who worked as service and support for the unit, none were aviation, and slightly over 1% (n = 9) reported "other" for their MOS.

The variable of rank was included on both Time 1 and Time 2 surveys since promotions can occur during a deployment. Privates (E1 to E2) made up 11% (n = 75) of the Time 1 sample and 2% (n = 19) of the Time 2 sample. This was expected since a Soldier does not stay a private for a long period of time if they are fulfilling their job appropriately. Private first class, specialist, or corporal (E3 to E4) comprised 56% of both the Time 1 (n = 390) and Time 2 (n = 372) samples. Sergeants and staff sergeants (E5 to E6) comprised 26% (n = 183) of the Time 1 sample and 32% (n = 216) of the Time 2 sample. In the Time 1 survey, 6% (n = 43) of the sample held a rank from sergeant first class to first lieutenant, including warrant officers (E7 to O2). This group made up 9% (n = 58) of the Time 2 survey data. A limitation of the data was that these ranks were banded together, and therefore, it is not possible to ungroup these ranks for data analysis. Finally, captains and higher (O3 and above) comprised a little over 1% (n = 10) of the Time 1 sample and just under 1% (n = 5) of the Time 2 sample.

The final military specific variable was whether Soldiers had any prior deployments. In the Time 1 survey, 51% (n = 359) of the sample had deployed prior to their upcoming deployment. In the Time 2 survey, this question was not included given that it was expected that all Soldiers who were participating had just returned home from a deployment.

Table 2

Military Specific Variables of the Descriptive Statistics of Time 1 and Time 2 Surveys

Military Specific Variables	Time 1 Frequency (*N* = 701) %	Time 2 Frequency (*N* = 670) %
Active-duty Army[a]	99.71 (*n* = 699)	
Job (MOS)[a]		
Combat arms	66.19 (*n* = 464)	
Support (intel, signal)	13.84 (*n* = 97)	
Service & support	18.69 (*n* = 131)	
Aviation	0.00 (*n* = 0)	
Other	1.28 (*n* = 9)	
Rank		
E1 to E2	10.70 (*n* = 75)	2.84 (*n* = 19)
E3 to E4	55.63 (*n* = 390)	55.52 (*n* = 372)
E5 to E6	26.11 (*n* = 183)	32.24 (*n* = 216)
E7 to O2	6.13 (*n* = 43)	8.66 (*n* = 58)
O3 and above	1.43 (*n* = 10)	0.75 (*n* = 5)
Previous deployment[a]	51.21 (*n* = 359)	

Note: [a] Not all questions were asked in the Time 2 survey since the information would not have changed during deployment.

Financial Variables

A number of financial variables were assessed in both Time 1 and Time 2 surveys (see Table 3). Financial anxiety was assessed by asking four questions with a total range of 4 to 20, with higher scores indicating a higher level of financial anxiety. The average score for the Time 1 survey was 8 (SD = 3.19), indicating a fairly low level of financial anxiety among the sample. For the Time 2 data, the average score was 7 (SD = 3.01), indicating a slightly lower level of financial anxiety among the sample. Subjective financial knowledge, meaning the Soldier's self-assessment of their own understanding of financial matters, was included in both surveys. The variable was assessed by asking eight subjective financial related questions assessing knowledge levels. The range was from 8 to 40, with higher scores indicating greater subjective financial knowledge. In the Time 1 data, the mean was 27 (SD = 6.59), and in the Time 2 data, the mean was 26 (SD = 6.93). Both means indicate a moderate subjective financial knowledge score.

Financial behaviors were assessed by six questions with a total range of 9 to 30, with higher scores indicating a higher level of positive financial behaviors. The average score for the Time 1 survey was 22 (SD = 4.49) and 23 (SD = 4.26) for the Time 2 survey, indicating a fairly high level of positive financial behaviors among both samples. Both credit card debt and emergency savings fund amounts were asked on the Time 1 and Time 2 surveys. In the Time 1 survey, 42% (n = 295) of the sample reported no credit card debt, which also includes those without credit cards. For the Time 2 survey, this number was 54% (n = 365) of the sample. Those who reported having $1 to 1,000 in credit card debt in the Time 1 survey made up 23% (n = 160) of the sample and 20% (n = 134) reported this amount on the Time 2 survey. Soldiers reporting having $1,001 to $2,500 in credit card debt made up 13% (n = 92) of the Time 1 sample and 10% (n = 64) of the Time 2 sample. Those with credit card debt that ranged from $2,501 to $5,000 comprised 10% (n = 72) of the Time 1 sample and 9% (n = 58) of the Time 2 sample. Finally, those who reported having $5,001 or more in credit card debt made up 12% (n = 82) of the Time 1 data and 7% (n = 49) of the Time 2 data.

