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2021 AFCPE Symposium

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Research-informed Financial Education Method and Theory of Change

Angela Amarillas, Stanford University

Key words: financial aspirations, financial behavior design, financial capability, theory of change

Target Audience
If you are a financial wellness professional in higher education, this presentation is designed for you. However, the information we share can be useful and transferable to financial education professionals in any setting.

Objective/Purpose
We will describe Stanford's research-informed financial education method and program planning strategies to reflect on how financial behavior design can impact student financial wellness. We hope that our presentation will inform and inspire others to adopt a version of our methods for their own purposes, and will provide us with ideas to enhance our program, methods, and impact going forward.

Description
Stanford's financial education approach integrates financial literacy with behavior design methods that support building financial capability to increase financial wellness. We organize what students need to *know* and what they need to *know how to do* into four categories: managing money, planning ahead, making choices, and getting help. With their own financial aspirations in mind, we guide students to build healthy habits in each of these categories.

To inform the development of our program, we drafted a Theory of Change that illuminates how our activities are connected to our intended impact. As a financial wellness program, we want to impact behaviors and habits that can increase financial wellness. In this presentation, we will describe how our Theory of Change helps us measure and evaluate our impact, and continuously inform our programming plans and decisions to maximize our impact going forward.

Since one of our program's goals is behavior change for financial wellness, we've infused behavior science into our approach to innovate what we call the Mind Over Money Method. This method empowers students to identify their unique financial goals and then to set and iterate a plan to build their own knowledge and skills. In this presentation we will share our initial observations about how the Mind Over Money Method optimizes students' ability and confidence in developing healthy financial behaviors.

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Community Conversations

Lori Auxier, Educational Credit Management Corporation (ECMC)

Key words: believing the college dream, college access, community resources, first generation, higher education benefits, higher education success, successful transitions

Target Audience
Teachers, Counselors and Community Organization staff

Objective/Purpose
Community Conversations is part of ECMC's college access curriculum "Believing the College Dream", a curriculum guide that supports teachers, counselors and community organization staffs in their work to increase the expectations of attending college by prospective low-income, first-generation college students in grades 4-8.

Description
Traditionally, parent workshops have been information-based, with parents and family members sitting in an audience and quietly listening to a presenter. The room is normally set up classroom or theater style, where the presenter is up at the front and parents are all facing in one direction – toward the presenter. Although participants may have the opportunity to ask questions, these types of workshops don't give people the opportunity to engage and interact with other participants in addition to the speaker.

The Community Conversations format is meant to encourage intimate community gatherings where groups of people engage in dialogue for the purpose of exchanging ideas and providing support. These gatherings move away from the educator-as-expert model by embracing participants' thoughts and experiences as central to any conversation regarding their students' futures.

Although most parents aspire to economic and social success for their children, low-income parents and parents of first-generation college students often lack the knowledge and firsthand experience necessary to help their children navigate the path to higher education. Community Conversations and the "Believing the College Dream curriculum" were created as an early intervention measure to help bridge wide disparities of income and culture that exist in access to and success in higher education.

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Being the Best Financial Educator You Can Be – Rules and Tools to Use with Adult Audiences

Suzanne Bartholomae, Iowa State University, Elizabeth Kiss, Kansas State University, Maria Pippidis, University of Delaware

Key words: adult learning, financial education, learning, program design and development, Extension professionals

Target Audience
financial educators, counselors, coaches, program designers, funders, evaluators

Objective and Purpose
The objective of this session is to improve knowledge and skills related to designing and implementing adult financial management education. Given the time and resources that go into the development and delivery of adult financial education programs, it is important to implement practices that can ensure adult learners have a transformative experience. Any improvement in financial capability can have a profound impact on consumers and their ability to provide for their future financial security and well-being. Financial educators, counselors, and coaches must make every effort to be effective in their program design and delivery approaches.

Description
Have you ever wondered if you could improve your educational program design? Is it sensitive and responsive to learner needs? Are you creating an environment that encourages learning and action? Are the adult learners who attend your programs leaving with knowledge and motivation to change? Financial education, which refers to any initiative or program that facilitates knowledge, skills, or behavior change in a participant, strives to improve the financial well-being of consumers. Recent trends are making it all the more imperative that consumers understand basic finances. As of August 2020, approximately 71% of Americans were struggling financially in areas of spending, saving, borrowing, and planning (Garon et al., 2020).

Effective practices for financial education program design and delivery have been identified (U.S. Financial Literacy and Education Commission 2020; Consumer Financial Protection Bureau, 2017). But how do we integrate these best practices into our program recruitment, design, implementation, and evaluation when each adult has their own way of processing and using information to form new ideas? Social and cultural factors are also at play (Tisdell et al., 2013). Depending on a person's dominant learning preferences and background, the same information can be interpreted differently. Being open to and incorporating a variety of adult learning preferences and intelligences improves an educator's ability to create effective financial education offerings. This session will review the various learning preferences, learning styles, and adult brain functioning as they relate to adult financial education. By the end of this session, participants will have experienced a variety of methods that incorporate brain function, learning styles and preferences, and other teaching methods. Participants will apply active learning strategies to personal finance content. They will leave with a list of rules and tools for integrating recommended practices for adult learning and financial education program design.

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It's Never Too Early: Impactful Financial Education for Young Learners

Ann Berry, Christopher Sneed, & Marci Hethmon, University of Tennessee Extension
William Smith, Green Magnet Academy

Key words: consumer economics, elementary, money, youth

Target Audience
Underserved, limited-resource, lower elementary students and their families are targeted for this program.

Objective/Purpose
The purpose of the program is two-fold. First, it is the aim of the program to build a sense of financial competence early in life with the intent of removing barriers to future financial success and ultimately allowing for sound financial decision-making as adults. Second, the program intends to reach adult family members with essential financial information and resources.

Description
Money Week is a new and dynamic way to reach the youngest members of our communities with solid financial education. Research has demonstrated developing an early awareness of spending and saving concepts can lead to greater financial competence later in life. Money Week builds on this core understanding by providing targeted financial education to limited-resource elementary school students over the course of one week. Lessons within Money Week align to National Jump$tart financial education standards as well as state academic standards in mathematics, social studies, and foundational literacy. Daily lessons, story books, and take-home newsletters address core understandings regarding personal finance.

Throughout the week of the program, youth learn new financial concepts and practice skills helping them to identify money values, count money, understand wants and needs, use money, and manage money. The program utilizes fully aligned, hands-on activities coupled with read-aloud grade-leveled texts, to deliver essential financial education. An accompanying newsletter, sent home each day with the students, connects the students' family to the program and offers additional information and education around financial concepts including easy-to-implement tips for saving money.

The initial pilot of the program focused on first and second grade students at a Title I designated school located in an urban setting. The impact of the initial pilot was encouraging. With eight classrooms reporting (97 students total), teachers reported 88% of the students gained literacy skills, 75% of students learned to count currency, 100% learned to manage money using spend, save, share banks, 100% learned the difference between wants and needs, and 100% learned to better identify money values.

The simplicity of this intervention holds potential for national replication. If replicated Money Week impacts could be measured over different populations and geographic areas. Expansion of the program to include younger or older students would provide the ability to measure impact over several years of experience in the program.

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Trauma-informed Tools You Can Use to Assist Victims of Familial Identity Theft

Axton Betz-Hamilton, South Dakota State University

Target Audience

The target audience for this presentation is financial counselors, coaches, educators, and therapists who work with victims of familial identity theft.

Objective/Purpose

The purpose of this practitioners' forum is to provide participants with tools they can use to help familial identity theft victims heal from the trauma of victimization.

Description

The memoir, *The Less People Know About Us: A Mystery of Betrayal, Family Secrets, and Stolen Identity* by Axton Betz-Hamilton, describes biological, emotional, and relational trauma familial identity theft victims can endure. This crime "occurs when a family member uses the personal identifying information of another family member without his or her consent to obtain something of value" (Betz-Hamilton, 2020; p. 220) and incidents are on the rise. Financial counselors, coaches, and educators are not often trained in trauma-informed approaches to assist clients who have experienced familial identity theft victimization. This practitioners' forum will help fill this knowledge gap by providing (a) an overview of trauma, (b) a description of the trauma associated with familial identity theft victimization, and (c) tools that can be used with clients to help them heal from the traumatic effects of familial identity theft victimization, including multiple forms of meditation, dietary strategies, immersion in nature, and animal therapy (Gordon, 2021).

This information will be presented in a lecture format, with anecdotal evidence of the effectiveness of these strategies with familial identity theft victims provided as examples. Participants will be asked to share their experiences in working with familial identity theft victims prior to the start of the session and will be asked to share their experiences using these and other tools at various points during the session. An electronic copy of the presentation slides, along with a handout providing an overview of each of the tools, will be provided to all participants. This practitioners' forum will be presented by an Accredited Financial Counselor who has published research on familial identity theft.

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Speaking of Spreadsheets: The Magic of Excel and Sheets for Aspiring Witches and Wizards

Todd Christensen, Money Fit by DRS Inc.

Key words: Excel, Google, Office, Sheets, spreadsheets, technology

Target Audience
Financial educators, counselors, and planners wanting a clear and fun introduction to using spreadsheets to simplify their work.

Objectives/Purpose
Are you afraid of the power of Excel? With 5-10 basic formulas and features, you could rock the world, or at least change your world! View this hands-on workshop to learn how to use Excel in spell-binding ways you never could imagine!

Description
An introduction to understanding, navigating, and using spreadsheets, whether Microsoft Excel or Google Sheets. Learn to enter, find, sort, and calculate data in spreadsheets to simplify your life. Walk away hopeful that spreadsheets can save you time and energy while also feel empowered to make a difference in your work.

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Disaster Financial Preparedness

Sara Croymans & Lori Hendrickson, University of Minnesota Extension
Brenda Long, University of Michigan Extension

Key words: disaster, financial capability, financial preparedness, strategies

Target Audience
Educators, counselors, and coaches working with individuals and families regarding disaster financial preparedness

Objectives/Purpose
The objective of this study was to determine the need for additional disaster financial preparedness resources. The purpose of this session is to identify current disaster financial preparedness resources and to share how the results of the focus group study were applied to webinars and workshops.

Description
There are limited resources that help individuals prepare financially for disaster. As a result of finding few resources for disaster financial preparedness, two Extension Educators conducted focus groups to learn about resources, information gaps and content necessary for individuals to become financially prepared for disaster.

Findings from the study informed the development of disaster financial preparedness strategies which were highlighted in direct-to-consumer webinars, including preparing finances, insurance, important papers, and a family plan for disaster preparation.

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Why Is Saving Money so Much Harder in Practice? Five Tools to Trick Yourself or Your Clients into Saving

Lucy M. Delgadillo & Erica Abbott, Utah State University

Key words: financial tools, savings, behavioral economics

Target Audience
This topic impacts the work of nearly all financial educators, advisors, counselors, planners, and coaches. Saving is a perennial issue in the financial field, and a ubiquitousdilemma in many households.

Objective and Purpose
This session has two primary objectives. The first objective aims to expand attendees' knowledge on saving behaviors.

For the second objective, we explore tools to trick ourselves or our clients into savings. Some of these tools help to promote saving by overcoming inertia.

Description
In this forum, we explore the disconnect that so many of us experience around saving money—we know we should, we would like to do it, we know it is important, but we tend not to. What are the forces at work that make saving so tricky? Perhaps people cannot save because their income is insufficient and strained. At the same time, we have seen cases where people in difficult situations can and do save. At times, saving can feel like a never-ending, uphill battle. To repeatedly build savings in this way requires people to sustain a great deal of motivation without faltering. That is a lot to ask in any context, but this seems especially difficult when balancing competing financial goals.

It can be helpful to think about our humanity to understand why saving is difficult. According to Ted Klontz, a financial psychologist and professor at Creighton University, saving is not engrained our DNA. He explains that it all goes back to when we were living in tribes. Because tribes operated communally, keeping what you didn't currently need made you look selfish—and could eventually get you kicked out. Similarly, if you saved your food from one dayto the next, you could get sick and die. Which means we did not pass the "savings gene" on in our DNA. While Klontz notes a small portion of humans, between 14% and 17%, are natural savers, it's simple to see why the rest of us are not wired that way. Besides our human nature, research indicates that we need a motive, we need to think in concrete terms, and we need to overcome the present and inertia biases

Once we have discussed the "human" aspects of savings in our introduction, we will explain five tools to trick our human nature, including using fintech. All tricks areinformed by behavioral finance literature. The five tricks or tools are (1) Power of pre-commitment (2) Using life-transition moments to your advantage, (3) Writing a letter to your future-self; (4) Scaring yourself: Using a free app to see your future self-aged 30-50 years, and (5) Pre-mortem technique.

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Human Trafficking and the Intersection of Financial Fraud and Debt Coercion

Richard Dunwoody, BA; M.Div Executive Director, Project Recover

Key words: human trafficking, fraud, credit, exploitation, debt, law enforcement

Target Audience

Debt Portfolio Managers, Risk Professionals, Credit Counsellors, Insolvency Administrators. Law Enforcement, Victim Services & Support, Sexual Violence Advocates

Objectives/Purpose

Following a proven model developed in Canada provide a blueprint for stakeholders to develop a process to survivors of human trafficking (commercial sexual exploitation) in addressing the financial fraud and debt burden they face post exploitation. The purpose of such a model is to ensure survivors are not revictimized or triggered.

Description

Developed in collaboration with financial service industry executives, legal professionals, credit counselling leaders, survivors and their advocates the model conforms to the generally accepted privacy, security of information, informed consent and governance policies of lenders.

Although the awareness of human trafficking in communities around the globe is common its impact in the financial fraud and debt portfolios of creditors is widely unknown.

The fraudulent financial schemes of traffickers' impact most all credit and debt instruments. Traffickers are sophisticated in having a broad knowledge of general credit granting and approval principles. There is an opportunity, through awareness, to train front line staff in identifying suspect instances of trafficking and report to law enforcement. Thereby saving a young person being trafficked.

Post exploitation survivors have historically faced repayment of fraudulent debt. Unaware of the exploitation, Creditors, collection agencies, legal professionals, and credit counselling agencies, have sought and obtained repayment of fraudulent debt. Transactional data combined with credit history provides a clear means to identify suspect trafficking cases and support for survivors. Transactional data, identifiably different in account behaviour is evident in all cases of human trafficking.

Understanding the transactional sets can be further leveraged by Fraud, Risk and AML groups in identifying suspect cases of trafficking within certain credit facilities.

Transactional data available within credit instruments is also a useful tool in certain instances to aid law enforcement in the prosecution of traffickers.

Key to the success of supporting survivors of human trafficking is understanding the behavioural characteristics of this vulnerable sector. Developing a survivor centric approach ensures survivors are not revictimized, retriggered or placed at risk by policies and practices of stakeholders in the debt recovery process.

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Survivor Safety Banking Guidelines: How Banks Can Disrupt Intimate Partner Violence in the U.S.

Amy Durrence, Esq. and Hye Sun Kim, MPP, FreeFrom

Key words: banking, economic abuse, economic justice, industry best practices, intimate partner violence (IPV)

Target audience

The target audience includes financial practitioners, educators, coaches, advisors, and researchers (including those affiliated with financial institutions).

Objective/Purpose

Attendees of this interactive session will acquire a better understanding of:

1. The intersection of financial insecurity and IPV;
2. The unique challenges that survivors face when they bank; and
3. How FreeFrom's Survivor Safety Banking Guidelines (created with and by survivors) have the potential to transform U.S. banks into supportive resources for survivors and their families.

Description

1 in 4 women and 1 in 2 trans people are subjected to IPV in the U.S., and the #1 obstacle to safety for survivors is financial insecurity. However, saving the money necessary for safety can be difficult, unaffordable, and dangerous for survivors. In fact, 48% of survivors report that a harm-doer has accessed, monitored, withdrawn from or otherwise controlled their bank account. This problem is worse for BIPOC survivors, who are 3x more likely than white survivors to report not having access to a safe bank account. 51% of survivors say they would seek support from a bank if they knew it was offered, representing an incredible opportunity for banks to help their survivor customers build and protect the financial security that they need for long-term safety. However, banks currently lack the expertise and training necessary to offer this support. To fill this gap, FreeFrom worked with thousands of survivors from across the U.S. to develop our Survivor Safety Banking Guidelines—a set of 11 actionable steps that banks can take to help their survivor customers get and stay safe.

Through an interactive workshop, we will introduce the audience to the challenges that survivors face when they bank as well as how our Guidelines can ameliorate these challenges and help survivors build the financial security they need to get and stay safe.

References

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Conflict Resolution for Elders: Mediation as a Tool for Resolving Relationship Conflicts Related to Financial Planning for Seniors

Marcy Einhorn, Conflict Resolution for Elders, LLC

Key words: conflict resolution, financial planning, impasse, mediation, seniors

Target Audience

The target audience for this session was financial planners and coaches who serve seniors, as well as researchers interested in the complex issues seniors face who are making financial life-cycle decisions.

Objectives/Purpose

Three objectives were met in this session:

- Participants were able to identify the pressures that may trigger a conflict between seniors and their family members or support team.
- Participants were introduced to mediation as a tool for resolving conflicts that arise during financial planning and coaching sessions.
- Participants explored various methods for breaking through any potential impasse in order to move the planning process forward.

Description

The first 10 minutes of the session were devoted to a discussion of the pressures that commonly trigger conflicts for seniors engaged in life-cycle planning, including a discussion about preservation of the senior's autonomy and consideration of the senior's capacity to participate in the proceedings.

The next 5 minutes of the session introduced the attendees to the definition of mediation and the basic concepts that distinguish mediation from other conflict resolution modalities.

The next 10 minutes included an examination of methods for breaking through the parties' resistance to a resolution.

The last 5 minutes were devoted to Q and A.

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Pirate Loot: Immersive Classroom Game that Helps Middle Schoolers Balance Saving and Spending

Luke Erickson, AFC, Ph.D. & Lance Hansen, MBA, University of Idaho; Gretchen Manker, MS; Amy Robertson, MS; Nikki Dalton, MS; Becky Hutchings, MS; David Callister, MS, Lyle Hansen, MS

Key words: digital, education, emergency, financial, game, happiness, savings, youth

Target Audience

This concurrent session is great for financial educators, Extension faculty, youth leaders and volunteers, and researchers interested in evaluating experiential learning. This program is developed specifically for middle school and junior high aged students. However, the adults who have participated in this program also report similar positive experience, and knowledge and intended behavior gains

Objectives/Purpose

The purpose of this program is to provide a fun and engaging activity as a stand-alone activity or to supplement third party curricula or lessons on understanding savings and saving behavior. It is designed to improve knowledge and actions of class participants related to the following objectives: Start saving at a young age; avoid premature affluence; involve parents in savings decisions; and plan for financial emergencies.

Description

Research on effective financial education indicates that opportunities for practical application, or "learning by doing," is vital (Carlson, 2014; Franklin, 2015; O'Neill, 2008) and that youth respond well to digital games in the educational process (deCos, 2015; Schuster, 2012). Digital games also have the ability to provide experiential learning opportunities of trial and error without putting learners at risk (Jones & Chang, 2014). In a recent study, Kahn (2015) found that 29% of Americans have no "liquid" or emergency savings at all, and about 60% of those surveyed had less than the recommended three months-worth of expenses in savings. "Pirate Loot" is a digital game, playable offline in a classroom/group setting, but can also be played individually. It was designed and developed by a team lead by Luke Erickson of University of Idaho Extension. Youth have responded exceptionally well to the program and instructors are often surprised at how easy the program is to facilitate.

The Pirate Loot program has been taught 32 times to a total of 1,425 youth participants, with 462 evaluations administered. Sampled participants were 38% Hispanic, 28% Caucasian, 10% native American, 3% African American, 1% Asian, 1 % Pacific Islander and 17% other. Participants were 54% Female and middle school aged. On a scale of 1 to 10 the participants averaged a rating of 8.64 for enjoyment and engagement. Participants reported a 29.94% increase in knowledge and 29.07% increase in positive planned behaviors. The majority of participants (69.29%) reported that they planned to share the program or content from the program with others. Participants self-estimated that they would save an average of $570.85 positive net increase to their own personal finances over time as a result of the content they learned in the program. Samples of qualitative data included statements such as: "This class has helped me be more confident to start saving money;" "I will save more money and talk to my parents about it;" "I loved doing this program it made learning these things fun;" and, "I plan to share this program with my siblings because it was very helpful." In summary, the Pirate Loot program successfully models scalable, game-based, experiential financial education and produced high levels of engagement, knowledge gain, and intended behavior change.

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Military Families Learning Network: Free Research-Based Resources for Financial Professionals

Selena T. Garrison & Martie Gillen, University of Florida

Key words: military, families, financial education, continuing education

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

Objective/Purpose
To provide attendees with research-based resources, including free opportunities for CEUs, that can be used in their work with clients, with a special focus on those who work with military service members.

Description
The Military Families Learning Network (MFLN), launched in 2012, is an active online teaching community comprised of Cooperative Extension faculty and military family service professionals from the U.S. Department of Defense (DoD), branch services, and non-governmental organizations. This federal government grant-funded program is a collaborative effort of Cooperative Extension, the DoD, and the National Institute for Food and Agriculture of the U.S. Department of Agriculture (USDA).

MFLN provides free resources in six concentration areas, including Community Capacity Building, Family Development and Early Intervention, Family Transitions, Military Caregiving, Network Literacy, Nutrition and Wellness, and Personal Finance. The Military Families Learning Network Personal Finance (MFLNPF) concentration area builds the financial management capability and educational background of financial counselors and educators, with special emphasis on the learning needs of military Personal Financial Management Program (PFMP) staff. Timely research-based information is presented through multiple methods including monthly webinars, a monthly newsletter, a blog with weekly posts, daily social media (Facebook and Twitter) posts, and a podcast.

The monthly webinars offer credentialed participants, including Accredited Financial Counselors (AFC), the opportunity to earn continuing education unit (CEU) credit at no cost, which allows them to keep their financial education and counseling professional designations in good standing. Since 2012, the Personal Finance Concentration Area has granted more than 30,000 CEUs to over 20,000 personal finance webinar participants through the delivery of 125 online webinars. More importantly, it has built the capacity of financial practitioners to serve those who defend our country. By offering quality educational programming online, the MFLNPF team accommodates the needs of PFMP staff that may be located on military installations anywhere in the world. These individuals are typically civilians employed by the military to provide financial education and counseling to active-duty military, their family members, and military service retirees.

The topics and content of MFLNPF web conferences are derived from suggestions made by web conference participants on post-conference online evaluations. Each MFLNPF web conference is evaluated by participants utilizing an anonymous survey. Consistently, a very high percentage of respondents have found the content of MFLNPF web conferences to be directly relevant to their work. Respondents have reported increases in their knowledge of subject matter presented and intentions to apply knowledge gained to their jobs. They have also indicated they are better prepared to teach clients about subject areas covered in MFLNPF programming. The team will share best practices and lessons learned.

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Resources for Practitioners Assisting Families Concerned About Memory Loss

Marsha Goetting & Jennifer Munter, Montana State University

Key words: Alzheimer's, caregivers, legal and financial, dementia, storybooks

Target Audience
Practitioners and educators whose client families are facing memory loss.

Objective/Purpose
The purpose of this paper/session is to share with financial practitioners' ideas for assisting families with legal and financial decision-making when a family member has Alzheimer's disease.

Description
Alzheimer's disease is rapidly growing across the nation. According to the Alzheimer's Association, one in three seniors dies with Alzheimer's or another dementia. Alzheimer's and dementia deaths increased by 16 percent during the COVID-19 pandemic.

MSU Extension developed four types of educational approaches in collaboration with the Montana Chapter of the Alzheimer's Association and the Montana Alzheimer's Workgroup: 1.) a MontGuide (fact sheet) for caregivers; 2.) a placemat with quizzes for Senior Centers; 3.) a legal and financial packet for caregivers; and 4.) a storybook program for parents who want to help young children develop an understanding of Alzheimer's disease.

MontGuide Fact Sheet: Practitioners who are concerned about assisting families impacted by Alzheimer's disease could share a MontGuide providing state specific legal and financial information to families. The MontGuide relates the situations of three couples who face memory loss. The first explores the documents a couple could consider and implement while the wife is in the early stage of Alzheimer's and has legal capacity to sign documents. The second situation examines what documents to consider if a spouse is in an advanced stage of Alzheimer's. The third situation explains actions adult children could face with when both parents have Alzheimer's or other form of dementia.
https://store.msuextension.org/publications/FamilyFinancialManagement/MT202005HR.pdf

Placemat with Alzheimer's Facts and Figures: Practitioners could increase their visibility by providing a placemat that includes their business card facsimile and information about Alzheimer's in a question-and-answer format. The Montana Chapter of the Alzheimer's Association utilized placemats for their lunch and learn programs. Senior Citizen Centers used the placemat during noon hour meals until they closed because of COVID 19. https://alzheimers.msuextension.org/placematfillinblank2020.pdf

Packet of information: Practitioners could make a packet of information available to their clients containing state specific information about legal documents such as financial and health power of attorney, and providers orders for life-sustaining treatment (POLST).
https://alzheimers.msuextension.org/concernedaboutmemoryresources.html

Storybook program: Practitioners could provide storybooks about Alzheimer's to their clients for reading to their children to help them develop an understanding about Alzheimer's disease. A grant from the Montana Geriatric Center and Montana Community Foundation allowed MSU Extension to offer one free book and reading guides to Montana parents, librarians, and activity directors at nursing homes. MSU

Extension sent over 170 books across the state. The authors will conduct an evaluation during October 2021. https://alzheimers.msuextension.org/parentmaterials/index.html

Impact/Value to the Field

Financial practitioners can offer value-added educational materials targeted to families impacted by Alzheimer's disease. Regardless of the method they chose, financial practitioners will find families are grateful to those who have recognized their challenges and are trying to help. These families will appreciate support and empathy from financial planners and educators who recognize the challenging and often heartbreaking journey as their loved one passes through the early to final stages of Alzheimer's disease.

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Volunteer-based Mentoring Leverages Financial Education and Coaching Outreach

Emily Harmon, Brooke Shrewsbury, Kathryn L. Sweedler & Camaya Wallace Bechard, University of Illinois Extension, University of Illinois Urbana-Champaign; Sasha Grabenstetter, MS, AFC®, eMoney Advisors; Kyle Kaminski, Jilei Lin, Yifan Sun, Siqi Wang & Michael Zhuang, University of Illinois Urbana-Champaign

Key words: financial coaching, financial education, volunteers

Target Audience
Financial professionals interested in learning more about successful financial coaching and education programming, as well as those who want to leverage volunteer relationships as an approach to provide outreach education to more people interested in this topic.

Objectives/Purpose
The presentation explores best practices for training volunteers, as well as the pros and cons of working with volunteers. It also provides results from pre and post evaluations to show the impact of this program. Conference attendees are challenged to think outside the box to consider the potential role of volunteers in their organization.

Description
When someone is living with little discretionary money or starting their adult lives, who can they turn to for help to improve their financial well-being? While family members are often a primary source of financial advice, many individuals do not feel comfortable asking for advice. Too often, family members practice poor financial behaviors themselves. Paying for financial coaching is not always a reasonable option, and access to informed, unbiased financial information is lacking in many communities, especially rural areas.

Eight years ago, a volunteer-based education and coaching program was launched. Since that time, the training curriculum has evolved to be a flipped classroom style utilizing a combination of asynchronous and synchronous online training modes; over 240 volunteers have completed the 30-hour training. Training focuses on applying the transtheoretical model of behavior change to finances (as described by Shockey & Seiling, 2004), understanding money management principles, and a strong emphasis on communication and coaching strategies.

Participants who want to improve their financial well-being register for help and are matched with a volunteer. Participants and volunteers meet to work on specific financial goals such as control spending, manage debt, organize finances and save for future priorities. After the first and last meeting, volunteers respond to a survey to describe participants' goals and progress. Using a modified logistic regression analysis (with 95% confidence), data gathered from the volunteers indicates that this evidence-based program leads to more positive financial behaviors by the participants such as using a spending plan, tracking expenses, and saving money for emergencies. Statistical evidence also shows that the participants decreased debt levels. The evaluation's results support the use of volunteers to provide financial education and coaching in communities lacking access to unbiased, low-cost financial professionals.

Meeting this unmet need is a challenge and concern to financial educators across the country. Financial education and coaching by volunteers is an option that deserves to be further explored. Exploring strategies that incorporate volunteers into more organizations and work environments is an essential piece of this presentation.

In addition, further research into what makes one volunteer more effective than another at affecting behavior change is highly needed. Another research question to consider is why some participants leave coaching relationships before reaching their goals.

Reference

Shockey, S. S., & Seiling, S. B. (2004). Moving into action: application of the transtheoretical model of behavior change to financial education. *Journal of Financial Counseling and Planning, 151*(1), 1-12.

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Free Retirement Planning Tools for Mere Mortals

Bill Hines, AFC® at Money Coach Group Inc, Investment Advisor Representative at Emancipare Investment Advisors LLC

Key words: retirement planning, Social Security, investment advice

Target Audience

The target audience for this presentation is financial counselors who are asked to help clients with retirement education, guidance, planning, or advice.

Objective/Purpose

The primary purpose of this virtual presentation is to provide practitioners with knowledge about free, publicly available tools to help their clients make strategic decisions about when to collect Social Security, how much to draw down from their nest egg, taxes, when to do Roth conversions, and other important retirement decisions. A secondary purpose is to make counselors aware of when they would be crossing the line into financial advice, which is illegal and could result in severe penalties or lawsuits.

Description

The decision to retire, as well as those surrounding retirement (such as when to collect Social Security) is a big one. As financial counselors, our clients are often those who have made mistakes in this area, and are currently experiencing financial difficulties due to those mistakes. Our skills and standard practices can help to some extent.

By making clients and counselors aware of tools that can help avoid those bad decisions, we can mitigate the problem before it happens, and sometimes help to provide relief if it already has.

Counselors must be cautious to stay within the guidelines of our role in this area - that of providing education, and avoid straying into providing anything that can be construed as financial advice in any way. The line can be fuzzy. For example, recommending that someone collect Social Security at a certain age, or start pension or annuity payments, is considered financial advice even though it has nothing to do with stocks and bonds.

There are many financial planning tools available for free on the internet. Considering the subject matter and type of data entered, it's a minefield of malware and scams. By knowing which are reliable and high integrity, counselors can guide their clients to them and provide education as to their use.

Impact/Value to the Field

Information shared in this virtual presentation will help enable financial counselors to toe the line between educating and guiding their clients in this area without exposing themselves or their employers to penalties or lawsuits. It may help their clients to make better decisions in regard to retirement, and avoid retiring too early (resulting in financial stress) or perhaps working longer than they need to.

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Using an Online Book Club as an Educational Tool in Retirement Planning

Nichole Huff, University of Kentucky & Barbara O'Neill, MoneyTalk

Key words: retirement planning, financial education, online education

Target Audience

The target audience for this presentation includes financial counselors, planners, and educators who work with clients in any group capacity.

Objective/Purpose

This practitioners' forum will showcase a recent educational program success story that highlights how an online book club can be a useful tool when educating clients on retirement planning. Specifically, a three-week "Book Club" webinar series on retirement planning was hosted by the Kentucky Cooperative Extension Service. The series featured the book, *Flipping a Switch: Your Guide to Happiness and Financial Security in Later Life*, by Dr. Barbara O'Neill. Presentation objectives include advancing practitioner impact by expanding attendee knowledge, skills, and ways of thinking toward creative, interactive educational formats.

Description

A three-week "Book Club" webinar series on retirement planning was hosted by the Kentucky Cooperative Extension Service. The series explored the book, *Flipping a Switch: Your Guide to Happiness and Financial Security in Later Life* by Dr. Barbara O'Neill, which describes 35 transitions that older adults experience in later life. The series was hosted by Dr. Nichole Huff, Extension Specialist for Family Finance and Resource Management, and featured financial education entrepreneur, Dr. O'Neill, as the primary presenter.

The Kentucky Family and Consumer Sciences (FCS) Extension Service purchased 200 copies of *Flipping a Switch* and distributed them statewide to preregistered participants through county Extension offices. Participants were emailed a reading guide and invited to attend three, one-hour online weekly sessions organized by the book's main sections: Financial, Social, and Lifestyle Transitions.

Participation in the book club ranged from 74 to167 per week, with an average weekly attendee count of 122. Participants also were invited to join a private Facebook group where they could engage more with one another and Dr. Huff on the retirement-related topics discussed each session. The Facebook group included 147 active members, with 288 engagements during the series (i.e., reactions, comments, shares). The Kentucky FCS Facebook page reported an additional online reach of 12,428 from its wider audience on book club posts related to retirement planning and education.

Impact/Value to the Field

The purpose of the book club was to find a novel way to educate clientele about retirement planning during the COVID-19 pandemic when face-to face programming was not possible. The National Institute on Retirement Security (2021) found that two-thirds of Americans say the nation faces a retirement crisis, with 56% concerned they will not be able to achieve financial security in retirement. COVID-19 only exacerbated this problem as 51% of Americans reported increased concerns about finances in later life. Further, 70% agreed that workers do not have the financial skills necessary to manage their money in retirement.

As financial practitioners, educators, and researchers, it is vital to seek creative ways to attract, engage, and educate audiences on topics related to retirement preparation and navigation. This presentation will highlight efforts to utilize an online book club as an educational outreach method. Outcome data collected at the conclusion of the three-week series will be discussed, along with lessons learned and suggestions for replicating efforts with similar financial topics. As an example, 86% of program participants reported discussing the material with someone outside of the webinars or Facebook group, suggesting a social multiplier effect may exist. In addition, a program participant who directs the University of Kentucky Alumni Career Services office asked Dr. O'Neill to present a one-hour lecture about the book to her constituents, another multiplier effect.

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Three Needs to Succeed in Financial Management

Alena Johnson, Alana Stowe, & Cindy Stokes, Utah State University

Key words: Financial Needs, Financial Counseling, Financial Coaching, Financial Planning

Target Audience
Financial Professionals

Objective/Purpose
Financial counselors, coaches, and planners have long known that it was important to learn about and respect their clients' values. Looking at the three essential needs with clients can be a different way to connect with clients about values.

Description
Financial Professionals try to help individuals become more successful and feel fulfilled by managing their money effectively. Based on research by Hanson (2016), financial professionals could be aware of and even include three needs to succeed and flourish in life. Doing so will likely help clients thrive when implementing new money management behavior. The three needs are to feel safe, to have satisfaction, and to connect. What would happen if financial professionals planned for and incorporated the three essential needs as part of goals, strategies, and action plans?

Safety. Everyone needs to feel physically and emotionally safe, including having our basic living and survival needs met. This need is perhaps the easiest one to include in counseling, coaching, and planning. Financial professionals can look at helping individuals feel secure about the following: retirement, emergency funds, debt management, identity theft prevention, insurance, and income. Although these topics are usually covered with clients, it might help to address the need for safety specifically by asking, "What do you need in your life to feel safe?" Another way to look at the need for safety is to consider if clients need to purchase anything to feel safe. Some clients may feel the need to purchase home security systems or new tires for a car.

Satisfaction. The need for satisfaction can include not only fun, pleasure, excitement, having a lot of friends, etc. but can also include another type of satisfaction such as serving others, contributing to a cause, or even learning something new. Financial professionals can help clients brainstorm lower cost ideas for fun and excitement and also discuss the feelings of satisfaction that can come from doing activities that don't cost money. Helping clients connect their values to low cost activities and entertainment could potentially boost the amount of satisfaction they experience from their activities. Financial professionals may also try to learn what is keeping clients from feeling satisfied with their financial management. Modifying the Miracle Question could work effectively by asking a client, "If you woke up in the morning and all your financial problems had miraculously resolved and *you felt completely satisfied* with your financial situation, what would that look like?" Could financial professionals not only help clients enjoy life, but also feel self-satisfaction because of their money management skills and their financial situations? It is worth considering.

Connection. Many people may feel the need to spend money to connect with people they love such as going on dates with a partner, traveling to visit grandchildren, or buying gifts for someone they love. As part of brainstorming solutions or strategies to accomplish goals, financial professionals could ask clients, "What are some low-cost ways you can think of to connect with people who are important to you?" A different and possibly less considered way to connect with someone is to connect through practicing money management skills together. Couples could create and work on establishing a workable budgeting system. Doing so may also tie back to feelings of satisfaction. Couples or parents and children could have financial talks and share financial dreams and goals. Partners could look at their growing savings and investing statement balances, again, feeling satisfaction that their hard work is paying off. Parents and children could post pictures of their financial goals in a common area of their home and track their savings in a visual way that would help children connect their contributions to accomplishing a goal.

Reference

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Understanding Data Representation of Diverse Perspectives and Voices

Jill N. Jones, Ph.D. & Amy Marty Conrad, AFC ®, National Endowment for Financial Education

Key words: assessment, cultural sensitivity, evaluation, measurement, survey

Target Audience

Researchers or practitioners who use or reference materials that include survey scales, such as scales that measures attitudes, behaviors, knowledge, or confidence.

Objectives/Purpose

The presenters will present new data on survey scale reliability and validity in this session. The presenters will translate this technical research into practitioner-friendly terms so that practitioners and researchers may better identify high-quality and low-quality survey questions and scales. In addition to displaying fundamental markers of high-quality and low-quality survey questions and scales, the presenters will articulate the importance of scale sensitivity for diverse populations. We cannot assume that all questions and scales universally measure and mean the same thing for diverse populations, and we must test and be aware of those assumptions as consumers of research and scales.

Description

Researchers and practitioners use survey questions to understand the financial experiences of individuals--for example, to document the effectiveness of programs or interventions or to understand relationships between background characteristics (e.g., gender, race/ethnicity) and financial well-being. For this overview, we use the phrase "survey scales," which refers to a group of survey questions on a specific topic; often, questions within a scale may seem redundant. It is essential that researchers and practitioners exercise caution and raise questions about whether survey questions measure what they intend to measure and understand the limitations of the survey questions for research and practitioner use.

The study is grounded in collecting and describing the properties of survey questions and survey scales. Although some researchers are trained in the appropriate techniques and steps to produce valid and reliable survey items and scales, many individuals create scales without the requisite professional training. This challenge is not unique to individuals studying financial education and well-being, but all disciplines where survey methodologies are utilized. Moreover, given the increased use and accessibility of free and low-cost survey platforms, the proliferation of new survey scales and questions has emerged across many disciplines over the past couple of decades. If users do not appropriately vet survey scales and questions, we may see invalid assessments, conflicting research findings, research that lacks cultural sensitivity, and unsubstantiated claims about research or evaluation findings. For these reasons, researchers and practitioners must use caution as they reuse survey questions and scales for their evaluation, assessment, or research purposes.

Researchers collected detailed information about the reliability and validity of 60 measurements that focus on aspects of the Personal Finance Ecosystem--for example, questions that measure financial well-being, knowledge, confidence, attitudes, and behaviors. For this presentation, we will aggregate and briefly summarize key findings from this dataset and highlight trends and limitations of the survey scales that measure aspects of the NEFE Personal Finance Ecosystem. After presenting this summary, we will present information about how users, including practitioners and counselors, may discern between high-quality and low-quality scales and the scales' applicability to diverse audiences.

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Combat Zone Tax Exclusion Contributions to the Thrift Savings Plan (TSP)

Mei Shan Josephine Kammer, AFC®, AWMA®, CRPC®, Federal Retirement Thrift Investment Board

Keywords: Combat Zone Tax Exclusion pay, CZTE, Roth TSP, Thrift Savings Plan, traditional TSP., TSP

Target Audience

Personal financial program managers (PFMs), educators, and counselors working in military environments.

Objectives/Purpose

The TSP is the federal government's defined contribution plan for federal employees and uniformed service members. The objective is to equip the military financial program managers, counselors, and educators with adequate knowledge on combat zone tax exclusion contributions to the Thrift Savings Plan (TSP). The information will serve as a foundation for practitioners to build their own TSP education curriculum to enhance the Servicemembers' TSP learning experience.

Description

Elective Deferral Limit 402(g) - Contributions made from taxable pay to the Traditional TSP (tax-deferred) and Roth TSP (after-tax) are subject to the Internal Revenue Code (IRC) section 402(g) Elective Deferral Limit. The combined total of both tax treatments during the calendar year cannot exceed the elective deferral limit. The elective deferral limit does not apply to traditional contributions made from tax-exempt pay earned in a combat zone. If servicemembers make tax-exempt Roth contributions and reach the elective deferral limit while in a combat zone, they may only make tax-exempt Traditional contributions for the rest of that year. For TSP participants who contribute to both uniformed services and a civilian TSP account, the combined total contributions count toward the elective deferral limit of 402(g) for the calendar year. Elective deferrals do not include Agency/Service Automatic (1%) or Agency/Service Matching Contributions.

Annual Additions Limit 415(c) - The IRC annual additions limit 415(c) is an annual per-employer dollar limit that limits the total amount of all contributions that can be made by a participant or on behalf of a participant to the TSP. The following types of TSP contributions count toward the annual additions limit 415(c):

1. Participant Contributions of Traditional (tax-deferred) made from taxable pay and tax-exempt pay.
2. Participant Contributions of Roth (after-tax) made from taxable pay and tax-exempt pay.
3. Service Automatic Contributions (1% of Basic Pay).
4. Service Matching Contributions (maximum 4% of Basic Pay).
5. Special, Incentive, and Bonus Pay (Continuation Pay is Bonus Pay, tax-exempt if received in the combat zone).

Contributions made from tax-exempt pay to Traditional TSP only count toward the annual addition limit 415 (c) and do not count toward the elective deferral limit 402(g). Contributions made from tax-exempt pay to Roth TSP count toward both the elective deferral limit 402(g) and the annual addition limit 415 (c)). For 415(c) purposes, working for multiple federal agencies or services in the same calendar year is considered having one employer.

Catch Up Limit 414 (v) - The IRC catch-up contribution limit 414 (v) is an annual dollar limit for participants Aged 50 and over, and it is separate from the elective deferral limit 402 (g), and the annual additions limit 415 (c). When Servicemembers receive combat zone tax-exempt pay, Roth contributions are allowed toward the catch-up limit 414 (v). The TSP cannot accept traditional tax-exempt contributions toward the catch-up limit 414(v).

Blended Retirement System (BRS) – BRS members should learn the correct ways to manage their TSP contributions to maximize the Service Contributions and avoid missing any Matching Contributions. We use a scenario to demonstrate how the different annual limits apply in a year with three periods and the impact upon the Service Contributions:

1. Before deployment.
2. During deployment in the combat zone.
3. After deployment.

Reference

Thrift Savings Plan. (2021). *Managing your account for members of the uniformed services.* https://www.tsp.gov/publications/tspbk34.pdf

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Managing Beneficiary Participant Accounts in the Thrift Saving Plan (TSP)

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Key words: beneficiary participants, beneficiary participant account, diversified TSP investment funds, flexible tax treatments, flexible withdrawal options, lifecycle funds, required minimum distributions, Roth TSP, spouse beneficiary, tax-deferred growth, thrift savings plan, traditional TSP

Target Audience

Personal financial program managers (PFMs), educators, and counselors working in military environments.

Objectives/Purpose

The objective is to equip the military financial program managers, counselors, and educators with adequate knowledge of the Thrift Savings Plan (TSP) Beneficiary Participant Account (BPA) to help surviving spouses acknowledge the options available to manage the inheritance from their deceased spouses' TSP account. The information will serve as a foundation for practitioners to build their own TSP education curriculum to enhance the Servicemembers' and spouses' TSP learning experience.

Description

The TSP is the federal government's defined contribution plan for federal employees, uniformed service members, and spouse beneficiaries.

TSP will establish a BPA for the spouse beneficiary inheriting $200 or more of a deceased participant's TSP account. BPA has the same low administrative expense as TSP participants. When the BPA is first established, the entire balance is invested in the age-appropriate Lifecycle (L) Fund targeted most closely to the year the spouse beneficiary turns 63 (of the L Income Fund if age 62 or older). This investment remains in place unless an interfund transfer is made. The L Funds are invested according to a professionally designed mix of stocks, bonds, and Government securities based on the time horizon. After the BPA is established, the spouse beneficiary can make their own decisions about the investment mix by choosing from the individual TSP investment funds (G, F, C, S, and I Funds).

Traditional (pre-tax) balance of BPA grows tax-deferred until withdrawal. Roth (after-tax) contributions are tax-free at withdrawal because taxes have already been paid. The earnings on those contributions will also be tax-free at withdrawal if five years have passed since January 1 of the calendar year in which the deceased spouse first made a TSP Roth contribution. Spouse beneficiaries do not have to withdraw money from the BPA and can keep the money in the TSP until they need it. There are three basic methods of withdrawing money from BPA: TSP installment payments (monthly, quarterly, and annual), single lump sum withdrawals, and annuities.

If the BPA has both Roth and traditional money, spouse beneficiaries can choose to have the payment coming from either balance or pro-rata (proportionally) from both balances. For installments, the payments will continue after the chosen balance runs out. At that point, the payments will begin coming from the remaining balance.

Combining BPA money into an existing TSP participant account will be treated as an employee contribution. Still, it will not be subject to the Internal Revenue Code (IRC) annual elective deferral limit. Once combined, the BPA money will be subject to the rules that govern the gaining account. Funds in

BPA resulted from tax-exempt contributions cannot be transferred into the spouse beneficiary's TSP participant account. For single withdrawals and fixed-dollar-amount TSP installment payments expected to last less than ten years, spouse beneficiaries can also transfer payments to an IRA or eligible employer plan.

Spouse beneficiaries can also wait until the Required Minimum Distribution (RMD) per Inland Revenue Service (IRS) rules based on life expectancy.

Reference

Thrift Savings Plan. (2021). *For beneficiary participants*. https://www.tsp.gov/for-beneficiary-participants/

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Strategies for Financial Counselors and Therapists: Lessons learned from the TOGETHER program

Jinhee Kim & Mariana Falconier, University of Maryland
Tanya Thomas, Nikki Pruett, & Vivian Anaya, Family Services, Inc.