Soldiers also reported their savings level for a financial emergency before and after deployment. In the Time 1 sample, 22% (n = 152) reported having $0 in an emergency savings fund, 25% (n = 176) with less than $500, 24% (n = 166) with $501 to $1,000, 9% (n = 65) with $1,001 to $2,000, and 20% (n = 142) with $2,001 or more. For the Time 2 data, 9% (n = 63) reported having $0 in an emergency savings fund, 14% (n = 94) with less than $500, 19% (n = 124) with $501 to $1,000, 13% (n = 89) with $1,001 to $2,000, and 45% (n = 300) with $2,001 or more. The substantial increase in savings from Time 1 to Time 2 can be due to the fact that service members receive special pays and incentives in addition to their base pay when deployed. The survey was taken within a few weeks of the Soldiers returning from deployment and before they were able to leave for their rest and recuperation leave period. Future studies should survey service members after returning from this rest and recuperation leave period to see if the same amount of emergency savings is similar.

Table 3

Financial Variables of the Descriptive Statistics of Time 1 and Time 2 Surveys

Financial Variables	Range	Time 1 Frequency % (*N* = 701)	Time1 *M* (*SD*)	Time 2 Frequency % (*N* = 670)	Time 2 *M* (*SD*)
Financial anxiety	4 to 20		7.79 (3.19)		6.77 (3.01)
Subjective financial knowledge	8 to 40		26.55 (6.59)		25.96 (6.93)
Financial behaviors	9 to 30		21.83 (4.49)		22.98 (4.26)
Credit card debt					
$0		42.08 (*n* = 295)		54.48 (*n* = 365)	
$1 to $1,000		22.82 (*n* = 160)		20.00 (*n* = 134)	
$1,001 to $2,500		13.12 (*n* = 92)		9.55 (*n* = 64)	
$2,501 to $5,000		10.27 (*n* = 72)		8.66 (*n* = 58)	
$5,001 and above		11.70 (*n* = 82)		7.31 (*n* = 49)	
Emergency savings funds					
$0		21.68 (*n* = 152)		9.40 (*n* = 63)	
Less than $500		25.11 (*n* = 176)		14.03 (*n* = 94)	
$501 to $1,000		23.68 (*n* = 166)		18.51 (*n* = 124)	
$1,001 to $2,000		9.27 (*n* = 65)		13.28 (*n* = 89)	
$2,001 or more		20.26 (*n* = 142)		44.78 (*n* = 300)	

Communication Source Variables

Two questions were asked on both the Time 1 and Time 2 surveys regarding the number of communication sources that the service members used in both a military and non-military setting (See Table 4). The Time 1 survey questions asked, "Have you talked to any of the following military/service providers in the last 12 months about your personal financial situation?" The Soldiers indicated all answers that applied to their situation. The responses for the Time 1 survey with the associated frequencies were: (a) ACS/Financial readiness program (14%) (n = 101), (b) military chain of command (13%) (n = 89), (c) Military OneSource (2%) (n = 15), (d) PFC (part of the Military Family Life Consultant (MFLC) program) (2%) (n = 14), (e) other military personnel (16%) (n = 113). Almost 50% (n = 350) of the sample had no communication with a military source regarding their personal finances according to the Time 1 survey.

The next question asked, "Have you talked to any of the non-military sources about your personal financial situation in the past 12 months?" They were also able to mark all answers that applied. The responses for the Time 1 survey (N = 701) with the associated frequencies were: (a) family member/spouse (39%) (n = 272), (b) friend (11%) (n = 77), (c) financial advisor/planner (6%) (n = 44), (d) internet (3%) (n = 22), and (e) other (7%) (n = 51). Over 25% (n = 180) of Soldiers in the Time 1 survey did not speak with any non-military sources about their personal financial situation in the last 12 months.

On the Time 2 survey, the question asked, "In the last 12 months, have you communicated with any of the following service providers about your personal financial situation?" The responses for the Time 2 survey (N = 670) with the associated frequencies were: (a) chain of command (4%) (n = 30), (b) family member/spouse (28%) (n = 190), (c) Military OneSource or other military service provider (i.e., Personal Financial Counselor (PFC)/Financial MFLC) (3%) (n = 20), (d) friend (5%) (n = 39), (e) none of the above (58%) (383). The other question on the Time 2 survey read, "Which of the following will you most likely use in the next 12 months to improve your personal financial situation?" The answers for the Time 2 survey (N = 670) with the associated frequencies were: (a) attend a financial briefing (13%) (n = 86), (b) phone consultation (2%) (n = 16), (c) financial planner/advisor (23%) (n = 159), (d) internet research (28%) (n = 186), and (e) none (33%) (n = 221).