Key words: couple relationships, financial and relationship education, communications

Target Audience
Financial educators, financial counselors, coaches, and other professionals currently working or interested in working with couples under financial stress.

Objective/Purpose
This session provides an overview of the TOGETHER program. Financial facilitators will share the benefits and opportunities of delivering relationship and financial education programs with therapists for couples in group sessions. AFCs will share working with therapists and provide recommendations for AFCs. The session will also share strategies for working with Latinx couples in the relationship and financial education.

Description of Content and Method
Financial stress has several adverse consequences on couples and families (Falconier and Jackson, 2020). Experiencing high levels of financial stress can increase risks for couples' communications, stress management, relationship conflicts, and financial management (Kim et al., 2017). TOGETHER is a couples' program that integrates relationship and financial education (Falconier, 2015). The relationship component is an adoption of the Couples' Coping Enhancement Training (Bodenmann & Shantinath 2004) to enhance couples' communication, stress management, relationship satisfaction, and financial management. The overall goal of the TOGETHER program is to improve: individual psychological well-being (e.g., decreased anxiety) and coping (e.g., increase planning); financial individual well-being (reduced financial stress) and coping (e.g., acceptance of current financial situation); relationship functioning (e.g., improvement of conflict management); and financial self-efficacy and financial management behavior (e.g., budgeting, credit management). The curriculum was also adapted, translated, and implemented for Spanish-speaking couples. The TOGETHER curriculum was initially delivered in eight sessions for 20 hours and subsequently modified for six sessions for 14 hours. Both a Marriage and Family therapists (MFT) and an Accredited Financial Counselor (AFC) facilitate workshop sessions together for couples in a group format. Facilitators complete a fidelity checklist every session and attend live supervision sessions every other week (4 times for 8-session workshop; 3 times for 6-session workshop) performed by an MFT supervisor and an AFC supervisor. Financial counselors who serve as facilitators of the TOGETHER program will share the benefits of the curriculum, including (1) development of communication skills, (2) understanding challenges with money and emotions, (3) stress management individually and as a couple. Relationship components of the curriculum enhanced the financial management section. Another benefit was working with MFT, who has extensive expertise in managing couples in a safe environment, dealing with emotions and relationship issues around money, and managing difficult couple situations. Therapists also help couples build the foundation to deal with their financial matters. Cross-learning experiences between two professions have been documented. Couples have unique advantages of managing emotional, relationship, and financial issues simultaneously in group sessions facilitated by an MFT and an AFC. Peer sharing and peer support have a positive impact on couples. Experienced supervisors who conduct bi-weekly group supervision have

provided clinical and technical feedback and facilitated peer review and shared knowledge among financial counselors and therapists.

Impact/Value to the Field

The TOGETHER curriculum uniquely addresses both financial and relationship skills for couples by two professionals – financial counselors and therapists. The program's implementation has insights for financial counselors and educators who may be interested in working with couples, individuals, and families with emotional issues and working with other professionals such as therapists.

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Financial Counseling for Former Prisoners: A 2021 Case Study

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Key words: case study, financial counseling, financial education, incarceration

Target Audience
The target audience for this presentation is financial counselors, coaches, and educators who have an interest in supporting formerly incarcerated individuals in a deliberate, informed, and authentic way.

Objective
The objective of this presentation is to describe the Release Counseling Continuation Program, share the financial results of the participants in the program, and identify qualitative themes that emerged during the counseling sessions. This program was piloted with two individuals during the spring of 2021 in partnership with Healing Broken Circles, an organization based in Columbus, Ohio that provides opportunities to heal, learn, and thrive for those touched by the justice system.

This program provided a small amount of funds ($2,500 paid in two instalments) to each individual to establish savings and financial security during his transition, plus six counseling sessions with an accredited financial counselor (AFC) to provide individualized support and guidance as these individuals navigated employment, housing, and cash flow challenges upon release.

Description
This presentation introduces audience members to the two individuals who participated in the Release Counseling Continuation Program following their incarceration. It describes the program in detail and shares quantitative and qualitative results of the program.

- Both participants increased their awareness of expenses.
- Both individuals increased their savings by $3,200 and $400 despite unexpected expenses and life complications during the counseling process.
- Both individuals decreased their debt by $600 and $1,500. One individual also increased his credit score by about 250 points.

Participants also share the aspects of the program they found most impactful in their own words including “the importance of tracking my money” and “teaching me to be prepared.” One participant goes further to share the increase in control he feels as a result of the program, “Let me tell you the effectiveness of this program… The feeling at the beginning of the program; I felt like I didn’t have too much control. That is not a thing anymore. Now quite the opposite. Now I have extreme control.”

The AFCPE “believes in a future where all people — regardless of income or background — are empowered to achieve lasting financial well-being through the highest standards of financial counseling, coaching, and education.” This presentation empowers those financial counselors and coaches to understand the practical application of one such program serving recently incarcerated individuals. The findings from this program will support other financial counselors and coaches in working with formerly incarcerated individuals as they transition out of prison, furthering AFCPE’s goal of empowering all people to achieve lasting financial well-being.

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Money Minute: Financial Education in the Time of COVID-19

Barbara Metzger, Ann Berry, Christopher Sneed, Marci Hethmon, Shelly Barnes, Donna Calhoun, Tracy Hagan, University of Tennessee Extension, & Karen Jones, Tennessee State University Extension

Key words: consumer economics, covid-19, money, pandemic, social media

Target Audience

Families struggling due to the Covid-19 pandemic are the target audience for the Money Minute series. However, the information presented is useful to any household wishing to increase their financial management skills.

Description

To help families struggling financially while capitalizing on individuals' newfound at-home time, we developed a series of money management videos called Money Minute. Each Money Minute video offers a small piece of research-based information, additional resources, and a call to action motivating individuals to adopt a specific money management practice. The videos cover nine consumer economics topics, including credit, budgeting, insurance, children and money, emergency preparedness, frauds and scams, and legacy planning. The series topics were identified by our team as topics relevant to local communities during the COVID-19 pandemic.

Filming, editing, and launching a video series with team members spread across the state had its challenges. However, we felt it was important for the videos to feature local educators as they would resonate with families in local communities across the state.

The following steps were used to create the videos: **Select topics.** The educators on our team were given freedom to select financial topics they felt were most important. **Script.** Educators drafted scripts for the information they wanted to share. The scripts were submitted, refined and edited to keep the videos to 1 minute. **Record.** At the time of production, the educators were working remotely. They recorded their videos using Zoom. The recordings were sent electronically to the state staff for further editing. Zoom proved to be an easy and accessible tool for recording brief educational content. **Create consistency**. Each video was edited to create a consistent look. An introduction slide that was the same for all videos was added to the beginning. Similarly, we used the same conclusion slide to end all the videos. **Familiarize staff and launch**. An email was sent to all educators unveiling the video series, listing video topics and timeline for release. The videos were launched through our social media channels. **Evaluate and refine**. Social media metrics were used to evaluate the reach of the videos.

Objective/Purpose

The primary purpose of the videos was to provide research-based financial information during this time of financial hardship. Each video offers a small piece of research-based information, information about additional resources, and a call to action motivating individuals to adopt a specific money management practice.

The Money Minute videos have garnered a reach of over 6,000 people on Facebook, including 650 engagements and 155 shares. The videos have increased traffic across all our social media platforms. Facebook post reach has increased significantly, gaining 271 additional page followers doubling the site's previous reach. The videos have been viewed 140 times on our Pinterest page and have been viewed 469 times on our YouTube channel, with a total watch time of 65.4 hr. and addition of 30 new subscribers.

The Money Minute video series has proved effective reaching and engaging clientele during a global pandemic and financial crisis.

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Research snapshots: Telling the research story in 3 minutes with 1 slide

Katherine S. Mielitz, Oklahoma State University; Mary Gatti, Oklahoma State University; Sara Croymans, University of Minnesota; Eric Ludwig, Kansas State University; Marilla Kortesalmi, University of Applied Sciences; Joyce Serido, University of Minnesota; Shelitha Smodic, Kansas State University; Catherine Solheim, University of Minnesota; Katherine Vasquez, University of Florida

Key words: Research to practice, bridging the gap, public scholarship, storytelling

Target Audience
Practitioners, Educators, and Researchers

Purpose
The purpose of this dynamic session is multi-fold. First, practitioners and educators will hear the origination and findings of research in an easily-consumable format. Leaders in numerous fields use research to help guide decision-making (e.g. Petryni, n.d.; Shafer, 2016). Secondly, researchers will effectively communicate their work in a condensed, easy-to-understand story that non-researchers can understand. In order to make informed decisions, practitioners must be able to understand, and relate to research (Brownell, Price, & Steinman, 2013). Finally, this break-out session will contribute to the ongoing efforts of AFCPE® to bridge the gap between research and practice through methods. This is the third offering of the Research Snapshots Breakout Session.

Description
Facilitated by the AFCPE® Bringing the Gap Task Force, this session will be a highly-coordinated, rapid succession of 6 diverse researchers presenting a snapshot of their 2020-2021 *Journal of Financial Counseling and Planning* articles and 2021 Symposium presentations. Each presentation will be limited to three minutes using creative storytelling, everyday language, and a single PowerPoint slide. This simplified and succinct communication style has been shown to be impactful in engaging audiences and providing relevant research in a manageable format for researchers and non-researchers alike. Over 600 universities in more than 65 countries have adopted a similar format for a contest known as the "3MT" (Three-Minute Thesis), developed by The University of Queensland in 2004. The audience will have an opportunity to engage with researchers after the facilitated session both generally and in Zoom breakout rooms.

Accepted presenters in alphabetical order:

Sara Croymans: Disaster financial preparedness
Research to Practice Title: *Disaster financial preparedness*

Eric Ludwig: How investors reacted during COVID-19
Poster Title: *Investor behavior in a non-investment crisis: Impacts of COVID-19*

Marilla Kortesalmi: Talking—acting—thinking: Financial capability process of vulnerable consumers
Research Title: Evolving financial capability of vulnerable consumers in day-to-day practices

Joyce Serido: Make money make $ense
Research to Practice Title: *Make money make $ense*

Shelitha Smodic: Race and financial well-being
Research Title: *Race and the CFPB financial well-being scale*

Catherine Solheim: I have little money but I'm rich
Research Title: *Integrating community cultural wealth in Financial Education Design and Practice with Immigrant Families.*

Katherine Vasquez: Less is not more: First-generation college student financial literacy
Research Title: *A first-generation college student financial literacy needs assessment.*

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BAH Running Out... Now What? How Can We Help as Practitioners?

Paula Mucci, AFC®, FFC®; Edna Forero, AFC®, FFC®, MA; Dee Gardner, AFC®

Key words: BAH, college, financial stress, GI Bill, military educational benefits, student loan debt

Target Audience

Our target audience is all professional AFC®s, FFC®'s, CFP®s, college research students, and AFC® candidates. We believe any financial counselor in any field of practice may benefit from our presentation when helping military-affiliated students at each stage of their life: while in the military learning about military benefits, while planning to go to college, upon entering college, during college, and after. From our combined experiences, we believe this topic is critical to successfully serving clients and advancing practitioners' ability to help anyone in the military life-cycle and/or their GI Bill beneficiary. We have confidence this will also strengthen client relationships with those who have sacrificed so much for us. (Hereinafter, when we refer to the military, we are encompassing all Branches of Service and all stages of the military life-cycle: active-duty, transitioning service members, reservists, National Guard members, and veterans).

Objectives/Purpose

Our goal is to help reduce student loan debt amongst GI Bill users and ensure they complete their degree/educational program; especially if the full GI Bill benefit is available. This presentation will help practitioners working with the military in every stage of their college career, with the ultimate goal of graduating debt-free (reduced debt). The target audience can use this information and its resources to offer financial counseling and coaching to help empower their clients and reduce their financial stress.

Description

As practitioners, we are getting together to bring to light the unspoken, life-altering issues we see with reservists, National Guard members, veterans, and their beneficiaries when using GI Bill benefits inappropriately and without proper guidance. Many of our military members and beneficiaries do not understand, nor foresee the implications in loss of income when Basic Allowance for Housing (BAH) ends. BAH stops when not matriculating during the winter and summer breaks, and upon graduation which often causes the student to borrow/take out student loans. An additional consequence is the termination of benefits before finishing a degree program, which in turn often leads to more student loans or the military member dropping out.

This presentation will provide an understanding of what can happen and how to provide assistance/guidance. Practitioners can educate the military on best practices for a financially stable future such as budgeting BAH allowances to cover the full year, meeting VA educational requirements to receive all available funding, and how to find resources to complete their degree program without taking on student loan debt or minimal amounts if necessary.

We will share our different perspectives and real-world examples on this topic. Resources will be shared, along with our knowledge and experience to offer solutions for practitioners when serving current students in financial stress. We hope that our fellow practitioners realize the wonderful and important role they play; and feel more comfortable and better prepared to serve their clients by adding this knowledge to their financial toolbelt.

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Clash of the Expectations: Avoid, Prevent, and Solve Surprise Health Insurance and other Conflicts

Dorothy Nuckols, MPH, AFC, University of Maryland Extension

Conflict resolution is stressful, especially when health and finances are at stake. Consumers categorized as vulnerable due to language, economic, and other social barriers have the highest risk of exposure to unresolved conflict and resulting personal loss. Health insurance is complex, and consumers often struggle to understand it (Adepoju et al., 2019) To address these barriers to health and financial protection, a consumer education program was developed founded on research, experiential learning, and social cognitive theories. The program assists consumers, health navigators, financial counselors, and educators in learning best practices in dispute resolution, and how to reduce stress and manage, resolve, and avoid health insurance conflicts.

Objective/Purpose

Consumers with lower health insurance literacy are less likely to utilize their benefits to stay healthy, and more likely to suffer financial harm. (Levitt, 2015) Uncertainty over health insurance coverage and ability to pay reduces confidence in accessing and navigating health care and puts health at risk (DHHS, 2008). Disputes with health insurance providers occur when there are disruptions in financial protection and usually arise from one of two occurrences. Either a claim for insurance coverage for a health procedure is denied, or there is an unexpected out-of-pocket charge for a covered claim. Knowing avenues for redress helps prepare and empower consumers.

Impact, Value, and Relevance to the Field/Target Audience

Our research demonstrates a strong need to address health insurance dispute resolution. Needs assessment research found that 32% of respondents from the general population have had to appeal a health insurance coverage decision, and over half have needed to dispute a health care billing amount. (Consumer Reports, 2015) Less than half understood medical bills, and 75% were less than confident that they could resolve a dispute. This is therefore a problem likely to affect all practitioners and educators. A survey instrument, similar to ones previously tested and validated, was used during the program to assess change in knowledge, likelihood to take positive actions, and confidence. The pilot program clearly indicated that participants showed a statistically significant ($p<.001$) increase in all measures, including knowledge of healthcare billing, insurance appeals processes and claims, likelihood to take financially protective actions, and confidence to manage and solve disputes (Brennan et al., 2017).

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Money Smart Students: Peer Financial Education During a Pandemic

Barbara O'Neill, Ph.D., CFP®, AFC®, Money Talk: Financial Planning Seminars and Publications
Gregory Fallon & Jennifer Gasparino, Passaic County (NJ) Community College

Key words: financial education, financial literacy, peer financial education, personal finance

Target Audience
The target audience is AFCPE members who are employed by colleges and universities, youth programs (e.g., 4-H), college financial aid offices, military installations, employee assistance programs, social services programs, and other venues who may find it useful to implement a peer financial education model to reach their target audiences.

Objectives/Purpose
1. Participants will learn about a young adult peer financial education program that can be replicated elsewhere.
2. Participants will experience several ice breaker and hands-on learning activities from the program.
3. Participants will be inspired to create a similar peer financial education program for their students or clients.
4. Participants will better understand the expressed learning needs and mindset of young adult audiences.

Description
This workshop will describe the development, implementation, and impact of a Title V grant-funded peer financial education program for students at Passaic County Community College (PCCC), located in urban Paterson, New Jersey. A team of Phi Theta Kappa honors students was recruited to participate in financial literacy training sessions and then, in turn, to impart knowledge to fellow students via workshops and the required *College Success* course. Phi Theta Kappa students were chosen as the leaders for this project because of their history of high achievement and because their organization specifically seeks to engage in activities that enhance the college community.

A ten-hour financial education training course, *Money Smart Students* (MSS), was delivered to nine Phi Theta Kappa student peer educators in six online training sessions. Program topics were selected following a one-hour focus group discussion with these students, who were asked the following five questions:
- Did you take any previous personal finance courses? If so, what stuck with you the most?
- What do you personally want to know about personal finance?
- What do you think PCCC students want to know most about personal finance?
- What is your greatest financial hope?
- What is your greatest financial fear?

Students indicated interest in budgeting and bill-paying, investing, wise credit use, repaying student loans, financing and leasing a car, and moving up in society from poverty level to having financial security. Their greatest financial hopes were financial freedom, investing, repairing credit, consistent savings, building wealth, and having marketable job skills. Their greatest fears were having debt, having nothing saved for retirement, not being able to afford rent and being homeless, and becoming a statistic (e.g., homeless, in debt, unemployed).

The six MSS training program topics were: 1. *How Does Your Cash Flow* (money values, goal-setting, budgeting), 2. *Financial Fundamentals* (banking, APY, compound interest, income taxes), 3. *Give Yourself Credit* (credit reports and scores, debt, student loans), 4. *Big Ticket Purchases and Insurance* (car-buying and leasing, property insurance), 5. *Investing for Your Future* (investment terms and risks, types of investments, frauds), and 6. *Twenty Steps to Seven Figures* (millionaire characteristics and 20 wealth-building factors). Each class session included one or more virtual ice breaker activities, discussion questions, and hand-on activities (e.g., financial calculators).

Following the training, the student leaders integrated course material into the chapter's service activities. To ensure sustainability, outgoing chapter officers will train incoming officers by mimicking the sessions offered in the initial training. Trained students provided workshops to PCCC board members and to student groups on campus (e.g., Student Government Association, student clubs and organizations, student support services, etc.).

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Financial Well-being: Budgeting Tools and Practical Techniques for Online Experiential Learning

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Description of Content and Method

Due to the circumstances surrounding COVID-19, the housing team pivoted their efforts towards an online learning format for financial management and housing classes using Zoom. Virtual learning can be quite different for the average participant (Bertea, I.C., 2020). Appealing to different types of learners and having them engaged can be a challenge in an online environment with up to 135 participants per class.

To appeal to our audience who may find it difficult to adjust to this type of learning, we provided hands on activities (Money Habitudes®, case studies on credit and money management), inquiry-based activities (Case studies and open-ended questions to incite discussion) and experiential activities (group discussion on ways to track money using tools such as phone apps). We varied our teaching styles to map approaches that are intended to motivate and teach a wider range of learners. By developing diverse approaches to financial education, we are better able to meet the needs of all learners (Lamm & Teig 2018).

For our clients to be successful we must ensure that they understand the importance of the financial side of purchasing a home. By equipping participants with meaningful money management application tools such as fillable budgets, five methods of tracking expenses, one-on-one counselling, smart objectives and saving tips we are successfully meeting the needs of the learners and the fulfilling the objectives of the homebuyer's education program. Our team provided experiential learning activities in which everyone was able to engage virtually. These hands-on activities included tools for budgeting, tracking expenses, saving for a down payment, and setting a short term and long-term goal, to name a few.

Without this HUD-certified homebuyer classes, many first-time, low-income participants would not be able to access financing programs like the USDA Rural Development's low interest loans, housing bonds or down payment assistance programs. We met this challenge by offering virtual financial education in two ways: 1) First Time Homebuyer program, an 8- hour online pre-purchase education class 2) Take Control of Your Money, a 2-hour interactive online workshop.

Objective/Purpose

To demonstrate methods, tools, and tips to increase participant knowledge of budgeting, goal setting, and to ultimately become homeowners via experiential learning.

Impact/Value to the Field

Although the 8-hour First Time Homebuyer education class is very comprehensive, some participants are not financially ready and need more targeted financial capability education. Therefore, we offer a workshop that gives participants the tools for managing consumer finances in a smaller, more informal setting. Fourteen Extension agents delivered 29 in-person and online home buyer classes to 1,498 participants since April 2020. Class evaluations document that 96.8% of participants report learning new steps to improve their financial situations (develop a spending plan, strategies to save more money, strategies to improve credit). The majority of participants (97%) report planning to create a budget, track spending, and increase savings. Most participants (72%) report increased confidence in their ability to achieve financial goals.

Target Audience
Financial practitioners, educators, and researchers interested in emerging methods for effective online financial education.

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10 Steps to Take When Starting a Financial Coaching Business

Garrett Philbin, AFC®, Financial Coaches Network, Be Awesome Not Broke

Key words: business building, entrepreneurship, financial coach, financial coaching, marketing, private practice, sales

Target Audience

The target audience is financial coaches and counselors who want to – whether immediately or years from now – launch their own private practice.

Objectives/Purpose

To help aspiring private practitioners identify the most important areas to spend time on – as well as what **not** to spend time on – as they prepare to launch their financial coaching/counseling business.

Description

A common frustration among aspiring private practitioners is not knowing where to start and what steps to take when starting their business. This presentation will give you tangible steps to take and areas to focus on when building your business.

As a business owner, you aren't paid based on how many hours you spend working in your business. You can work 12-hour days and not get a single playing client! Therefore, it's important to get clear - before you start your business – on how and where to spend your time to get the most out of the energy you're putting in.

This session will cover everything from choosing a niche, how to build credibility, how to describe what you do, to why you should build an ugly website.

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Understanding Health Insurance Options for Small Business Owners

Maria Pippidis, University of Delaware Cooperative Extension
Jesse Ketterman, University of Maryland Extension

Key words: health care costs, health insurance, small business, Smart Choice Health Insurance Workbook

Target Audience
Coaches, extension educators, financial educators, financial planners, small business

Objectives/Purpose
Participants will learn health insurance options for small business owners and explore considerations when purchasing insurance and be introduced to the My Smart Choice Health Insurance Workbook.

Program Description
Health insurance helps families get preventive care and pay for the cost of care—a financial source of stress among small business owners. According to a study by Enterprise Bank & Trust (2019), rising costs of health insurance is a top financial pressure for small businesses. In fact, 79% of business owners worry about health insurance costs. The economic impact of COVID-19 elevated health insurance issues for small business owners.

This session will explore health insurance options for small business owners. Issues discussed include: Why you need to plan for health care? What options farmers and small business owners have for health insurance coverage? And, how to select a health insurance plan that meets your needs?

This work builds on a multi-state collaborative that seeks to increase confidence and reduce confusion around health insurance. Workshops developed by the collaborative are based on adult learning theory and social cognitive theory. Workshops have demonstrated a statistically significant impact on understanding health insurance. Participants will be provided with the resources and tools used in health insurance literacy workshops.

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Money and Attachment Style: The Connection That Will Reframe Your Clients' Relationship with Money

Mike Pumphrey, Empathic Finance

Key words: anxiety, attachment, avoidance, relationships, security

Target Audience
Financial coaching practitioners

Objectives/Purpose
To gain new skills in understanding clients' behaviors around money

Description
Attachment Theory is the study of how humans develop relationships to one another, and how formative experiences can affect one's default mode of relating. The ideas in Attachment Theory (along with its associated phrases such as "Secure attachment" and "Anxious/Avoidant relationships") can be applied to lots of different interpersonal relationships, from siblings, to parent/child, to even coworkers.

In my work with clients, I've determined that people have attachment styles when it comes to money too. And just like understanding your attachment style can help you relate to your partner, knowing your money attachment style can help you in your relationship with money.

The two-dimensional model of attachment is the most helpful way of looking at attachment. On one axis, you have "Model of Self", and on the other axis, you have "Model of Other". Based on this model, it follows very naturally to replace "Other" with "Money" to create a two-dimensional Money Attachment Style matrix. Much of the language gets adapted easily. And so, we have four Money Attachment Styles: Secure, Anxious, Dismissive, and Avoidant.

Those with a Secure Money Attachment Style know what they have, and feel comfortable with it. If they're not in the best financial situation, they know that they can work to change it.

Those with an Anxious Money Attachment Style bring a lot of awareness to their money situation, but their hyper-awareness and stress can run them ragged. And the belief that they're not skilled or good enough to have a successful relationship with money can keep them from having more of an impact.

Those with a Dismissive Money Attachment Style can get by without much. They're scrappy and down-to-earth, and those qualities have served them well. Their challenge is that they are likely closed off to opportunities that would benefit them. Those opportunities are there, but they can't be seen.

Those with an Avoidant Money Attachment Style show an ability to stay standing through adverse circumstances. They're survivors, and should feel good about that. However, avoiding problems doesn't make them go away. And their attachment style can make them too scared to even look at what's really going on in their financial life.

Understanding your attachment style can greatly benefit your relationships. Doing the same for your money attachment style can make just as much of an impact on your ability to manage, build, maintain, and direct wealth.

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Why Can't You Just Stop Shopping?

Carrie Rattle, MBA, CDFA ®, AFC ®, Behavioral Cents LLC

Key words: financial coaching, financial therapy, money psychology, overshopping

Target Audience

Both Financial Counselors and Therapists can benefit from this presentation. It is beneficial for Financial Counselors with clients who cannot stop spending despite the harm they are creating for themselves and their families. Therapists not comfortable discussing money, or who are less familiar with overshoppers, and who suspect debt may be placing stress on a household or relationship will garner additional guidance on signals of a client in jeopardy.

Objectives/Purpose

The objective is to educate and provide tools to better serve practitioners and their clients. Practitioners who attend this session will receive:

- A list of behaviors to identify overshoppers and understand when clients are at-risk
- Two questionnaires to assess client attitudes and behaviors
- A means of discussing with and offering solutions to the client on how to combat overshopping by putting a "pause between impulse and action."

Description

Shopping based on wants vs. needs continues to increase as North Americans are further separated from our cash, experience the one-click purchase phenomenon, and encounter growing 24/7 online sales outlets like Facebook Marketplace, Instagram Shopping Cart, etc. Retail chains have been masters at spending psychology for decades, and the financial industry is behind in recognizing the interplay of money and emotion to help our clients, and ourselves fight against these experts.

Overshoppers are everywhere and operate at all income levels. Their preferred shopping brands/stores may vary, and their level of debt may vary, but shopping continues to be a core form of entertainment for North Americans.
During COVID, shopping online as a method to self-soothe, take control, build self-esteem or escape has increased, and more shoppers have become overshoppers resulting in comments like "I've been inside for a year and haven't saved anything!" Overshoppers are also now more exposed to household partners when packages arrive at home every day.

Pre-COVID it was estimated that 6-10% of the population were overshoppers (+30 million). Overshopping leads to debt, destroyed relationships, wasted time, and diminished social lives.

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7 Streams: How to Make Money Using Your Financial Coaching Knowledge & Skills Outside of a 9-5

Dominique' N. Reese, AFC® FFC®, Owner & Chief Financial Consultant, Reese Financial Services

Key words: additional streams of income, coaching, entrepreneur, marketing, skills

Target audience
This session is targeted towards financial educators, coaches and counselors who have deep coaching skills and personal finance knowledge and are currently serving clients in a part-time or full-time job as a financial coach.

Objective/purpose
The purpose of this session is to help qualified financial educators, coaches and counselors reimagine their coaching skill set and financial knowledge outside of their part-time or full-time jobs.

The objectives of this session are to:

- encourage financial educators, coaches and counselors to reimagine their skill sets outside of a job
- explore reasons why a financial coach should consider generating income outside of a job
- learn three rules for creating additional streams of income
- identify your ideal client for your new stream of income
- discover seven streams of income that any financial coach can create using their existing skill set and knowledge

Description
Attendees will be introduced to several reasons why they should consider creating income outside of their job. These reasons are meant to help financial educators, coaches and counselors understand that they are qualified and capable of creating an additional stream of income, without any additional certifications or designations. Next, they will learn three basic guidelines for creating a new stream of income. Attendees will be provided with eight critical questions to ask, in order to help them identify their ideal client for their new stream of income. This is a critical element of creating new streams of income because every product and service is not for every consumer. Identifying the ideal client is significant for monetary success and is helpful for marketing. Lastly, attendees will be presented with seven different streams of income that they can create using their existing skill set and financial knowledge.

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Money Smart Week

Hannah Sadollah, UMBC

Key words: education, programing, budget, financial, wellness

Target Audience

Financial Wellness practitioners in higher education who do not already have established financial education initiatives on their campus. Practitioners who are operating without funding and have limited resources.

Objectives/Purpose

The purpose of this session is to share innovative ways of executing financial wellness programing when working with either a limited budget or no budget at all. By the end of this session, you should be able to:

1. Identify and leverage at least one free and reputable financial education resource geared toward adolescent learners.
2. List various on and off-campus partners you can work with to offer financial wellness programming.
3. Recognize opportunities to collaborate with other institutions in your state.

Description

In this session we will explain how our group of volunteer faculty and staff were able to successfully deliver three consecutive years of a week's worth of financial literacy programing to students despite many obstacles including lack of a budget. We will provide a brief overview of our assessment materials as well as a deeper dive into the free resources we leveraged to build our program. We will offer opportunities for brainstorming and asking questions.

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Managing Debt with Variable Income: Methods and Challenges of Teaching and Counseling Freelancers, Artists, Gig Workers, and Contractors

Rebecca Eve Selkowe, J.D., AFC®

Key words: debt; freelancers; teaching; variable income

Target Audience
Practitioners at all levels of experience who teach and counsel individuals around debt and cash flow management.

Objectives/Purpose
A growing portion of the workforce is comprised of freelancers, artists, gig workers, and contractors with irregular income streams who often rely on credit cards and other forms of debt to "bridge gaps" in their earnings. The goal of this session is to start a conversation about how best to support these individuals in striving to manage and eliminate their debt, including providing effective education, counseling, and advocacy in this area.

Description
Current research into workforce trends predicts a substantial rise in members of the "gig economy," including freelancers, artists, gig workers, and contractors, over the next four years (MBO Partners 2020). These individuals, whose income streams are often variable, multiple, and episodic, experience unique and significant challenges when it comes to managing debt. Traditional debt management resources, including many debt relief options, require regular monthly payments and are geared toward salaried workers with consistent, predictable incomes. Financial counselors are uniquely positioned to innovate and serve these individuals as guides and as advocates.

This lively and entertaining session for practitioners will provide powerful insights into three key areas: (1) connecting with the freelancer client; (2) designing a debt management education and counseling program for multiple, variable and episodic income earners; and (3) providing additional support and advocacy.

The first part of the session will provide insights into the professional freelancer and how to establish a counseling "container" that allows them to feel comfortable and seen. The second part of the session will cover strategies, tools, and techniques for creating an effective instructional curriculum and/or debt counseling program that incorporates the essentials of debt management. How can practitioners deliver this information in a way that is educational, engaging, and relevant to variable income earners? Dynamic communication styles will be modeled and discussed, along with group facilitation "do's and don'ts." Finally, the third part of the session will touch on questions for further exploration, including addressing systemic issues, measuring outcomes, and providing ongoing support and accountability.

References

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It's Not the Time to Compete, Canada; It's Time to Collaborate

Rebekah Smylie, Head of Debt Operations, Christians Against Poverty (CAP) Canada

Target Audience

This presentation is intended for all Accredited Financial Counsellors, including any professional who works with marginalized and vulnerable populations, specifically other credit counsellors, Trustees and non- profit organizations. This presentation will be from a Canadian perspective, but the content and relative message will be applicable to all accredited financial practitioners globally.

Objectives/Purpose

At Christians Against Poverty (CAP) we are passionate about releasing people from a life sentence of poverty, debt and hopelessness. Working with local churches, we bring hope, good news and freedom to Canadians.

Since 2013, CAP Canada has been working with individuals and families struggling with debt by providing free credit counselling and an educational money management course. Our goal is to make our services as accessible as possible while providing education and encouragement as our clients work towards debt freedom.

Many of the clients who come to us, have experienced hardships and find themselves in circumstances beyond their control which has led them to desperation and a need for support and guidance. CAP's free services help us to empower clients in these challenging situations. With core values of dignity and respect, we meet clients where they're at- in their homes and walk along-side them through the entirety of their journey to debt freedom. For many different reasons, our clients see frequent changes to their income and expenditure. Our client portfolio is small, which allows us to navigate these challenges with our clients as they arise.

CAP Canada is unique to other credit counselling organizations in Canada in that we also work with clients while they're in insolvency. While the insolvency itself is administered by an external Licensed Insolvency Trustee, we continue to work with these clients providing personalized budgeting support, ongoing financial education and guidance.

This presentation will speak to our approach to service delivery. I will highlight why our services are completely free and what that means for the demographic we are best equipped to serve. I will discuss our partnership model with the local church and explain how our wholistic approach and care for our clients leads to client success and the impact that can have generationally.

I will identify why we are happy to refer clients to other organizations and our organizational journey to understanding that embracing the work being done by other experts in their fields frees us to focus on giving the very best service possible. I will share my journey from social work to the financial non-profit sector and how those experiences have helped to shape our priorities as an organization and broaden our understanding of what it means to serve vulnerable clients. I will discuss our approach to clients in compromised and precarious situations and how we prioritize their budgets. Finally, I will discuss how we work with local Trustees and track along with an insolvency client from intake to debt freedom and how Pro-Bono insolvencies have been transformative for clients who weren't candidates for a DMP and who couldn't afford insolvency. I will discuss why it is essential for credit counsellors to deepen their understanding of the insolvency field and how they can be good advocates for their client as they navigate the system.

Description
This will be a 25-minute live presentation with visual aids and video content to ensure an engaging session. I will share a brief introduction of our organization, highlight some client stories, and share some of our learnings over the past 8 years. I will also highlight some of the successes we have seen in partnering both with the local church and Trustee Firms and will discuss how our service delivery model sets up vulnerable clients for success. It will feature a 10 min Q&A at the end of the presentation and will strive to be as interactive as possible through the online platform.

Supports into Workforce Development Programming

Christopher T. Sneed, PhD, The University of Tennessee Extension

Key words: Supplemental Nutrition Assistance Program (SNAP), SNAP Employment and Training (SNAP E&T), workforce development

Program Background

To be truly effective, workforce development programming targeting limited-resource populations should be comprehensive in nature helping participants identify and address barriers to training and employment. The cost of one more textbook, the gas for a final trip to an internship placement, or scrubs required for starting a new job can mean the difference between achievable career goals or career dreams.

In 2017, The University of Tennessee Extension (UT Extension) became a third-party partner for the delivery of SNAP Employment and Training (SNAP E&T) services. This partnership allows UT Extension to offer a comprehensive workforce development program – Skill Up Tennessee. An integral component of this program is the provision of participant supports. These supports help participants address and overcome obstacles to training and employment (USDA-FNS, 2018).

Target Audience

Target audience includes individuals receiving SNAP benefits. Individuals approved and enrolled in the Skill Up TN are eligible for participant supports.

Desired Outcomes

The program's purpose is to assist SNAP participants in gaining skills, training, work, or experiences that will increase their ability to obtain regular employment (USDA-FNS, 2021). Participant supports are provided so participants can overcome barriers they face completing trainings, internships, or beginning employment. Participant supports help pay for expenses reasonably necessary and directly related to participants' employment and training.

Program Overview

Extension educators and community partners identify and recruit potential participants. Participants are screened against eligibility criteria established by the funding agency. For those eligible, a team of three career navigators provide case management including identification of clients' training and employment barriers and procurement of participant supports to address those barriers. Examples of participant supports include assistance paying for childcare, transportation, training supplies, books, and equipment. Participant supports to pay for job search costs, job essential uniforms and supplies, and licensing are available.

Program Impact/ Results

In 2020, 360 individuals were recruited and pre-registered. Of those, 292 met eligibility qualifications. A total of 244 participated in vocational/technical training; 61 earned a recognized credential in vocational/technical training, at least 16 have obtained employment, and 38 participated in job retention.

A total of 127 participant supports were provided. Supports included: gas cards (74); tuition/training assistance (40); uniforms (32); assistance purchasing books (29); equipment (21); childcare assistance (12); other (testing fees, drug screenings, background checks, etc.) (28).

Implications for the Profession

Participant supports available through SNAP E&T offer financial educators the capacity and ability to address barriers preventing clients of limited-resources from meeting training and employment goals. Community organizations working in financial education and workforce development can explore opportunities to become third-party partners of the SNAP E&T program leveraging funding from SNAP E&T to provide supports for their clients.

References

United States Department of Agriculture, Food and Nutrition Service. (2018). *SNAP E&T operations handbook: A step-by-step guide to developing, implementing, and growing a SNAP E&T program.* https://fns-prod.azureedge.net/sites/default/files/snap/S2S-Operations-Handbook.pdf

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Self-Awareness Adds Value to Teen Financial Programs

Syble Solomon, LifeWise Strategies

Key words: money personality, self-awareness and money, teen emotions and money, teen financial behavior, teen stress

Target Audience

Professionals who work with teens, at-risk youth and young adults or who train those who work with youth or their parents related to financial behavior, mental health and self-efficacy.

Objectives/Purpose

1. Establish the need for self-awareness as a critical component of financial education.
2. Establish the need for making it easy for youth to talk about money.
3. Share the research used to develop the new teen assessment.
4. Introduce a new online tool for youth to promote self-awareness of one's relationship with money.

Description

Self-awareness is a critical, and often overlooked, component in programs designed to help teens become financially literate and develop healthy financial habits. A lack of knowing what motivates and reinforces one's behavior can explain why intentions and behaviors are not aligned. Helping teens be able to talk about money is another critical part of financial education that is often overlooked. Teens are generally very reticent to discuss their money situations or their parents' economic status, yet because money impacts every aspect of their lives, they need an easy, non-threatening, non-judgmental way to start insightful and honest conversations.

Using a 5 to 10-minute online activity, teens sort statements to determine their money personality profile. Upon completion, a personal report is generated that includes their results, interpretation, questions to explore in more depth and suggestions for what to do next if they feel they want to make changes. Instructions, sorting, results and the report are all automated to be user-friendly and make play faster.

A survey of ten educators' responses to the students' experience with the assessment (which was developed for adults) was completed by nine educators in the U.S. and one in Australia) with approximately 800 teens living in metropolitan, rural and suburban settings. It was used both in virtual and in-person classes in personal finance, math, family and consumer science, life skills, integrated learning, health, personal relationship skills and career readiness. Some programs were required, others were electives. Students ranged from affluent to living in poverty.

A researcher analyzed the educators' survey responses. A quick summary of the educators' feedback was that teens were engaged, enjoyed it, felt it was a valuable activity and reported that the results were accurate. The educators suggested that the assessment would be improved by changing some of the text to make it more relevant to youth and to shorten the report. The teen version has been revised by educators to accomplish those suggestions.

In addition, the researcher had also analyzed the individual responses to each statement for students from the US (500), Singapore (500) and Australia (300). We will briefly discuss some of the differences and how they were considered when developing the new teen assessment.

To conclude, research and experience has proven that knowing what to do is not necessarily aligned with behavior or long-term habits. This tool helps teens become more self-aware by beginning to explore their money scripts and connect the dots for what motivates and reinforces the way they spend, save and earn. The outcome is self-awareness that can promote behavior change and form more effective money habits. It also provides a non-threatening way for teens to engage in meaningful, honest conversations related to money.

Note: Research has shown that teens' perceptions of their family's economics status is a more accurate predictor of a teen's mental health than the reality of their situation. Because of Covid-19, many teens at all socio-economic levels are feeling helpless or hopeless as their families cope with dramatic changes in their financial stability or teens are overwhelmed by taking on adult responsibilities to help. Adults teaching financial topics are in a unique position to hear the stories and pick up on red flags that a teen needs help and a referral to a counselor would be appropriate.

Contact us for the detailed research reports, a report of the mental health impact of teens coping with financial circumstances related to COVID-19 or the assessment. syble@lifewise.us, moneyhabitudes.com, 406-361-8012.

Basics of Investing of Investing Wisely in a Changing World

Alan E. Sorcher, Office of Investor Education and Advocacy, U.S. Securities and Exchange Commission

Key words: bonds, diversification, ETFs, investment products, investment apps, investment fees, investment fraud mutual funds, risk and return, robo-advisers, scams and volatility

Target Audience

The presentation is intended for financial counselors, educators, financial coaches and other practitioners. However, all investors will benefit from the material covered.

The U.S. Securities and Exchange Commission's mission is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. As part of its mission, the SEC oversees the key participants in the securities markets, including securities exchanges, securities brokers and dealers, investment advisers, and mutual funds. The SEC's Office of Investor Education and Advocacy advances the agency's mission of investor protection by responding to investors' complaints and inquiries, and providing educational programs and materials.

Objectives/Purpose

The purpose of the presentation is to raise practitioners' understanding of the fundamentals of investing wisely. Topics will include the different kinds of investment products, the potential benefits and risks of investing, how fees can impact portfolio performance, and what to consider in an evolving investing landscape that includes trading apps, robo-advisers and alternative investment products. The presentation will help practitioners work with clients to make a plan to get started toward their future goals and point clients to resources to better understand how to invest wisely.

After this presentation, participants will:

- Understand the benefits of starting investing early
- Understand the potential risks and returns of investing
- Know the different kinds of investment products
- Be aware of how fees can impact portfolio performance
- Know the questions to ask before investing and choosing an investment professional
- Be able to identify the warning signs of investment fraud
- Be able to direct clients to free investor resources, tools, and calculators

Description

This presentation, with PowerPoint slides, will focus on what investors need to understand to invest wisely, including the potential risks and returns of investing, market volatility, different investment products (including mutual funds and ETFs), diversification, and what to consider when using investing apps and other platforms. The presentation will cover the questions to ask before making an investment decision, what to consider when choosing an investment professional, how fees can impact an investment portfolio, and how to identify investment scams. The presentation will also provide an overview of some of the free resources available to help investors, including tools to check out a financial professional, sources for researching companies, savings calculators, and information on current and emerging frauds.

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Outreach@SEC.gov

Saving for College at Every Life Stage

Jonathan Sparling, Private College 529 Plan & Julie Shields-Rutyna, MEFA

Key words: college, college savings, 529 plans, financial aid

Target Audience

The target audience for this presentation are practitioners working with clients who plan to save for college or researchers interested in exploring the topic of college saving more in-depth.

Objectives/Purpose

College savings remains a top priority for many families. Despite rising costs, the value of a higher education degree supports long-term financial stability. However, the ability and willingness to save are not equal. This program provides practical ideas and "micro-steps" that practitioners can implement to support those they serve. Specifically, after attending this session, attendees will be able to:

- Define the primary attributes of 529 Plans, both savings and prepaid.
- Discuss pending legislation and the potential impact on 529 Plans.
- Identify opportunities to incorporate educational content to encourage early, mid, and late-state college savings.

Description

This session provides a deep dive into an essential aspect of personal finance: college savings. Presenters will review critical components of the most highly utilized and visible college savings tool, the 529 Plan. As part of the discussion, presenters will weave in recent legislation that has expanded the use of 529 Plans and discuss pending legislation that can further impact these Plans. After setting the stage, presenters will showcase a state-based program that, for more than 20 years, has successfully engaged families through an age-based content curriculum, increasing consumer education and supporting robust growth in college savings.

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Creating an Effective Online Financial Counseling/Coaching Class

Alana Stowe, Alena Johnson, Utah State University

Key words: covid, education, financial coaching, financial counseling, online learning

Target Audience

This information is intended for anyone involved in providing financial counseling education online. Having guidance in providing effective online instruction will improve the quality of education, thus helping students prepare to serve clients more effectively.

Objective/Purpose

As education begins to recover from the impact of Covid-19, we want to see effective online financial counseling instruction taking shape. Rather than continue a knee jerk reaction to being stuck online, we want to be purposefully engaged in helping counselors receive training virtually. We want instructors to prepare and modify their teaching style to ensure an effective online learning environment for students seeking counseling education virtually.

Description

A successful financial counseling/coaching class involves teaching students how to hone their interpersonal skills with clients. Such classes typically involve face-to-face instruction and practice. With technology advancing rapidly, online education was already on the rise, then in 2020 the surge of the Covid-19 pandemic pushed education into an entirely new virtual space. However, "Well-planned online learning experiences are meaningfully different from courses offered online in response to a crisis or disaster" (Hodges, Moore, Lockee, Trust, & Bond 2020). By incorporating the following research-based strategies into the creation of purposeful online curriculum, we believe financial counselors can be effectively trained online and be prepared to better serve clients in-person and virtually in the future.

Effective online instruction includes carefully structured content, controlled workload for both faculty and students, and integrating different types of media into teaching. Engaging students online and building virtual counseling skills involves providing relevant asynchronous student activities, meaningful virtual interaction with trained instructors, and creating effective assessments tied to desired learning outcomes. Incorporating coaching skills into counseling instruction better qualifies students to fully embrace the objectives of the class and be well rounded as they enter the workforce.

These suggestions are timely in the current social climate with repercussions of the Covid-19 virus still lingering. Effectively training counselors is extremely important as many Americans have been financially impacted by the virus. Having the capability to meet virtually will continue to be essential long after we recover from the emergency status of the pandemic.

References

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Enhancing Personal Well-Being Through Compassion Cultivation

Tsering Tsomo

Description of Content and Method

During these challenging times, financial counsellors and coaches are dealing directly with the stress, fear and anxiety of clients, many of whom are in difficult financial situations. Witnessing and dealing with the stress of their clients can have an adverse impact on their own health and well-being. In this presentation we will share how counsellors can use their innate compassion on themselves, through the practice of self-compassion. This practice of self-compassion can be sustaining for financial counsellors. Equally, participants will learn how to seek awareness and understanding of some of their own fears of offering compassion to others, including their clients. A brief meditation session will be offered, to help participants cultivate self-compassion and deepen their sense of connection with themselves and with others. Attendees will hear about the Compassion Cultivation Training course and also understand some of the positive outcomes of compassion training, including decreased stress and aversive response to others pain and suffering as well as an increase or improved mindfulness, responsiveness to signals of suffering in others and shift in perspective.