Table 4

Communication Sources of the Descriptive Statistics of Time 1 and Time 2 Surveys

Communication Source Variables	Time 1 Frequency % (*N* = 701)	Time 2 Frequency % (*N* = 670)
Military sources		
ACS/Financial Readiness program[a]	14.41 (*n* = 101)	
Military OneSource	2.14 (*n* = 15)	2.99 (*n* = 20)
PFC (part of MFLC program)[a]	2.00 (*n* = 14)	
Chain of command	12.70 (*n* = 89)	4.48 (*n* = 30)
Other military personnel[a]	16.12 (*n* = 113)	
No military communication source	49.93 (*n* = 350)	57.85 (*n* = 383)
Non-military sources		
Family member/spouse	38.80 (*n* = 272)	28.36 (*n* = 190)
Friend	10.98 (*n* = 77)	5.82 (*n* = 39)
Financial advisor/planner	6.28 (*n* = 44)	23.73 (*n* = 159)
Internet	3.14 (*n* = 22)	27.76 (*n* = 186)
Other[a]	7.28 (*n* = 51)	
None	25.68 (*n* = 180)	33.08 (*n* = 221)

Note. [a] Given the variation in deployment status and changes to the questionnaire, not all questions were asked verbatim in the Time 1 and Time 2 surveys.

Conclusion

Given the constant deployment cycle and the heavy toll of the longest running war in American history, service members and their families have felt the stress of both deployment and personal financial strains. This research seeks to quantify the financial behaviors of Soldiers in order to better predict future financial behaviors and provide the support needed so they can focus on their military and family obligations. As a result, this research will give military service providers and leaders accurate information on military financial behavior in order to provide appropriate financial education, planning, and counseling services.

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Endnotes:

[1]These questions originated from the Financial Anxiety Scale, α = 0.94 (Archuleta, Dale, & Spann, in press). Measurement of these items was based on the DSM-IV-TR diagnostic criteria for General Anxiety Disorders. This study only used four of the seven questions in the original scale due to space constraints and applicability to the sample.

[2]Based on the Financial Knowledge scale by Perry and Morris (2005), α = 0.91. This study included four additional variables in the financial scale in order to cover more comprehensive financial planning topics, including life insurance, estate planning, retirement accounts, and taxes.

[3]Based on the Financial Behavior scale used by Grable and Joo (2001), α = 0.74.

[4]Studied using the Pearlin Mastery scale (Pearlin & Schooler, 1978). The Cronbach's alpha for this scale varied among different financial research studies: α = .74 (Whitbeck, Simons, Conger, Wickrama, Ackley, & Elder, 1997), α = .84 (Kim & Moen, 2002), and α = .88 (Donaldson, Earl, & Muratore, 2010).

[5]Some respondents randomly bubbled in their responses marking responses on the answer sheet that were not a possible option on the survey, and therefore, these responses were not included in the final analysis.

AFCPE Mary O'Neill Financial Education 2013 Mini-Grant Project Report

Money Matter$: Train-the-Trainer Video for Youth Adults with Autism Spectrum Disorder

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Key Words: *mini-grant, autism, train-the-trainer*

Target Audience

Practitioners and educators from all fields

Objective/Purpose

- Report on UNT SMMC Money Matter$: Train-the-Trainer Video for Young Adults with Autism Spectrum Disorders Project
- Learn the history of the grant project
- Understand resources available to all AFCPE members through the project

Description

An estimated 1 million adults in the United States live with autism spectrum disorders (ASDs), which occurs once per 50 births. Despite the increased prevalence of autism, there is limited awareness on autism and the transition of individuals with ASDs ages 16-21 into post-secondary education, community living, and employment. Unfortunately, we know that due to the communication and behavioral deficits associated with ASDs, these students typically experience less successful learning outcomes in education and training than student without disabilities. The Money Matter$ train-the-trainer video project combines the financial literacy training expertise of the UNT Student Money Management Center with the ASD programming expertise of the UNT Kristin Farmer Autism Center.

Method

PowerPoint slides and website access.

Time

50 minutes (40 minutes presentation / 10 minutes Q&A)

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