The presentation will include:

- slides providing information about what is compassion, including self-compassion; fears of compassion and benefits of compassion cultivation;
- 5-10 minutes meditation session
- 5-10 minutes of group exercise

Objective/Purpose

- Strategies for financial counsellors to improve their personal health and well being
- Share information about compassion cultivation training and how it can benefit them and their clients

Impact/Value to the Field

- Practitioners mental and health well being

Target Audience

- Practitioners
- Students
- Other attendees of Symposium

Increasing the Use of Mindfulness in Financial Education Programs

Camaya Wallace Bechard & Kathy Sweedler, University of Illinois Extension & Sasha Grabenstetter, eMoney Advisors

Key words: financial education, mindfulness, money management

Target Audience

Financial educators, counselors, coaches, Extension faculty

Objectives/Purpose

This forum explores the role of mindfulness in financial education and suggests ways to include mindfulness principles in adult financial literacy programs. The goal is to engage financial professionals in activities that will help reinforce the value of mindfulness in their work.

Description

There is growing interest in incorporating mindfulness values and practices in financial education (Argentina, Daniel, & Tang, 2020; Pereira & Coelho, 2019). This drive stems from ongoing goals to improve the delivery and impact of financial education and help people effectively manage financial stress. The Substance Abuse and Mental Health Service Administration (2020) states, "excessive or chronic stress that has no opportunity for release can have negative effects on a person's physical, emotional, cognitive, and behavioral states." A person's interpretation and reaction to a stressful financial situation depend on their experience. Nevertheless, mindfulness stress reduction helps people pay attention on purpose, stay present in the moment, and become non-judgmental (Brewer, 2016). Mindfulness provides insight into the dynamics of money behaviors; it is more than a collection of techniques, but a lifestyle change that can produce lasting positive money behaviors and outcomes (Smith, Richards, & Shelton, 2016). This practitioners' forum explores ways to apply mindfulness techniques to financial literacy programs. It also examines some of the existing money management strategies (e.g., goal setting, budgeting, and money personalities) that could use mindfulness-focused approaches.

Impact to Field

An essential part of the job of financial educators and professionals is to evaluate the way they teach and deliver information. An openness to approaches like mindfulness could help professionals understand the extent of stress on money behaviors. Using mindfulness also can help break down stigma and fear around money; thus, allowing participants and clients to examine their relationship with finances in non-judgmental ways. Finally, when making financial decisions, mindfulness gives people the opportunity to respond intentionally instead of reacting. These techniques can help reshape different money decisions. Mindfulness provides benefits for people in their day-to-day lives and during challenging economic times. As financial professionals learn more about mindfulness, they become more attuned to the needs of those they serve, and this session provides practical tools and tips.

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The Case for Financial Wellness: Research and Practice

Richard White, Florida Southern College

Key words: financial education, financial health, financial wellness, financial well-being

Target Audience
This presentation is targeted to a broad audience in the financial counseling and planning education field and is relevant for practitioners, educators, and researchers. Practitioners and educators will find the resources and studies helpful in keeping apprised of emerging trends. Researchers may find areas they have not explored and consider the research opportunities in this area.

Objective/Purpose
The overall objectives are to explore three main questions:

1. What does the literature say about our financial health?
2. How can we improve our financial health and wellness?
3. What practices and tools are companies and individuals using?

Description
This presentation will explore financial wellness research and examples of employers' financial wellness programs and the types of financial education programs and best practices used by organizations. Several financial tools and resources will be explored.

There is a strong case for financial wellness programs. Financial wellness surveys show a trend of financially fragile employees even prior to the pandemic and it has accelerated since then. Employees want to be financially stress-free and have financial stability. Employers are feeling greater responsibilities for employee's financial wellness and that such financial wellness tools can lead to greater productivity. There is a strong need to provide financial literacy resources and tools beyond basic employee benefits of retirement/insurance information to consider the overall financial wellness of employees. Companies can use some combination of in-house and external education resources as part of a financial wellness program. Workforce financial counseling and education may be a promising strategy for a financial wellness program.

Impact/Value in the Field
The presentation will include a review of the research and practice on financial wellness/well-being, including trends highlighted from PWC, CFPB, and the Financial Health Network. Examples of conceptual frameworks will be explored and how research is impacting practice. There is the emerging focus of a broader range of stakeholders involved in improving financial well-being and some of these will be explored. Research on financial wellness programs in the workforce will be highlighted and case examples of employee financial wellness programs will be explored. Tools and resources will be available for participants to explore financial well-being and financial wellness further.

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We Need to Talk About Health Care Costs

Ann A. Berry, Christopher T. Sneed, Barbara Metzger, Karen Frank, Victoria Niederhauser, & Lisa Washburn, University of Tennessee

Key words: cost of care conversations, health care costs, health care providers, older adults, rural communities

Access to care and compliance with treatment recommendations is inhibited by indirect (e.g., childcare, transportation, lost wages) and competing costs of care (e.g., food, bills, housing) that increase out-of-pocket expenses for patients, especially those living in poverty (Dine et al., 2019). Engaging in cost of care (COC) conversations can empower patients to take responsibility for their health and lead to better health outcomes.

Time to Talk seeks to empower rural, older adults and their health care providers (defined as all members of the care team including but not limited to physicians, advanced practice registered nurses, other registered nurses, physician assistants, care coordinators, health care office/business managers, etc.) with information and tools to have effective COC conversations. Target audiences include health care providers practicing in rural communities and senior patients in those communities.

As a result of participating in *Time to Talk*, patients will increase their knowledge about COC conversations and confidence and comfort in initiating these conversations. Providers will increase their knowledge of COC conversations, increase awareness of resources that can assist patients financially, and report strategies for engaging patients in COC conversations. Behavior changes are measured through end of program surveys and three-month follow up surveys. Patients and providers will be given community resources that can help with the costs of these “hidden” costs of care.

Through community-based educational sessions led by local Extension educators, older adults will learn strategies for starting COC conversations and build skills through application activities. To support patient initiation of COC conversations, a short educational video featuring COC strategies will be produced and provided for use in waiting rooms, prompting patients immediately prior to provider visits.

In addition to patient-facing tools and education, *Time to Talk* includes convenient web-based education for providers: an online training on the importance of health care costs and COC conversations in the provider-patient relationship and a series of four online webinars for health care providers to disseminate outcomes from pilot activities.

Formative surveys have been conducted with rural health care providers and rural, senior patients to gain insight into their understating of COC conversations as well as pathways and barriers to those conversations. This research has been used to produce a patient educational program, COC Patient Guide, and COC keychain reminder cards. The formative research has also informed the development of an online provider training and video loop for providers’ waiting areas. All materials are currently being focus group tested with patients and providers.

Health care costs continue to pose a financial challenge for many families particularly families who are un/under-insured and those living with limited-resources. *Time to Talk* offers a health care cost intervention that seeks to empower patients and providers to have conversations about health care costs and to identify resources to assist with these hidden costs that can inhibit following through with treatment plans. *Time to Talk's* approach, educational tools, and lesson plan serve as examples that can easily be modified and implemented in other states and by other health care or financial education organizations.

Reference

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Does an Emergency Fund Target Motivate Households to Save for Emergency?

Guopeng Cheng, Ph.D., AFC®, Virginia Tech, & Chen Xu, Ph.D.

Key words: emergency fund, financial behavior, financial education, financial literacy

Abstract

The emergency savings become more important than ever since last year. The COVID-19 pandemic in 2020 caused a 14.8% record high unemployment rate observed since 1948 (Falk et al., 2021). Particularly, younger households and low-income families have been suffering greater financial pain and stress than others (U.S. Census Bureau, 2020). The COVID-19 pandemic has affected households in many significant ways. The purpose of this study is to explore whether having an emergency saving target motivates households to save for emergencies.

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"How Can I Say No?"
The Determinants of the Student Loan Decision

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Key words: college cost, financial education, financial literacy, student loan decision

The United States offers many freedoms and allows individuals who live here the chance to chase their dreams. However, when it comes to higher education, that dream comes at a cost. The current student loan debt as of 2021 is $1.71 trillion, shared by 45 million student loan borrowers (Friedman, 2021). The demand for a college degree in the workplace is growing, and yet most individuals cannot afford to earn a degree without taking on tens of thousands of dollars in student loan debt (Baker et al., 2017; Cho et al., 2015; Johnson et al., 2016; Johnstone, 2006). The decision to take on student loan debt is made even more overwhelming when individuals lack the financial education and financial literacy to make the best financial decisions regarding their education and future. While the research shows that student loans come with consequences, they remain the main option when an individual cannot personally afford higher education.

Using the 2018 National Financial Capability Study (NFCS), we examined determinants of financial literacy and the relationship between financial literacy and the student loan decision. Our research questions included: 1) What factors are associated with financial literacy?, 2) How is financial education related to financial literacy? 3) What factors are associated with the student loan decision?, 4) How is financial literacy related to the student loan decision? We applied OLS regression analyses for the financial literacy model, and logistic regression analyses were applied for the student loan decision model to answer these research questions.

The OLS results showed that financial education participation was statistically significant and positive, meaning that individuals who participated in financial education reported significantly higher levels of financial literacy than those who did not. In the logistic regression analyses examining determinants of taking out a student loan, both financial education and financial literacy were significant. However, financial education was positively related to taking out a student loan, meaning individuals who participated in financial education were actually more likely to take out a student loan. On the other hand, financial literacy had a negative relationship with the student loan decision, indicating that as individuals had higher levels of financial literacy, they were less likely to take out a student loan. Other factors related to financial literacy included age, race, gender, marital status, education, employment status, income, and risk tolerance. According to the socio-demographic factors, Baby Boomers, Whites, males, unmarried individuals, those with higher education, not working individuals, homeowners, those with higher income, and those with high risk tolerance attitude reported higher levels of financial literacy. Regarding the determinants of taking out a student loan, Millennials, Blacks, Hispanics, females, married individuals, those with higher education, employed individuals, renters, some income levels, and those with high risk tolerance were more likely to take out a student loan.

The findings of this study can contribute to the literature because by understanding the relationship between financial literacy and the student loan decision, financial educators, practitioners, and professional can help individuals determine whether to take out a student loan or not. The findings of this study showed that financial literacy decreased the likelihood of an individual choosing to take out a student loan. Thus, it could be important for financial educators and professionals to not only teach financial education but also help their students and clients apply this knowledge in the appropriate situation. It also crucial to note that certain demographic groups had lower levels of financial literacy and were more likely to take out a student loan. Financial practitioners and educators could focus on these groups, as they may be at a disadvantage in making the student loan decision. In this study, those who participated in financial education were more likely to take out a student loan, which may seem contradictory. It could be that the cost of attending college has become too great for the average household's financial resources. Policy makers could examine the current state of college costs and environment and seek to reduce the major cost that college is to Americans.

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Understanding Credit and Credit Reports

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Key words: credit, credit reports, credit worthiness

Understanding credit and credit scores are important to creating financial stability. Credit scores help lenders decide whether you are a good risk or not. Credit influences the interest rate individuals pay on loans, employment opportunities, housing options, insurance rates, and managing risk for identity theft. According to the 2018 Financial Capability Study, 66% of individuals in the U.S. were unable to answer three out of five financial questions correctly, 35% paid the minimum on credit cards, and 19% spent more than their income. As educators and financial counselors, we are often asked about credit, credit reports, and/or credit scores.

The purpose of this study is to test the effectiveness of a workshop for consumers to develop an understanding of credit, explain the steps to obtain a copy of your credit report, review a credit report, describe factors that impact credit worthiness and increase confidence to use and manage credit responsibly. Participants of the program were invited to complete a pre-program survey using statewide Extension evaluation questions. Upon completion of the program, participants were asked to complete a post survey. Pre/Post questions focused on changes in confidence. Four additional questions were asked focused on intent to take action.

The pre/post-survey was administered to 301 individuals. Demographic results indicate that 84% were female, 83% were between the ages of 25-64 (19% 25-34, 20% 35-44, 23% 45-54, 21% 55-64), and 86% had some form of higher education (20% some college, 31% college graduate, 33% master's degree, and 2% doctorate) The results indicate a 10.5% increase in confidence to use and manage credit responsibly and a 12.5% increase in confidence to improve their credit history. A paired sample analysis (n=261) indicates a significant increase in both confidence questions.

Post survey questions about intent show that 99.6% intend to pay attention to factors that affect credit worthiness, 99.2% intend to request and review their credit report every year, 99.6% intend to take proper steps if identity theft, fraud, or scam occurs, and 98.8% intend to pay bills on time.

Understanding credit and credit scores is an important element in creating financial stability. Managing credit responsibility can increase your ability to secure loans. Responsible credit use can improve credit scores and therefore lower the interest paid on borrowing money. Information in your credit report can impact your ability to get an apartment, insurance or even a job. Monitoring your credit report can reduce your risk of identity theft. The results of this program indicate participants increased confidence and intend to take action.

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How Money Smart Are You?

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Key words: financial capability, financial education, financial literacy, games, money smart, self-paced

How Money Smart Are You? (HMSRU) is a brand new website with 14 self-paced online financial education games and related resources available at PlayMoneySmart.fdic.gov. It is optimized for use on smartphones and computers. The site enables players to earn virtual coins and certificates while learning about everyday financial topics and having some fun. Individuals can play the games with or without creating an account. Organizations can create accounts to run reports on game play by their clients, customers, or students who voluntarily link to the organization.

HMSRU features a diverse set of animated characters with respect to age, gender, ethnicity, and disability status. It will eventually replace the FDIC's legacy learning game (the CBI). HMSRU presents learning through a multitude of animated mini-games, such as Minimize the Monster and Debt Detective. It measures learning through scenario-based knowledge checks that explain why the players' answers are right or wrong. We launched the Section 508-compliant site initially in English. The Spanish version will launch in 2022.

We conducted user testing over multiple months in 2018 and 2019 in Arizona, California, Georgia, Maryland, and Ohio. Users were adults, ages 18 to 64, including individuals with disabilities playing the games using a screen reader. Many of the testers offered constructive criticism that helped us improve the product prior to launch. Many testers commented they wished they had access to these materials when they were younger and they would tell their children to play the games when launched. Of the 88 adults who participated in user testing, 87 would recommend *How Money Smart Are You?* to others. All 88 adults told us they learned something.

Consumers need to make financial choices with the skills and confidence that can help them make informed decisions. Today, only one in five Americans has received financial education training, and only a third of Americans could answer at least four of five simple questions on topics such as mortgages, interest rates, inflation and risk. Effective financial education helps people gain the skills and confidence necessary to sustain a banking relationship, achieve financial goals, and improve financial well-being.

HMSRU is based on, and a result of, the FDIC's years of experience with the Money Smart program, a nationally recognized financial education training program providing evidence-based results. Research concluded that participants who complete a Money Smart course covering the topics of checking, savings, budgeting, and credit showed statistically significant improvements in their behaviors and confidence immediately after the course, and these changes persisted when measured again approximately six to twelve months later. *How Money Smart Are You?* is the FDIC's newest addition to the Money Smart family of free, non-biased, trusted financial education materials. Visit FDIC.gov/moneysmart to explore all that Money Smart offers.

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The Effects of Debt Type on Financial Anxiety across Age

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Key words: age difference, credit usages, financial anxiety, financial education, high debt

Mortgage and other forms of debt such as auto loans, credit card debt, medical debt, and student loan debt continues to grow (Lee et al., 2019). The more debt a household has, the higher the reported level of financial stress which can lead to financial anxiety (Heckman, et al., 2014). Financial anxiety is defined as the feeling of anxiousness or worry about one's current and future financial situation, and it could lead to self-imposed feelings of helplessness. (Roll et al., 2016). Several scholars attempted to find ways to reduce negative impact of financial anxiety on individuals and families.

Using the 2018 National Financial Capability Study (NFCS), we examined the effects of six various types of debt (housing debt, automobile debt, credit card debt, medical debt, student loan debt, and high cost small loans) on financial anxiety, and how these associations differed across age groups. Age was divided into four generational groups: Aged 18-37 (millennials, n=2449), Aged 38-53 (Generation X, n=3410), Aged 54-72 (baby boomers, n=6107)), and aged 73+ (silent generation, n=1176). The descriptive results showed that more millennials held debt than the other age groups across the all six types of debt. The descriptive results also indicated that the percentage of individuals holding debt consistently decreased by age. In particular, millennials reported higher levels of financial anxiety than the other age groups.

The OLS results show that holding various types of debt had positive association with financial anxiety for all age groups, but certain debt types increased financial anxiety differently across generations. Among the types of debt, credit card debt significantly increased financial anxiety for all groups, while medical debt and student loan significantly increased financial anxiety for all age groups, except the oldest group. High cost small loans were more positively associated with financial anxiety for both millennials and Generation X, but not for older groups (baby boomers and silent generation). Interestingly, automobile debt was only associated with financial anxiety among millennials. The OLS results also indicate that housing debt was not significantly associated with anxiety for millennials, but was significantly associated with anxiety for the other three groups.

The findings of this study can contribute to the literature and have implications for financial educators, financial practitioners, and policy makers. Financial advisors or financial counselors can benefit from the findings of this study by understanding the different impact of various types of debt on financial anxiety across generations. Financial educators can use the findings of this study to create focused debt programs by age. Policy makers can use information from this study to help create policies for debt alleviation across different generations.

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Financial Anxiety during COVID-19: How do Parents with Young Children Cope with the Crisis?

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Key words: anxiety, COVID-19 global pandemic, financial anxiety, financial adjustment, parenting

The financial landscape for many American families was altered in March 2020 due to the global COVID-19 pandemic (Canilang et al., 2020). Cantor and Sims (2020) speculated that the economic impact of this pandemic would be felt by every individual in the U.S. and across the globe – but that it would be unequally felt. They speculated that the economic implications of COVID-19 would be felt disproportionally by financially vulnerable and diverse populations. Many investigations have reported that COVID-19 is highly associated with mental health issues (e.g., depression, generalized anxiety), substance use, and suicidal ideation (Czeisler et al., 2020; Holman et al., 2020; Zhou et al., 2020). However, a paucity of literature has focused on financial anxiety during COVID-19.

This study examines the financial anxiety of parents with children between the ages of 3 to 8 years old during the COVID-19 global pandemic. More specifically, the authors examined predictors of financial anxiety, including parental-, child-, financial-, COVID-, and general mental health- factors using hierarchical regression with data collected during the pandemic from 376 parents. Results indicated that parental factors, financial adjustment, COVID-19 factors, stimulus checks, and general anxiety contributed significantly to financial anxiety.

Financial counselors and educators need to pay extra attention to how they personalize and/or deliver support to individuals and families, especially during COVID-19. Mothers and fathers have different reactions to financial anxiety, as do clients from and across different racial/ethnic backgrounds. Extension educators and financial professionals might consider developing curricula that address financial adjustment skills to help parents and families who need more help and support with particular focus on gender and race/ethnic topics. In addition, more education and/or workshops are needed specifically around financial adjustment skills to help parents and families who need more help and support.

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How Investors Behaved in a Non-financial Crisis: Impacts of COVID-19

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Key words: behavioral finance; investor behavior; portfolio choice; risk composure

COVID-19 has had an outsized impact on various sectors of the economy. The pandemic saw a stock market crash of over 26% in a period of four trading days (Mazur, Dang, & Vega, 2021) and peak unemployment of 14.8% in April 2020 (Congressional Research Service, 2021). One aspect that requires further examination is the impact of the pandemic on individual investor behavior. Similar research has been conducted in response to other economic events, including the 2008 Financial Crisis (Roszkowski & Davey, 2010). However, the 2020 bear market catalyst was a health pandemic as opposed to being one caused by a financial system disruption. Our study is unique because it follows the same panel of individuals longitudinally to see how they change their asset allocation over time, specifically, in response to the pandemic.

Prior studies have focused on changes in risk tolerance and have shown risk tolerance to be relatively stable (Sahm, 2012; Van de Venter, Michayluk, & Davey, 2012; Kuzniak & Grable, 2017). Roszkowski and Davey (2010) showed that risk perception shifted in response to the 2008 financial crisis, which influenced investor behavior without a change to risk tolerance. Risk composure is the degree to which an investor behaves in a consistent manner (Guillemette, et al., 2012) and is the focus of this study. We operationalize investor behavior as a change in asset allocation.

We utilize Prospect Theory to guide our hypothesis. Prospect Theory organizes how individuals behave in loss or gain scenarios (Kahneman & Tversky, 1979). Other than potential break-even scenarios, in loss scenarios, people become more risk-averse (Thaler & Johnson, 1990). The pandemic is a loss scenario. The stock market crash part of the pandemic was short-lived but filled with uncertainty, nonetheless.

Longitudinal data from the Health and Retirement Study (HRS) was used to compare an individual's asset allocation of stocks, bonds, cash, and cash equivalents in 2018 (pre-pandemic) to 2020 (post-pandemic). We analyze allocation changes among qualified accounts, non-qualified accounts, and the combined portfolio. We account for allocation changes due purely to market performance. A limitation is that HRS 2020 was administered to a reduced subsample, which reduced our overall number of observations.

The results of paired t-tests indicate no statistically significant change in the risk assets in non-qualified investment accounts ($p = 0.3297$). Conversely, investors made a statistically significant increase in risk assets held in qualified accounts and in the combined portfolio, from $M = 50.64\%$ in 2018 to $M = 78.27\%$ in 2020, and $M = 43.35\%$ in 2018 to $M = 73.73\%$ in 2020, respectively. This is in contrast to behavior during prior bear markets (Roszkowski & Davey, 2010). The results do not support our hypothesis that investors decrease risky share allocation in all bear markets. This suggests that investors do not react uniformly to all bear markets and that the cause of a high volatility event may play a role in how investors behave. The implications of these findings highlight the importance that financial planners and counselors should adapt to their client's unique needs, as some individual investors may be more willing to take investment risks during non-economic market events.

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Successful Use of Teamwork in Professional Education: Application to Financial Planning

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Key words: collaboration, communication, diversity, financial planning, group work, leadership, peer work, peer assessment, professional education, TeamSTEPPS, teamwork

Abstract

While team and group work are common in professional education of physicians and lawyers, it has not been studied for effective use in financial planning education. From a wake-up call to physicians about the prevalence of medical mistakes, largely due to human error (Kohn, et al, 2000), the medical industry has more recently relied on groups to make decisions and use in education (Baker, et al). This places the onus of successful teamwork, disciplinary and intradisciplinary, on *educating* physicians in its use. Eleven teamwork competencies are outlined by Chowdhury (2019) as necessary and learned through teamwork, gleaned from that study's literature review of many authors; including aspects of common goals, bettering communication, and confidence in the leadership and processes given to implement and assess the group work.

To facilitate teamwork in the medical field, the Health and Human Services Agency for Healthcare Research and Quality (AHRQ), the Department of Defense (DoD) Health Care Team Coordination Program (HCTCP) have devised TeamSTEPPS, described on the AHRQ website as "An evidence-based teamwork system," largely as training for practitioners. Teamwork should be taught through group assignments in education, though the effectiveness of this can be highly dependent on the size of the teams (Schellens, Valke, 2004).

This should also be used for financial planners, who also often work in groups with other planners or those with intradisciplinary functions, such as other planners, accountants (CPA), attorneys/estate planners, insurance agents, investment brokers, and/or lenders. This will be tested with quantitative and qualitative data in a master's course at the College for Financial Planning, taking into consideration previous study findings on effective teamwork

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Books to Boots:
Incorporating Participant Supports into Workforce Development Programming

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Key words: Supplemental Nutrition Assistance Program (SNAP), SNAP Employment and Training (SNAP E&T), workforce development

Program Background

To be truly effective, workforce development programming targeting limited-resource populations should be comprehensive in nature helping participants identify and address barriers to training and employment. The cost of one more textbook, the gas for a final trip to an internship placement, or scrubs required for starting a new job can mean the difference between achievable career goals or career dreams.

In 2017, The University of Tennessee Extension (UT Extension) became a third-party partner for the delivery of SNAP Employment and Training (SNAP E&T) services. This partnership allows UT Extension to offer a comprehensive workforce development program – Skill Up Tennessee. An integral component of this program is the provision of participant supports. These supports help participants address and overcome obstacles to training and employment (USDA-FNS, 2018).

Target Audience

Target audience includes individuals receiving SNAP benefits. Individuals approved and enrolled in the Skill Up TN are eligible for participant supports.

Desired Outcomes

The program's purpose is to assist SNAP participants in gaining skills, training, work, or experiences that will increase their ability to obtain regular employment (USDA-FNS, 2021). Participant supports are provided so participants can overcome barriers they face completing trainings, internships, or beginning employment. Participant supports help pay for expenses reasonably necessary and directly related to participants' employment and training.

Program Overview

Extension educators and community partners identify and recruit potential participants. Participants are screened against eligibility criteria established by the funding agency. For those eligible, a team of three career navigators provide case management including identification of clients' training and employment barriers and procurement of participant supports to address those barriers. Examples of participant supports include assistance paying for childcare, transportation, training supplies, books, and equipment. Participant supports to pay for job search costs, job essential uniforms and supplies, and licensing are available.

Program Impact/ Results

In 2020, 360 individuals were recruited and pre-registered. Of those, 292 met eligibility qualifications. A total of 244 participated in vocational/technical training; 61 earned a recognized credential in vocational/technical training, at least 16 have obtained employment, and 38 participated in job retention.

A total of 127 participant supports were provided. Supports included: gas cards (74); tuition/training assistance (40); uniforms (32); assistance purchasing books (29); equipment (21); childcare assistance (12); other (testing fees, drug screenings, background checks, etc.) (28).

Implications for the Profession

Participant supports available through SNAP E&T offer financial educators the capacity and ability to address barriers preventing clients of limited-resources from meeting training and employment goals. Community organizations working in financial education and workforce development can explore opportunities to become third-party partners of the SNAP E&T program leveraging funding from SNAP E&T to provide supports for their clients.

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Community Perceptions of Financial Literacy Classes

Catherine Sorenson, University of Maryland Extension

Key words: community, education, extension, finance, focus groups, rural

Many people want, and feel they need, financial education. We see this reflected in the research, where the number of people who can correctly answer four of six financial literacy questions has fallen to 40% (National Financial Capability Study, 2018). In addition, it seems that people are aware that they have a difficult time understanding financial information. In the 2019 Consumer Financial Literacy Survey, 76% of people felt they could benefit from financial information provided by a financial professional. This seems like the perfect situation for financial education. People are aware that there are gaps in their knowledge and believe they would benefit from getting information from a professional. In practice, however, this interest does not translate into attendance at community financial literacy classes. So, what is going on here?

This research set out to identify perceptions held by community members who are within the target audience of financial literacy classes in a rural community in Maryland. The goal was to speak with community members about classes they have attended in the past, beliefs they have about finance classes, and whether they were aware of the classes available to them.

The research was conducted using a focus group design in partnership with the Seton Center, a local community organization who hosts community programs and helps community members access services. A focus group was selected because the researchers wanted to identify a variety of factors that might influence attendance in this particular community. The focus groups were held in connection with a trusted organization to encourage attendance and make people feel comfortable sharing their opinions. The researchers hypothesized that participants would express unique experiences and perceptions about financial literacy classes that might affect their motivation to attend a class. Three focus groups were conducted with eight to ten participants at each focus group. Two facilitators were present and they led the discussion using questions like:

- What does it mean to be good with money?
- What do you want your kids to learn about money?
- What experiences have you had with financial literacy classes? In what ways were those experiences positive and/or negative?
- If you were to design a financial literacy class, what would it look like?

The group discussions were recorded, transcribed, and reviewed by the researchers. Researchers pulled out themes and quotes that summarized feelings and experiences the groups shared.
Overall, each group mentioned several key concepts. One was that they perceived financial educators to be people who came from a more advantaged background and could not relate to them or their struggles. Participants pointed out that classes were often run by people they had never met before and who they never saw again after the presentation. They also reported that previous experiences with financial education had not always been positive. Particularly, they had most of their financial education experiences while seeking assistance (like rental assistance or nutrition assistance). In those settings, they described feeling judged or shamed. Interestingly, they were aware of local financial education but only programs that require participants to pay a fee. None could remember seeing information about free

financial education. Finally, the group pointed out that difficulty accessing transportation and childcare were both significant barriers to attending many community classes.
For financial educators, especially extension educators. These focus groups yield valuable information. Although each community has unique issues and challenges, the perceptions expressed offer suggestions for how educators might better market or describe their classes to interested community members. Classes could be marketed as non-judgmental, free, and offered by someone connected to the community (if possible). By understanding and addressing concerns community members might have about attending, we can increase the chances that people will chose to attend. There they can learn valuable information that can help them improve their financial literacy and overall financial health.

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Help for Mortgagors in Default During the Pandemic Aftermath

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Key words: counseling, forbearance, foreclosure, loss mitigation, mortgage delinquency

Background

The COVID-19 pandemic complicated the situation for American households struggling to make their mortgage payments due to over-indebtedness, lack of emergency funds, and unestablished budgets (Lee, 2020); and it triggered a housing affordability crisis (White House, 2021). On February 16, 2021, the White House extended the COVID-19 foreclosure moratorium to June 30, 2021 for homeowners to request forbearance; identified that 2.7 million households were then in COVID-19 forbearance; and extended the availability of forbearance options for nearly 11 million government-backed mortgages nationwide. The briefing went on to say that homeowners of color make up a disproportionate share of borrowers with delinquent loans and loans in forbearance due to COVID-related hardships (White House, 2021).

Purpose

Financial professionals may find an increase in clients facing mortgage default who need to work through the loss mitigation process. Specifically, professionals inexperienced with loss mitigation may need to reach out to specially trained U.S. Department of Housing and Urban Development (HUD)-approved housing counselors.

Process

When preparing loss mitigation packets for submission to mortgage servicers, the process includes the following steps: 1) Determine reason homeowner is behind on mortgage payments, 2) Determine if homeowner wants to remain in the home (retention) or transition out of the home (disposition), 3) Determine the type of mortgage (conventional, FHA, VA, or USDA; if it is owned by Fannie Mae or Freddie Mac) to determine options and processes available through the servicer, 4) Gather required financial documentation and determine affordability, 5) Complete the necessary forms to request the loss mitigation option, 6) Submit the request to the servicer, 7) Respond to additional requests for information, 8) If request is approved, discuss if it is affordable; if it is denied, determine why (HUD, 2021).

All servicers that offer FHA-insured mortgages must review retention options first and are required to consider all options in the following order: 1) Attempt to bring the mortgage current, 2) Determine eligibility for Informal and Formal Forbearance Plans, 3) Determine eligibility for Special Forbearance - Unemployment Agreement, 4) Determine eligibility for FHA Loan Modification, 5) Consider a pre-foreclosure sale, 6) Consider a deed-in-lieu (HUD, 2021).

Implications

During the COVID-19 pandemic, HUD-approved housing counselors have been steadily training in preparation for the possibility of another mortgage default crisis similar to the 2008 crisis. Financial professionals can feel confident partnering with knowledgeable, well-trained, and certified housing professionals to support their clients in mortgage default. To find a local HUD-approved housing counselor see: https://www.consumerfinance.gov/find-a-housing-counselor/

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Financial Literacy for University Students

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Key words: financial capability, financial knowledge, financial literacy

The goal of this study is to analyze the financial capabilities of first-year college students at the University of Charleston. The insights gained from this analysis will be used to improve the financial literacy module in the Freshman Orientation course, the Financial Literacy course, and for research projects to disperse knowledge beyond the University of Charleston. The survey instrument used is a combination of questions from the CFPB's Youth Financial Capability Survey and questions from the financial literacy quiz used in the National Financial Capability Study (NFCS) established by the FINRA Foundation. These questions will be beta tested in the Financial Literacy course in the Fall of 2021 before being incorporated in the University's Freshman Orientation course where the survey will be given to all first-year students. This poster will show the results from last year, which only included the questions from the Youth Financial Capability Survey, and the preliminary results from the Financial Literacy course in fall 2021 including questions from both surveys.

This poster presents some of the findings as well as what was learned from the first round of surveys. One important lesson learned was that there needs to be more objective financial questions that address individuals' financial knowledge, not just perceptions of financial capability. Individuals may consider themselves financially knowledgeable but are they in reality? For this next round of surveys, questions were added to better address individuals' objective financial knowledge. Findings from the initial test round using the additional questions are presented.

The next step in this analysis is to gather feedback from AFCPE participants and others regarding the additional questions and initial beta test. From there the data will be collected from the Freshman Orientation classes this fall to be analyzed in Spring 2022.

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Money Make $ense

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Key words: after-school programming, family financial socialization, interactive financial activities, youth financial education

Target Audience
The target audience includes financial practitioners who work directly with youth (ages 14-22) through workshops/classes, as well as those who seek to engage the families of their clients.

Objective/ Purpose
In this research-to-practice forum, we demonstrate how to use our financial activity toolkit to encourage positive financial socialization. We describe the collaborative process used to develop the toolkit and to validate the activities. In addition, we provide examples of how we adapted the activities for use in multiple settings and across different age groups.

Description
The research framework for this toolkit is based on a model of financial literacy development (Serido et al., 2013; Serido, Forthcoming). Research shows that youth ***learn*** about finances from two main sources of financial influence: socialization from influential people in their lives and education about financial content. Although these sources of influence promote financial knowledge, it is only ***by acting on the knowledge that youth understand the relevance*** and value of that knowledge. By providing youth with opportunities to practice making financial choices, they ***develop the financial knowledge and skills*** to make more informed financial choices.

Guided by this framework, both the researcher and practitioner worked in tandem to develop and design a series of 10 financial learning activities. Each activity focuses on a specific financial topic (e.g., values, smart shopping, saving, goal setting) framed in the context of experiences that youth encounter. Each activity provides opportunities for supportive adults to engage youth in making financial choices. The tool kit includes training videos so facilitators have a model for how to set up/conduct the activities. The toolkit also includes a financial passport that youth can use for self-reflection and note-taking.

Impact/Value to the Field
Although the ability to make good financial choices is an essential life skill, youth lack the knowledge and experience to make informed choices (Lusardi, 2019; Xiao et al., 2014). This activity based informal approach provides an informal and engaging way for youth to learn and practice financial decision-making skills in the context of their own lives (Larson & Kleiber, 1993).

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Race and Financial Well-Being

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Abstract

This research sought to expand our understanding of factors that impact the financial well-being of college students by specifically examining the influence of race. Financial well-being was measured using the CFPB Financial Well-Being Scale and self-determination theory provided the framework for the study. ANOVA analyses found statistically significant associations between race and the constructs of relatedness and competence. Findings from this study provide empirical support for financial socialization varying by race. This study can inform parents and practitioners about the importance of financial communication at home. This study also supports the development of culturally sensitive financial professionals and educators.

Key words: cultural competence, financial socialization, financial well-being, race, self-determination theory

Background

Financial well-being continues to be a topic of interest for researchers, counselors, educators, and parents. Financial health and well-being have been associated with multiple facets of life, including physical health, academic progress, and interpersonal relationships (O'Neill et al., 2005; Shim et al., 2009). This research seeks to expand our understanding of factors that impact the financial well-being of college students by specifically examining the influence of race and ethnicity (hereafter, Race) in an expansion of ongoing research. While research investigating the financial well-being of underrepresented populations is limited, it is needed to support the development of culturally sensitive financial counselors, planners, and educators, especially since diversity among financial professionals remains limited. For example, Black and Latinx CFP® professionals have consistently accounted for approximately 4% of all CFP® certificants for each of the last three years (CFP Board, 2019, 2020; Reiter & Kiss, 2021). Similar demographic data for other personal finance professionals, such as Accredited Financial Counselors, is not currently publicly available.

Purpose

The intent of this investigation is to better understand how Race influences financial well-being among college students as measured by the CFPB Financial Well-Being Scale. Although Race has often been used as a control variable when investigating financial well-being, there are limited studies that consider its influence as a variable of primary interest. Self-determination theory (SDT) (Deci & Ryan, 1985; Ryan, 2009) will serve as the framework for exploring how Race may affect (a) the relatedness, autonomy, and competence constructs of the theory and (b) financial well-being. Cultural or racial differences in these constructs must be investigated to better understand their impact on the financial well-being of these populations.

Literature Review

Research has found that culture influences financial perceptions and behaviors (Danes et al., 2016). However, literature on the racial and ethnic differences in financial well-being is lacking. A common issue in previous research on financial outcomes in minority groups is that the groups are often combined making it difficult to isolate specific issues for individual racial groups (Lee & Hanna, 2012). Despite this issue, prior studies have highlighted the importance of financial professionals adopting culturally sensitive practices to effectively address the differences in perceptions and behaviors found in diverse populations (Hawkins & Zuiker, 2019). Cultural differences between minority groups could be impactful to the financial well-being constructs of relatedness, perceived and objective competence, as well as autonomy.

Relatedness, Financial Well-Being, and Race

Relatedness suggests communication and connectedness, of which financial socialization is key. In this study, financial socialization is considered part of the relatedness construct within self-determination theory. Financial socialization has been identified as a key predictor of financial well-being (Shim et al., 2009). Financial well-being is defined as “a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow them to enjoy life” (CFPB, 2017, p. 7). Financial socialization literature suggests that the capacities needed for future financial well-being are developed well before a young adult begins college (Drever et al., 2015). Financial socialization provides the foundation for a young adult’s perception of financial well-being, which can motivate efforts at improving financial knowledge and capabilities (Rea et al., 2019).

Financial knowledge and the financial behaviors of young adults are often learned from and influenced by their parents (Kim & Chatterjee, 2013; Mimura et al., 2015). When students have discussions with their parents about money before college, they appear to have better financial outcomes (Fulk & White, 2018). Parental involvement in the financial socialization process is especially important for minority students (Fulk & White, 2018). Teaching and modeling by parents was found to be particularly important for influencing positive financial behaviors for African American college students (Fulk & White, 2018). Furthermore, the types of financial messages received by minority students have been studied for their influence on financial outcomes. Financial messaging received from parents appears to differ by Race. White et al. (2020) found that “African-American students received fewer saving and banking messages” (p. 1) while “Hispanic students received fewer investing messages than other racial groups” (p. 1). This suggests that parents are the core of the financial socialization process, both by what they say and what they are observed doing (Rea et al., 2019).

Perceived Financial Competence, Financial Well-Being, and Race

Financial well-being has been linked to several factors including financial behaviors, financial attitudes, and objective financial knowledge (Shim et al., 2009). Financial education programs often target improving these areas of an individual’s financial life to increase a person’s financial well-being (Fox et al., 2005). Financial knowledge alone, however, does not increase the likelihood for future financial well-being so financial literacy programs should also focus on helping individuals to gain confidence in applying their knowledge (Huston, 2010). In more recent literature, perceived financial competence (subjective financial knowledge) has been identified as another key factor in financial well-being. Lind et al. (2020) found that subjective financial knowledge (perceived financial competence) was a greater predictor of financial behavior than objective financial knowledge. Perceived financial competence could also be impacted by the financial education that a person received (Huston, 2010; Lusardi et al., 2010). Although research on the benefits of various financial education programs is mixed (e.g., Mandell & Klein, 2009), research does show that financial knowledge can increase positive financial behaviors that increase the likelihood of financial well-being (Postmus et al., 2015; Xiao, 2016). Common criticisms of financial education programs are that they generally lack an underlying theoretical framework and may not match the culture or unique circumstances of its participants (Collins & O’Rourke, 2010). Culturally competent financial education programs would acknowledge cultural differences and respect the backgrounds of those being served through their programming (Ariel, 1999). Cultural competence is discussed in several other fields such as education, medicine, and mental health as research suggests it improves the counseling experience for participants and can increase the likelihood that participants will change their behaviors (Constantine, 2002; Danes et al., 2016; Marks et al., 2009).

Autonomy, Financial Well-Being, and Race

Autonomy is the final construct in self-determination theory. Autonomy does not mean complete independence or selfishness, but rather the freedom to choose a behavior or experience based on a person's sense of self (Deci & Ryan, 2000). This aspect of financial well-being is highlighted in the qualitative research conducted to create the CFPB Financial Well-Being Scale (CFPB, 2015). In that research, "having the financial freedom to make the choices that allow you to enjoy life" (p. 19) was a core element of financial well-being that emerged from the analysis of interview transcripts with adult consumers and discussion with financial experts (CFPB, 2015). The finding that autonomy shapes well-being was also supported by Netemeyer et al. (2018) where financial stress is linked to a feeling of finances being out of the control of the individual. The study by Netemeyer et al. (2018) showed that current money stress has a negative relationship with perceived financial well-being in participants and that the feeling of financial stress was higher for low-income individuals. In one assertion, a student expressed the belief that they would experience more financial freedom when they did not feel like they had to save money all the time due to their limited budget (Netemeyer et al., 2018). This finding could have particular implications for minority groups who tend to have lower levels of wealth attainment (Painter, 2013).

Autonomy can be significantly limited by a person's financial circumstances. Low incomes, lower levels of higher education, and lack of generational wealth transfer could all be detrimental to a feeling of autonomy in making financial choices in minority groups (Painter, 2013). Previous research has also highlighted racial differences in financial behaviors such as saving, use of financial products, and credit card utilization (Anderson et al., 2017; Farrell et al., 2016; Robb et al., 2015). For example, both Hispanic and African Americans are more likely than White Americans to be unbanked (Federal Deposit Insurance Corporation, 2019). However, studies have pointed to a likelihood of Hispanic families retaining a bank in their home country whereas African Americans may have a general distrust of financial institutions (Rhine & Greene, 2006; 2013). These cultural differences could significantly limit the variety and depth of financial experiences that a person would receive prior to reaching adulthood, which could impact a person's feeling of autonomy. Additionally, a person's feeling of financial well-being may be influenced by their culture. Minority groups may have different measures of how wealth is measured and what financial well-being entails. For example, some cultures may focus more on the collective resources of their family and their ability to give wealth away rather than their own individual ability to manage their financial responsibilities (Danes et al., 2016).

Conceptual Background

This study uses self-determination theory (Deci & Ryan, 1985; Ryan, 2009) as its framework. Typically, self-determination theory is used to understand intrinsic motivation. In this study, we are focusing on how key components of self-determination theory (autonomy, competence, and relatedness) impact financial well-being, which is an assumed motivation of students. Race is posited to influence these constructs, so this study will also look at the impact of Race on autonomy, competence, and relatedness.

Hypotheses

We hypothesize that Race will have a statistically significant relationship with the components of financial well-being as described by self-determination theory—autonomy, relatedness, and competence. Further, we hypothesize that Race will maintain its statistically significant connection with financial well-being.

- H_1: Race has an effect on relatedness, as described in self-determination theory.
- H_2: Race has an effect on autonomy, as described in self-determination theory.
- H_3: Race has an effect on competence, as described in self-determination theory.
- H_4: Race influences financial well-being.

Methodology

The data for this study was obtained through an online survey of a representative sample of a large, Midwestern university student body. The sample of students to whom the survey was sent (N = 5,000) was representative by class rank, college where major was housed, race, and sex. Students were incentivized to complete the study. For the first 350 who responded, a $5 Amazon e-gift card was awarded. A total of 628 students began the survey. Of those who began the survey, 494 completed it. After accounting for missing data, quantifying that only those who identify as male and female were included (non-binary =3; prefer not to answer =5), narrowing the age range to include only those of "typical undergraduate age" (18-25 years old; loss of 20), and omitting those who identified as "Multiracial" (loss of 17) or "Other" (loss of 5), the final sample of 441 was used in the analyses reported in this paper. The decision to limit the sample to the broadest categories of gender and race was based on concerns that the small number of students identifying as non-binary genders and multiracial or other ethnic groups may lead to bias in the results, so these categories were excluded from the sample.

The sample used was diverse across several measures. Students in the sample were relatively evenly split by class rank. Slightly more than half of students surveyed (52%) had non-student loan debt while most students in the sample had student loan debt (60%). Female respondents represented 66% of the sample and just under 30% of the sample were racial or ethnic minorities.

Data Analysis

The model's dependent variable, financial well-being, was measured using the CFPB Financial Well-Being Scale. The scale included ten questions concerning categories such as budgeting, financial strain, and securing a financial future. Examples of items in these categories are "handling a major unexpected expense", "finances control my life", and "concerned that money or savings won't last", respectively.

Key predictor variables

Autonomy. Autonomy was measured as a continuous scale variable, considering a summation of the student's years of work experience, the total number of financial accounts, and if the student pays for all or most of their college education. Items used to measure this construct include:

- Who is paying for college? (Self-pay = 1 for students paying 100% or students paying more than half; non-student pay is parents paying, parents paying 50% or more, or other = 0)
- Work experience? (no work experience = 0, less than one year = .5, one to two years of experience = 1, more than two but less than four years of work experience = 1.5, more than four years = 2)
- Number of financial accounts? (no accounts = 0, responses range from 0 to 8 including the following account types: savings, checking, money market, CD, stock, bond, mutual fund, IRA)

*Relatedness***.** Relatedness items captured where students expected to learn about financial topics, what financial topics they learned at home, how the students' family handled finances, and subjective financial comparisons. These items asked students:

- *Learn from others*: how the student planned to learn about financial topics going forward—parents, friends, media, school, books, job, life experience, financial planner/counselor, other.

Categories of parents, friends, financial professionals were counted as “people”. People values were given a value of one and then were added together to get a “learn from others” score.

- *Financial socialization*: a) what they learned about at home—topics included but were not limited to budgeting, interest rates, recordkeeping, charity, and various insurance products measured on a continuous scale; b) likeliness to save as compared to parents (1 – much more likely to save to 5 – much more likely to spend); c) financial knowledge compared to friends (1 – low to 7 – high) and; d) as compared to other students (1 – low to 7 – high)
- *Family handled finances:* (family argued = 0, learned from their examples = .5, openly discussed = 1, explicitly taught = 1.5, included student in the discussion = 1.75)

Financial competence. Financial competence was measured as the sum of the student’s objective and subjective financial knowledge, perceived ability to manage finances, and how financially educated and well informed the student felt financially. Below are details on each measure:

- Objective financial knowledge (continuous scale range 0-21)
- Current overall understanding of personal finance and money management concepts and practices (1 - 7, 1 is extremely low; 7 is extremely high)
- How sure do you feel about your ability to manage your own finances (1 - not sure at all; 4 - very sure)
- I feel financially educated (SD = 1; SA = 7)
- I feel well-informed about financial matters (SD = 1; SA = 7)

Results

To begin our investigation, we utilized Analysis of Variance (ANOVA) procedures to understand how Race may be associated with the self-determination theoretical constructs of autonomy, relatedness, and competence. As depicted in Table 1 “Run a” (below) there were some statistically significant results in the constructs based on Race. Then, we investigated how Race is associated with the variables that made up relatedness, autonomy, and competence (Table 1 “Run b”). In these data, Race is broken into five total categories: Black/African American (n = 24), Asian (n = 22), White/Caucasian (n = 318), Hispanic (n = 42), and Native American (n = 35).

For the “Autonomy” construct variable and its total number of financial accounts component the ANOVA post-hoc (Tukey) test was unable to determine between which races the significant difference existed, just that a significant difference between the races did exist. Due to our inability to make this determination and that Autonomy was not a statistically significant variable in predicting financial well-being in related multivariate work presented at the American Council of Consumer Interests 2021 Annual Conference, this paper does not consider Autonomy further.

For the financial socialization aspect of Relatedness, there is a significant difference between Whites and Hispanics. Using the question that inquired about how well-informed the student felt about finances regarding Competence, the ANOVAs also identified a significant difference between Whites and Native Americans. Hence, we focused on financial socialization and the measure of how well-informed the students were about finances for a multivariate analysis of Race, Relatedness, Competence, and the CFPB Financial Well-Being Scale (Table 3). As Table 3 below shows, the analysis involved three stages, beginning with the self-determination theory predictors alone. The second stage adds racial and ethnic categories as predictors with White as the comparison group. The full model is represented in Stage 3 to include control variables. There are no significant differences based on Race when those controls are accounted for.

Parent income was divided into $60,000 increments because family income at $60,000 and below qualifies the student for a state-based, full-ride scholarship. The middle range of income was used as the comparison group due to minor issues with multicollinearity between the "up to $60,000 income" and "$60,000 to $120,000 income" variables.

According to our sample, the most impactful factors for financial well-being, as measured by the CFPB Financial Well-Being Scale are subjective competence as represented by the question "How well informed do you feel about financial matters?" ($\beta = .320$, $p < .001$) and not having non-student loan debt ($\beta = .272$, $p < .001$). Other important factors include the financial socialization aspect of Relatedness, which was a variable made up of nine different questions regarding what financial topics the students learned about at home ($\beta = .105$, p = < .05), being male ($\beta = .100$, $p < .05$), being a Senior in college ($\beta = .119$, $p < .05$), and having household income of $60,000 or less ($\beta = .167$, $p < .01$).

In summary, results found that H_1 and H_3 were partially supported. The ANOVA analyses found statistically significant associations between Race and the constructs of relatedness and competence; however, this test was not able to identify which races showed differences in the construct of autonomy so H_2 was not supported. Furthermore, since no significant differences based on Race were identified in the final regression model, H_4 was not supported by the results of the study.

Discussion

Financial socialization is part of the Relatedness construct within the self-determination theory. Financial socialization was a statistically significant predictor of financial well-being as noted above in our final multivariate model. Though Race does not maintain significance when appropriate control variables are considered, there were significant differences between Whites and Hispanics on financial socialization in the bi-variate ANOVAs. Considering the items that comprise financial socialization separately, there are racial disparities between Whites and Hispanics on financial topics learned about at home. Specifically, Home/Renter's Insurance ($p < .05$), Loans/Debt ($p = .0525$), Credit Cards ($p = .01$), Savings (p = <.01), and Interest Rates ($p < .01$). Furthermore, there is a statistically significant difference in learning at home about Interest Rates between Whites and Blacks ($p < .01$). These underlying statistics provide researchers, educators, and practitioners insight regarding areas of potential focus for financial education. Hispanic, college-aged individuals are at a disadvantage in knowledge regarding renter's insurance, debt, credit cards, savings, and interest rates, at least when compared to White, similarly aged individuals. Blacks, in this sample, have not learned as much as Whites about interest rates which are fundamental to many financial decisions. Hence, although the multivariate analysis did not find that Race influenced financial well-being directly, the bi-variate ANOVAs suggest that Race may have an important indirect effect via its negative influence on the financial socialization aspect of Relatedness.

Similarly, there is further evidence to support that financial competence is a significant predictor of financial well-being. Our bi-variate ANOVAs showed a significant difference between Whites and Hispanics when asking how well informed they felt about finances. Financial counselors, researchers, and practitioners should note that Hispanic, college-aged adults generally feel less informed about financial matters than their White peers. These findings should provide meaningful insights when designing financial education programs. While significance was only shown between Whites and Hispanics, further investigation should examine if this relationship is prevalent in other races when using a more robust sample.

This study’s findings do not suggest autonomy is significantly related to financial well-being, nor does Race have a significant moderating effect between autonomy and financial well-being. While we found some support that the number of financial accounts was significant, we could not find evidence that there was a significant difference between Race and the number of financial accounts. This was contrary to previous literature that found racial differences in saving behavior and the use of financial accounts (Anderson et al., 2017; Farrell et al., 2016; Robb et al., 2015). Finally, the study identified not having student loan debt, having a class rank of Senior, and coming from a household where parent income was less than $60,000 as significant predictors of financial well-being.

Limitations

A significant limitation to this study is the sample size of the dataset, particularly when considering the racial make-up of the sample. While the sample had 441 respondents, only 123 were non-White. When breaking the non-White respondents down even further, no single category had more than 42 respondents. As such, future analyses should use larger, non-White samples in order to add to the existing literature.

While the study uses data representative of the demographic make-up of a large Midwestern university, the analyses were constrained due to the regional, cross-sectional, and self-reported nature of the dataset. This study is focused on college students that are approaching financial independence, which could contribute to some feelings of low levels of financial well-being. Longitudinal data would enhance the understanding of the relationship between Race and financial well-being as financial well-being may change naturally throughout a person’s life. Additional studies should also attempt to examine this relationship with a sample that is regionally diverse and representative of the racial make-up of the United States.

Implications

Research that explores the relationship between Race and financial well-being is limited. Findings from this study adds to current literature on financial socialization and financial well-being by providing empirical evidence to support the hypothesis that financial socialization, specifically what college students learn at home, varies by Race. As a result, there are implications to this study for parents, educators, and counselors working to help increase the future financial well-being of young adults.

First, this research can inform parents and family members about the importance of what and how they communicate financial related matters to their children. The findings could help parents and family members recognize their own areas of weakness in how and what they are teaching and communicating to their children. Still, parents and family members may feel unprepared to provide financial education or to have basic financial discussions with their children because of their own low subjective financial competence or financial literacy. Financial counselors, educators and practitioners could fill this critical gap in the socialization process. While financial education, generally, is underrepresented in our communities and education system, this research illuminates the importance of financial topics being taught and communicated in the home.

Next, since financial socialization, as part of the relatedness construct, is concerned with finding a connection to an individual or community, we believe this research supports the importance of the manner in which financial topics are presented and who is communicating and teaching these topics, not just that they are being taught. Culture can influence financial behaviors (Danes et al., 2016) so culturally sensitive financial counselors, planners, and educators are likely to be more effective in their work with ethnic minorities. As a result, our research provides support for acknowledging and planning for cultural differences within the work of financial counseling, planning, and education.

In a more practical sense, we believe this research can assist financial counselors and planners as they work with non-white individuals and families. Integrating real-life examples of everyday financial practices that resonate with participants into their programs and instruction can help parents understand how to teach their children financial concepts more effectively. As an example, counselors and planners could foster financial responsibility through money management exercises using small amounts of money or walk through the process of opening a checking or savings account that could easily be replicated by the parents with the children.

Finally, although differences in Race and financial socialization were found, findings from this study do not explain why the differences exist. Future studies on why this difference exists could help future literature on Race and financial well-being. By identifying the factors driving this difference, programs and tools can be developed to facilitate or encourage conversations between family members based on the unique needs of the families being served. This exploration requires greater collaboration between researchers and practitioners with respect to Race and financial well-being. This level of collaboration offers the best opportunity to make the most immediate impact on minority communities and families.

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Figure 1

Conceptual Map

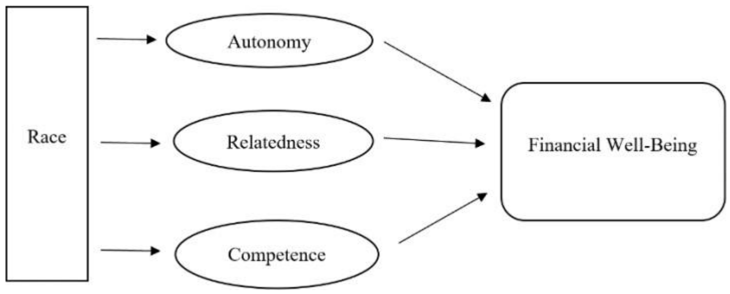

Table 1

Sample Descriptive Statistics (n = 441)

Variable		N	%
Class Rank	Freshman	107	24.26
	Sophomore	105	23.81
	Junior	111	25.17
	Senior	118	26.76
Parent Income	Do Not Know	56	12.70
	Up to $60K	159	36.05
	$61 - $120K	137	31.07
	>$120K	89	20.18
Debt	Has Debt (excl student loan debt)	231	52.38
	Has no debt	210	47.62
Student Loan Debt	Has student loan debt	265	60.09
	No student loan debt	176	39.91
Race/ethnicity	White	318	72.11
	Black	24	5.44
	Asian	22	4.99
	Native American/Pacific Islander	35	7.94
	Hispanic	42	9.52
Gender	Male	151	34.24
	Female	290	65.76

Table 2

Understanding How Race Associates with Self-Determination Theory Constructs (n = 441)

Variable	ANOVA F-Values Run a	Run b
Autonomy	1.43	
Relatedness	2.30†	
Competence	2.46*	
Financial Well-being	0.48	
Items measuring Autonomy		
How college is being paid for		0.89
Years of work experience		1.76
Total number of financial accounts		2.51*
Items measuring Relatedness		
Likeliness they will learn about money from others		1.2
Financial socialization		3.73**
How finances were handled by parents		0.98
Likeliness to saved compared to parents		0.33
Financial knowledge compared to friends		0.86
Financial knowledge compared to other students		0.68
Items measuring Competence		
Objective financial knowledge		1.75
General subjective financial knowledge		0.75
Perceived ability to manage money		0.56
How financially educated they felt		2.34†
How well-informed they felt about finances		2.67*

†p<.10, *p<.05, **p<.01; ***p<.001

Table 3

Understanding Race and the CFPB Financial Well-Being Scale (n = 441)

	Stage 1		Stage 2		Stage 3		
Variable	B	SE	B	SE	B	SE	β
Intercept	22.607***	0.978					
Financial Socialization (for Relatedness)	0.360***	0.087	approximately same				
How well-informed (Competence)	1.420***	0.212	approximately same				
<u>Race</u>							
Black			-0.227	1.529			
Hispanic			0.330	1.183			
Asian			0.628	1.583			
Native Americans			-0.896	1.281			
White (Comparison)			-----	-----			
<u>Final Model</u>							
Intercept					20.336***	1.254	----
Financial Socialization (for Relatedness)					0.196*	0.084	0.105
How well-informed (for Competence)					1.459***	0.199	0.320
Black					1.742	0.221	0.050
Hispanic					1.098	1.118	0.041
Asian					1.230	1.48	0.034
Native American					0.117	1.198	0.004
White (Comparison)							
Male (Female = Comparison)					1.667*	0.675	0.100
Freshman (Comparison)							
Sophomore					1.445	0.913	0.078
Junior					0.302	0.903	0.165
Senior					2.125*	0.885	0.119
Does not know parent income					-1.572	1.057	-0.066
Up to $60,000 parent income					-2.762**	0.79	-0.167
$60,000 to $120,000 parent income (Comparison)							
More than $120,000 parent income					0.783	0.927	0.04
No Student Loan Debt (Having Student Loan Debt = Comparison)					1.535*	0.74	0.097
No Other Debt (Having debt = Comparison)					4.412***	0.752	0.272
Adjusted R^2= .174	0.174		.172-.173		0.320		

†p<.10 *p<.05, **p<.01, ***p<.001

A First-Generation College Student Financial Literacy Needs Assessment

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Abstract

The purpose of this project is to assess how sources of financial literacy education influence FGCS financial literacy. FGCS students in this study were required to complete a financial literacy education workshop series as part of the university-based early success program. Other types of exposure to financial literacy education- such as family, friends, high school financial literacy courses, and college courses or degree program, were explored as well. This project also investigated if the current pandemic and employment instability has impacted interest or appreciation for financial literacy education in first-generation college students.

Background

Financial literacy for students is a topic universally acknowledged as important to the successful transition to adulthood. Low-income, first generation college students (FGCS) have many barriers to successful degree attainment. Miyazaki and Janosik (2009) found that FGCS often faced greater financial burdens, were more likely to enroll in college remedial courses, and were less likely to seek assistance from university faculty and support staff. For these students, the transition to college life can pose many challenges before the weight of college life and academic responsibilities are added, such as family conflict, financial struggles, and worry over the future/unknown. Per Engle and Tinto (2008), the adversity to FGCS has a considerable impact on college persistence as 26% drop out during the first year and only 34% receive a bachelor's degree within six years from public universities (11%-degree attainment for overall institution types). As noted by Chen and Volpe (1998), the lack of financial literacy extends past problematic student loan decisions but in the development of responsible financial decision-making behaviors. For FGCS, less financial preparation can have a serious impact on their college life including housing, food insecurity, and balancing employment and study time (Pascarella, et al. 2004).

There is a noted absence of research conducted specifically on first-generation college student financial literacy. College student financial literacy research often addresses generalized college student financial literacy deficiencies (Chen & Volpe, 1998; Engle & Tinto, 2008; Lee & Mueller, 2014). Current research consists of financial hardships for low-income college students, who are often also first-generation college students (McDonough & Calderone, 2006). However, little to no research specifically seeks to better understand financial literacy or sources of financial literacy education from first-generation college students. Further research is needed to better understand what level of financial literacy FGCSs possess and what influences their financial literacy knowledge and behaviors.

Purpose

Studies show that in the United States, people often lack the foundational knowledge needed to make smart financial decisions (Huston, 2010; Lusardi, 2008; Mandell & Klein, 2009). In fact, financial strain for first generation student is a common reasoning for early exit from postsecondary education as the number of first-generation college students who reported serious concern about money and the ability to work have increased (Pratt, et al. 2019). The purpose of this project is to assess how sources of financial literacy education influence FGCS financial literacy.

Methodology

Participants in a southeast U.S. university scholar program for first-generation college students were identified and recruited via email invitation. Respondents were asked to complete a 20-minute online Qualtrics survey composed of demographic information, sources of influences on financial literacy, a financial literacy knowledge assessment, and questions about financial literacy behaviors and perceived financial self-efficacy. Additionally, data was collected related to COVID-19 financial hardships including a qualitative section for individual student experiences. The final sample consisted of 70 participants between the ages 18-23. The sample was composed of 52 female students (74%) and the racial/ethnic diversity included 33% White, 17% Black/African American, 41% Latinx/Hispanic, and 11.4% multiracial as shown in Table 1. From the study population, over 95% of students reported their parent's income last year as under $50,000.

Results

RQ1- What level of financial literacy do first-generation college students possess?
The mean score for participants was 4.78 out of 8 (60% or the equivalent of a "D" if grades were given). Of the 60 students who completed all questions in the financial literacy behaviors section, the mean score was 2.93 out of 6 (49% or the equivalent of an "F" if grades were given). Sixty-two students completed the financial literacy self-efficacy section with a mean score of 3.89 out of 5 (78% of the equivalent of a "C" if grades were given).
RQ2- Among common sources of financial literacy learning and education, what do FGCS find most influential?
The descriptive analysis on sources of financial literacy education influence show students selected the university-based financial literacy education workshops, parents, and the internet most frequently as sources of financial literacy education. Over 84% of students selected the university-based workshops as a source of financial literacy education influence.

RQ3- What is the influence of a university-based financial literacy education intervention for first-generation students?
The students in this study participated in a university-based financial literacy workshop series in their first year as college students. Students who selected the university-based workshops as a source of financial literacy influence, scored on the lower end of the knowledge, behavior, and self-efficacy assessments when compared to other selected sources of influence.

RQ4- Has the COVID-19 pandemic impacted first-generation college student financial strain and interest in financial literacy?
Descriptive analysis shows the frequency and magnitude of COVID-19 hardships for first-generation students. Students (N= 57) who completed this section of the survey experienced at least one hardship during COVID-19. Over 70% of students experienced financial hardship during COVID-19. Furthermore, the pandemic has increased interest in financial literacy education in over 42% of participants.

Discussion

Research and current literature agree that financial literacy education is crucial to successful transition to adulthood for young adults. Yet, there is a noted lack of research conducted specifically on first-generation college student financial literacy and outcomes. As more and more college students leave college with increasing amounts of student loan debt, first-time in college students (especially those who are the first in their family to attend college) need financial education on student loan debt, establishing credit, living on a college student budget, and how to make smart financial decisions. The students in this study scored a “D” in financial literacy knowledge, an “F” in financial literacy behaviors, and a “C” in financial literacy self-efficacy. These results highlight the need for financial counselors to increase student financial literacy by linking financial knowledge to financial behaviors and actions as suggested by Huston (2010).

An important finding from this study shows FGCS seniors have the lowest level of financial literacy self-efficacy. This low level of financial control and capability from seniors can be attributed to the stress of graduating college, entering the workforce, and increased financial responsibilities. These findings suggest to financial counselors and planners the need for specialized financial literacy education for college students based upon class level.

Further research is needed to understand the outcomes for first-generation college students with early financial literacy education intervention. Improved financial literacy education (FLE) could provide first-generation college students with better financial decision-making and increased financial self-efficacy. The pandemic reveals the need for financial education support and programming for parents of first-generation college students.

The limitations to this study include the specificness of population of interest (FGCS) and the small sample size. Furthermore, the academic requirements and resources available to the study sample limit the generalizability of the study. However, this study furthers current research by increasing our understanding of first-generation college student financial literacy knowledge, behaviors, and self-efficacy.

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Importance of Financial Aspects on Health among Immigrants

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Abstract

We use this paper to see if the differences between immigrant and native health could be caused by poor financial well-being. Differences in financial well-being and behaviors have been documented between the two groups. Poor financial well-being has also been linked to poor health. We used the 2016 National Financial Well-Being Study for our data. Our results show that there is in fact a significant connection between financial well-being and general health, but only for the native population. For the immigrant population, age, income, financial skills, credit avoidance behavior, and ability to absorb shock were related to self-reported health.

Key words: financial well-being, health, immigrant, National Financial Well-Being Study

Background

Financial well-being has recently been tied to the health of individuals and is known to improve human capital (Lusardi & Mitchell 2013). Financial well-being is influenced by financial literacy and behavior, especially financial literacy. Immigrants in general tend to have better financial behaviors but worse financial literacy, which is especially true for those who immigrate to be with family (Gjestvang 2020; Khan et al. 2021). Latinos and blacks in general also have less wealth attainment, and there exists a significant wealth gap (Bauer et al. 2011; Painter 2013; Painter 2015). Those with poor financial health tend to develop and maintain poor mental health, with anxiety, stress, and depression being the main factors impacting an individual's mental health (Sturgeon et al. 2016; French & McKillop 2017; De Meulenaere et al. 2021; Khan et al. 2021). Financial stress is endogenous, meaning that the problems are within the individual (French & McKillop 2017). Two of the biggest factors that contribute to these adverse mental conditions are both socioeconomic background and employment status (Starrin et al. 2008). This decline in mental health then leads to poor physical and overall health (Arber et al. 2013; Sturgeon et al. 2016). This path tends to be cyclical in nature, as poor health further compounds financial issues due to the cost of medicine and even medical bills that are required to tend to these medical needs which then further reduces the ability to save up money or the ability to afford healthcare.

Purpose

We use this paper to focus on the role of financial well-being as the main cause of health differences between the immigrant and native populations. More specifically, how immigrants differ in their financial knowledge and behaviors compared to their native peers, regardless of racial group. We then see if these differences (if any) due to immigrant status leads to a connection with the health differences that immigrants (regardless of race) have against native equivalents. We believe that one's finances dictate the health of individuals due to factors such as financial stress and the mental anguish associated with it as well as the inability to afford quality health care.

Hypotheses

H1. Financial wellbeing is related to general health.
H2. Financial wellbeing moderates the relationship between financial literacy and general health.
H3. The relationship between financial wellbeing and general health would be different by immigrant status.

Methodology

Data

We used the data from the National Financial Wellbeing Study, conducted by the Bureau of Consumer Financial Protection in 2016. The data contains an array of financial variables, including financial well-being, financial skills, financial literacy, financial management behavior, experiences with financial institutions, financial socializations and demographics. The sample population was divided into two groups: immigrant and nonimmigrant. We defined immigrant indirectly with a question from the survey, “where did you live at the age of 17?” The options were ‘in the U.S. and territory’, ‘outside of the U.S.’, ‘don’t know’, and ‘prefer not to answer’. Those who answered ‘in the U.S. and territory' were considered to be nonimmigrants. We used the other three options to define immigrants. While this is not a perfect measure to define immigrant status, it was the most closely related to the immigrant status available from the data set.

Dependent Variable

The dependent variable is self-reported health status, measured with a questionnaire, “In general, would you say your health is...?” The response options were poor/fair/good/very good/excellent. Focusing on general health is a more effective way of comparison since, as mentioned in the background section, poor financial conditions have detrimental contributions to both mental and physical health. This combined with the phenomenon of immigrants having a free-fall on their health compared to natives after an initial boost makes this the variable with the most interest for us.

Independent Variables

Independent variables included a set of financial variables along with access and bank experiences. Financial well-being was measured with the 10-item scale developed by Consumer Financial Protection Bureau, which captures financial securities and financial freedom, both from present and future perspectives. Financial skills were measured with 10-item scale, also developed by Consumer Financial Protection Bureau. Examples of the financial skills include, “I know how to get myself to follow through on my financial intentions.”, and “I know when I do not have enough info to make a good decision involving my money.” Responses for both scales were measured on a 5-point Likert scale. Financial literacy was measured with three knowledge questions from Lusardi and Mitchell, capturing understanding of compound interest, inflation, and stock volatility.

Financial behaviors included the range of their balance in savings and whether respondents used any alternative financial services, such as payday loan, pawn loan, or nonbank services for international money transfers or check cashing.

Food insecurity and access were measured with questions asking if any household member received SNAP benefits, worried whether food would run out before got money to buy more, and food didn't last and didn't have money to get more. Also, housing affordability was asked with a question asking the frequency that respondents couldn’t afford a place to live. Similarly, foregone health care was measured with how often the respondent’s household member could not afford to see doctor or stopped taking medication or took less due to cost.

Experiences with bank/financial services were measured with two items: Frequency felt not respected or mistreated w/ financial services and contacted by debt collector in past 12 months. Also, credit behavior was measured with denial and avoidance. Specifically, participants were asked if they applied for credit and were turned down, and if they did not apply for credit because I thought they would be turned down.

Control Variables
Based on previous literature, socio-demographic variables, economic variables, financial attitudes and financial behavior variables were used as control variables. Socio-demographic variables included age of the respondent, gender, education, and marital status. Economic variables included employment status and income.

Analysis
In order to compare health and financial status between immigrant and native sample, we used independent t-tests and ANOVA. For multivariate analyses, we used ordinal logit regression to capture the ordinal nature of our dependent variable, self-reported health status.

Results
The descriptive results comparing immigrant and non-immigrant samples were presented in Table 1. The overall health was higher for non-immigrants. Immigrants scored lower on financial knowledge scale score, measured by Lusardi and Mitchell's three item. Among an array of financial management behaviors, immigrant group exhibited slightly worse behavior in paying bills on time but better in staying within budget. This group reported difficulty covering monthly expenses more frequently and lower amount of savings compared to non-immigrant group. About 57 percent of immigrant sample had health insurance, while 74 percent of non-immigrant sample had. In terms of using alternative financial services, more immigrants indicated using any of the alternative products – 68 percent of immigrants were non-users compared to 82% among non-immigrants.

Within our sample, immigrants reported higher percentage of household member receiving SNAP benefits. Material hardships such as food insecurity or housing affordability did not differ statistically between the two groups. Yet the experiences with banking and financial institutions were different. About six in ten immigrants (63%) were contacted by debt collector in the past 12 months, while four in ten non-immigrants (38%) were contacted. More non-immigrant sample experienced credit denial when applied (9% versus 7%), and credit avoidance for fear of rejection (10% versus 7%).

In terms of demographic characteristics, immigrant sample showed even distribution among age categories, with the biggest in the oldest category (17.7% were over 75 years old). Non-immigrant sample was most represented in 25-34 age group (18.6%). The majority of immigrant sample earned less than $29,999, while the majority of non-immigrant sample's household income was between $75,000 and $149,999 (33.3%). For both groups, non-Hispanic white was the majority. However, for immigrant sample, Hispanic was the next group represented (31.7%) while Black was the second largest race/ethnicity among the non-immigrants (10.7%). Immigrant sample consisted of more female (50.7%), while non-immigrant sample contained more male (female 47%). Lastly, less than half (44%) of the immigrant group were employed, and more than half (54%) of the non-immigrant group were working for pay.

Multivariate Results
Table 2 presented the ordinal regression results with self-reported health status as the dependent variable. For comparison, we separated file into immigrant and non-immigrant sample and presented results side by side. For immigrant sample, age, income, financial skills, credit avoidance behavior, and ability to absorb shock were significantly related to the self-reported health status. Specifically, the older the respondents were, the worse they reported their health status. Compared to those with household income less than $29,999, those with $150,000 reported better health status.

The higher the financial skills of immigrants were, the better their health was reported. All other things equal, if the respondent did not apply for credit for fear of denial, they reported better health than those who did. Lastly, the more the respondents were confident in ability to raise $2000 within a month, the more likely that their self-reported health is favorable.
Among non-immigrant sample, gender, age, income, employment, financial well-being, financial skills, subjective financial knowledge, financial management behaviors, bank experiences, SNAP benefits, food insecurity, and foregone healthcare, and credit denial were associated with health status.

Discussion and implications

We test whether the immigrant and native population is different in terms of their health status and what factors are associated with explaining the differences in the health gap. Particularly, we tested whether financial wellbeing, financial literacy, and other financial aspects explained self-reported health among these two groups. Within our sample, there were stark differences in the factors explaining health between immigrants and natives.
For immigrants, gender, age, income, employment, financial wellbeing, financial skills, subjective knowledge, and financial management behaviors, experiences with bank, food insecurity, foregone healthcare, and credit denial were associated with the self-reported health. These are largely consistent with the previous literature. However, for the immigrant sample, only age, income, financial skills, credit hesitance, and the ability to absorb shock were linked to the health status.
These results imply that working with immigrant population, financial counselors and educators should focus on financial skills more than financial literacy. Also, the importance of building emergency savings to cope with any economic shock for the short term is essential. The best way is to develop products that cater to the needs of the vulnerable population, which have been shown to improve saving capability significantly (Azevedo et al. 2021).
Another important thing to focus on is to increase the credit of these individuals via having them banked. Many immigrants live in enclaves with similar people residing in them, which decreases the probability that they will have a formal bank account (Bohn & Pearlman 2013). Not only that, but the banks themselves tend to not cater to underbanked and unbanked immigrants (Li et al. 2014). The formal banking institutions have to put effort into making sure that immigrants are not intimidated to pursue a bank account as well as making sure that the banking products they provide keep in mind of their disadvantaged positions. It has been shown that mental health is increased with being banked, and these results are significantly more driven by Hispanic individuals who are in disadvantaged situations (Aguila et al. 2016).
Our study used the location at the age of 17 as the definition of immigrant. We recognize this is not a direct measure and should be taken into consideration when interpreting our results. However, it is a close proxy as financial inclusion and socialization often is associated with where an individual was raised most of their childhood.

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Table 1. Financial Well-Being Results Between Groups (Immigrant vs. Nonimmigrants)

Variables	Response Range	Mean/Freq (%)		t/chi-square
		Immigrants (N = 1008)	Non-immigrants (N = 5386)	Total N = 6394
In general, would you say your health is . . .	1-5	3.23	3.45	6.393***
Financial well-being scale score	14-95	55.54	56.13	1.206
Financial skill scale score	5-85	50.28	50.80	1.204
Lusardi and Mitchell financial knowledge scale score	0-3	2.36	2.53	6.717***
Paid all bills on time	1-5	4.48	4.54	1.866+
Stayed within budget or spending plan	1-5	3.88	3.79	-2.428*
Paid off credit card balance in full each month	1-5	3.61	3.52	-1.619
Checked statements, bills, and receipts for errors	1-5	4.25	4.20	-1.472
Difficulty of covering monthly expenses and bills	1-3	1.51	1.43	-3.398***
How much money do you have in savings today...?	1-7	4.35	4.50	2.187*
Health Insurance	0=no, 1=yes	0.57	0.74	10.678***
Did not use any alternative financial services	0=no, 1=yes	0.68	0.82	9.693***
Felt not respected or mistreated w/ financial services	1-4	1.77	1.79	1.017
Any household member received SNAP benefits	0=no, 1=yes	0.35	0.21	-3.871***
Worried whether food would run out before got money	1-3	1.24	1.21	-1.528
Food didn't last and didn't have money to get more	1-3	1.20	1.18	-0.747
Couldn't afford a place to live	1-3	1.12	1.11	-0.983
Hshd member couldn't afford to see doctor	1-3	1.20	1.19	-0.452
Hshd member stopped taking medication due to costs	1-3	1.18	1.16	-1.059
Contacted by debt collector in past 12 months	0=no, 1=yes	0.63	0.38	-4.722***
I applied for credit and was turned down	0=no, 1=yes	0.07	0.09	2.223**
I did not apply for credit thinking would be turned down	0=no, 1=yes	0.07	0.10	2.777***
Confidence in ability to raise $2,000 in 30 days	1-4	3.53	3.51	-0.287
Age Category				97.520***
18-24		32 (3.2)	382 (7.1)	
25-34		112 (11.1)	1004 (18.6)	
35-44		144 (14.3)	684 (12.7)	
45-54		164 (16.3)	911 (16.9)	
55-61		113 (11.2)	595 (11.0)	
62-69		163 (16.2)	858 (15.9)	
70-74		102 (10.1)	394 (7.3)	

75+	178 (17.7)	558 (10.4)	
Married	622 (61.7)	3204 (59.5)	1.739
Income Category			74.205***
Income less than $29,999	277 (27.5)	948 (17.6)	
Income $30,000 - $49,999	198 (19.6)	883 (16.4)	
Income $50,000 - $74,999	160 (15.9)	996 (18.5)	
Income $75,000 - $149,999	276 (27.4)	1794 (33.3)	
Income $150,000+	97 (9.6)	765 (14.2)	
Race/Ethnicity			361.075***
White, Non-Hispanic	508 (50.4)	3990 (74.1)	
Black, Non-Hispanic	108 (10.7)	577 (10.7)	
Asian Other, Non-Hispanic	72 (7.1)	264 (4.9)	
Hispanic	320 (31.7)	555 (10.3)	
Female	511 (50.7)	2531 (47.0)	4.666*
Employed	0.44	0.54	5.521***

Table 2. Ordinal Regression Results for Health Status

	Immigrants (n=617)			Non-Immigrants (n=4081)		
	Estimate	Std. Error	Sig.	Estimate	Std. Error	Sig.
Female	0.143	0.164	0.382	0.133	0.061	0.030
Age	-0.208	0.052	0.000	-0.195	0.019	0.000
Married	-0.197	0.176	0.265	0.027	0.067	0.688
Black	-0.507	0.314	0.106	-0.156	0.115	0.177
Asian and Other	-0.105	0.329	0.751	-0.123	0.142	0.390
Hispanic	0.250	0.212	0.238	-0.161	0.105	0.127
Income $30,000 - $49,999	-0.106	0.260	0.682	0.149	0.115	0.197
Income $50,000 - $74,999	0.446	0.284	0.117	0.266	0.118	0.024
Income $75,000 - $149,999	0.410	0.277	0.139	0.381	0.115	0.001
Income $150,000+	0.886	0.341	0.009	0.530	0.136	0.000
Employed	0.243	0.196	0.214	0.357	0.071	0.000
Financial Wellbeing	0.014	0.009	0.108	0.021	0.004	0.000
Financial Skills	0.029	0.009	0.001	0.015	0.004	0.000
Subjective Knowledge	0.085	0.084	0.308	0.167	0.034	0.000
Paid all bills on time	-0.004	0.134	0.979	-0.207	0.047	0.000
Stayed within budget	0.137	0.093	0.142	0.089	0.036	0.013
Paid off credit card balance in full each month	0.056	0.067	0.402	0.083	0.025	0.001
Check statements, bills, and receipts for errors	-0.116	0.103	0.259	0.009	0.033	0.789
Financial Literacy	-0.038	0.116	0.742	-0.091	0.050	0.066
Difficulty covering monthly expenses and bills	-0.096	0.179	0.591	0.125	0.075	0.095
Savings Ranges	-0.097	0.072	0.179	-0.002	0.028	0.936
Health Insurance	0.104	0.184	0.572	0.099	0.076	0.193
Did not use AFS	0.279	0.197	0.155	-0.014	0.089	0.870
Felt not respected or mistreated w/ financial services	-0.096	0.107	0.369	-0.092	0.040	0.021
Any HH member received SNAP benefits	-0.026	0.312	0.933	-0.352	0.126	0.005
Worried whether food would run out before got money to buy more	-0.065	0.260	0.802	0.015	0.115	0.899
Food didn't last and didn't have money to get more	-0.220	0.276	0.425	-0.297	0.118	0.012
Couldn't afford a place to live	-0.008	0.258	0.975	0.011	0.098	0.912
HH member couldn't afford to see doctor or go to hospital	0.081	0.234	0.730	-0.204	0.088	0.020
HH member stopped taking medication due to costs	-0.062	0.219	0.778	-0.195	0.094	0.037
Contacted by debt collector in past 12 months	-0.341	0.284	0.230	-0.105	0.103	0.308

Applied for credit and turned down	-0.288	0.318	0.366	-0.230	0.116	0.047
Did not apply for credit thought to be turned down	0.760	0.315	0.016	-0.110	0.116	0.344
Confidence in ability to raise $2000 in 30 days	0.283	0.108	0.009	0.071	0.046	0.125
Cox and Snell Pseudo R^2	0.243			0.217		
Nagelkerke Pseudo R^2	0.261			0.234		

The Relationship Between Financial Stress and College Retention Rates

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Abstract

This study examined the relationship between financial stress and student retention for post-secondary students. Data were collected in the fall of 2014 at a Pacific Northwest University using The Ohio State's National Student Financial Wellness Study (NSFWS) survey. The purpose of the NSFWS survey was to look at the financial attitudes, practices, and knowledge of students at all types of post-secondary institutions across the United States. The questions were developed by the University's Center for the Study of Student Life, designed to have students self-report, and included the following sections: personal financial management, financial support, financial socialization, credit cards, student loans, finance-related stress, cost of college, academic plans, and financial knowledge. The collected data was expected to paint a picture of students' financial wellness and provide a better understanding of how to help students navigate personal finances. Out of the 2,000 randomly selected, full time, undergraduate students selected to participate from this Pacific Northwest university, 347 completed the Qualtrics survey (n=347) for a response rate of 17.4%. This study specifically aimed to analyze those students who reported being stressed.

Data analyses were focused on those participants who responded with "agree" or "strongly agree" when asked if they felt stressed about their personal finances in general (N = 242). Of those, 57% "agreed" with feeling stressed about their personal finances in general and 43% "strongly agreed." Data analyses showed significance between participants who reported "large" and "extreme" amounts of stress from debt and their decisions to reduce course work, drop out, and/or take a break. Data analysis reported stress from student loan debt and the total amount owed than from credit card debt with students reporting the most financial stress came from their student loan debt. Pearson's Chi-Square tests were performed comparing the observed vs. expected responses of stress attributed to student loan debt and the decision to reduce class load, consider dropping out, or consider taking a break. Significance was found on all levels indicating there is an association of some kind between stress from student loan debt and the decision to reduce class load ($p < .001$), considering dropping out ($p < .001$), and considering taking a break ($p < .001$). Additional Chi-Square tests were performed to examine the relationship between stress attributed to credit card debt and the decision to reduce the class load, consider dropping out, or consider taking a break. Significance was found on all levels indicating there is an association of some kind between stress from credit card debt and the decision to reduce class load ($p < .01$), considering dropping out ($p < .01$), and considering taking a break ($p < .01$). Finally, Chi-Square tests were performed to examine the relationship between stress attributed to the total amount of money owed and the decision to reduce the class load, consider dropping out, or consider taking a break. Significance was found on all levels indicating there is an association of some kind between stress from the total amount of money owed and the decision to reduce class load ($p < .001$), considering dropping out ($p< .001$), and considering taking a break ($p < .001$).

One interesting piece of this data is where these participants reported getting their money management information. Overall, these participants did not participate in high school or college personal finance courses or meet with professionals regarding their finance. Instead, over 70% reported agreeing that their parents/guardians taught them everything they needed to know about finances. Over 70% also view their parents/guardians as sound role models for money management. This topic would be interesting to look at for further research because about 40% of these participants are first generation

students, which brings into question the financial literacy knowledge of parents/guardians on the topic of student loans and finances.

Of the students surveyed at this university in the Pacific Northwest, 66.8% reported having student loan debt which is very close to the national average. When deciding how much to borrow for the school year, 54% do not consider the total amount they will own upon graduation, and 63% do not consider the amounts they borrowed in the past. It is very worrisome that over half of participants are not thinking about their future when taking out more loans, nor are they considering how much they already have in loans. Only 25% have good idea of what their monthly student loan payment will be upon graduation.

Future research could look at why students are not considering the amounts they have taken out, and why so few are aware of what their monthly payment will be. This could be a lack of interest on the student's part, or it could be the institution of loan agency failing to make students fully aware of everything involved in taking out student loans. University admission offices, recruitment, financial aid offices, and policy makers will likely be interested to see how financial stress impacts a student's college decisions. They will likely find it concerning that financial stress is causing students to consider temporarily or permanently leave the institution. Perhaps these results will motivate university administrators and student affairs staff to increase strategies to help students avoid or cope with that stress. For educating college students on debt, it would be interesting to survey students about how they would like to learn such information. Research could be done to find the most effective and most preferred method of relaying personal finance information. This could be especially important for university policy makers to understand how students want to learn this information so they can create programs geared toward certain groups of students. One way to potentially assist students in reducing their stress loads could be to require a personal finance class as a core requirement for all students. Becoming educated about finances and loan options would hopefully empower students to feel confident in their decision making and reduce the amount of stress they feel. This could lead to fewer dropouts, less time taking breaks and thus more speedy completion, and fewer students transferring for financial reasons. Overall, this could result in more successful, content college students as well as possible higher retention rates for university enrollment. This research is just a small piece of the solution to college student attrition. Future research could look at stress levels by the student's year in school to see if stress increases or decreases with the student's time in school. Researching if stress levels increased with the amount of debt owed would also build on previous research and add to the picture. It would also be advised to research a more racially and ethnically diverse population to obtain a better picture of how financial stress effects a broader demographic of students. University programs need to support all students experiencing financial stress, educate them about debt from the moment they set foot on campus, and strive to give students the tools they need not only to perform well academically, but to have a firm financial foundation on which to build the rest of their lives.

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Factors Associated with Below-Average Claiming of the Earned Income Tax Credit

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Abstract
Refundable tax credits have become an increasingly important aspect of the United States government's program to support low- and moderate-income households, particularly households with children. This research examined community differences in claiming the EITC and community characteristics that may contribute to higher numbers of EITC-eligible individuals not claiming the benefit. Results indicated that factors such as income, mobility, VITA use rates, educational attainment, unemployment rates, crime rates, and whether the county was classified as rural were closely related to community participation rates regarding the EITC. Findings from this research provide insight to community agencies and government officials seeking to identify EITC-eligible individuals who are not currently benefitting from the EITC.

Key words: Earned Income Tax Credit; VITA; household tax planning

Introduction & Literature Review
Refundable tax credits have become the preferred mechanism of the United States government to support low- and moderate-income households, particularly households with children. The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are the largest recurring refundable tax credits. For the tax year 2018, 26.5 million tax households claimed and received $64.9 billion in EITC. The child tax credit and other dependent credits were projected to deliver $118.8 billion to households for the 2018 tax year (Crandall-Hollick, 2020). Prior research has found that the EITC and child tax credit reduces the number of individuals in poverty by approximately 15% (Short, 2014). Together, these two programs represented 0.87% of GDP. The Tax Cuts and Jobs Act of 2017 expanded the CTC significantly and substantively altered the relative size of the programs. Temporary expansion of the EITC and CTC for 2021 will make these two programs even more impactful and further increase the size of the CTC in 2021.

Researchers have found myriad benefits associated with EITC. Nichols and Rothstein (2015) provide a comprehensive review of literature on the EITC and the various positive effects it has had on taxpayers' physical well-being, emotional well-being, consumption, labor market participation patterns, children's well-being, and long-term benefits, such as reduced incidence of intergenerational poverty and children's educational attainment.

Despite significant immediate and long-term benefits derived from the EITC, the Internal Revenue Service (IRS) estimated that approximately 20% (Internal Revenue Service, 2021) of taxpayers eligible to receive the EITC do not claim it. For research purposes, identifying eligible taxpayers who did not claim the EITC is challenging, given persistent inconsistencies between administrative and survey data.

Many financial counseling and coaching agencies work with individuals who are eligible for EITC and CTC benefits. Additionally, many financial counseling organizations sponsor Volunteer Income Tax Assistance sites to help their clientele, as well as others in the community, file tax returns and claim these valuable credits. Understanding community characteristics that are associated with under-claiming of the EITC can aid resource allocation decisions. Targeting resources for assistance to communities where the EITC is under claimed, may increase not only individual well-being, but also community well-being.

Methodology

Data

This study utilized data from several sources, including, Statistics of Income (SOI), the American Community Survey (ACS) (Census Bureau, 2020), and the FBI's Uniform Crime Report (UCR) program (2016) for our analysis to test the various factors that impact the EITC participation rates.

First, we used the most recent wave (2018) of annual county income data from the Statistics of Income (SOI) published by the Internal Revenue Service. SOI is publicly available data that provides annual county-level data on aggregated tax return information and filing statistics. Each wave contains a record for each county in the U.S., including aggregate county totals for the number of returns, the number of returns that claimed the EITC, the amount of reported income, the amount of the refunded EITC, and selected other information items from the tax return. The data also includes the information of returns filed from Volunteer Income Tax Assistance (VITA) sites.

However, the SOI did not include employment information, whether the county was rural, or demographic information such as age, race, household type, and educational attainment that might be useful to estimate eligibility for, and claiming of, the EITC. This limitation of the SOI data made it difficult to determine the relationship between tax filers' various demographic and economic aspects and participation in the EITC program. Thus, to fill this gap in the data with detailed demographic information, we obtained the annual U.S. Census Bureau from the National Historical Geographic Information System (NHGIS). According to the Census Bureau, the American Community Survey (ACS) is a nationwide annual survey to provide communities with estimates on demographic, social, economic, and housing characteristics for geographic areas with a population of 65,000 or greater. Using the annual estimate for 2018 would cause a data omission of the majority of less populated U.S. counties (Boone, Khurana & Raman, 2013). In 2018, there were only 838 counties with a population of 65,000 or greater. To maximize the inclusion of rural counties, the ACS 5-year estimates (2014-2018) were used, because the 5-year summary file provides estimates of average characteristics from 2014 through 2018 for all counties.

County-level crime data collected by the National Archive of Criminal Justice Data (NACJD) were also used in the analysis. Crime data was aggregated to the county level based on classifications provided by the FBI's Uniform Crime Reporting (UCR) Program. County crime rates were estimated as the ratio of total reported crimes (the numerator) to the county population estimates from the ACS survey data (the denominator).

Finally, categorizing a county as rural was determined using the 2010 decennial census (U.S. Census Bureau, 2010) classifications. All of the data were combined using county-level identifiers to obtain the final sample of 3,140 counties.

Models

We analyzed two distinct aspects of community EITC participation: (1) the factors that were associated with participation and (2) the factors that were associated with participation above the national average.

We used ordinary least squares (OLS) regression to examine the correlation of the independent variables with the broad EITC ratio and focused EITC ratio. In our first OLS model, we estimated the factors that influence the EITC participation rates. The dependent variable was defined as the broad ratio, and calculated as the number of returns claiming the EITC to the total number of households below an annual income of $50,000. The second OLS model used the focused EITC ratio and estimated factors predicting EITC claim rates. The focused EITC ratio was calculated as the number of households claiming the EITC to the number of households that may be eligible to claim the EITC, based on marital status, income, and dependents.

Additionally, we used probit models to address the second aspect of participation, specifically, what county-level factors were associated with participation above the national average. Two probit models were estimated. In the first probit model, we estimated the association of having EITC filing rates above the national average (based on the broad ratio) controlling for county-level characteristics. The second probit model estimated what factors were associated with above-average-EITC claim ratios using the focused ratio.

Results

The first OLS regression results indicate that VITA use rates (β =0.17, p<0.001), median income (β =0.02, p<0.1), median cost of rent (β =0.16, p<0.001), higher proportions of Black individuals (β =0.4, p<0.001) and other races (β =0.26, p<0.001), higher proportions of individuals with English as a second language (β =0.23, p<0.001), low educational attainment (high school or less) (β =0.35, p<0.001), unemployment rates (β =0.30, p<0.001), and crime rates (β =0.16, p<0.001) are positively associated with the broad measure of EITC participation. Residing in a state that offers a state-level EITC benefit in addition to the federal EITC program, being classified as a rural county (β =-0.01, p<0.001), and the proportion of households renting (β =-0.35, p<0.001) are negatively associated with participation rates in the broad measure of EITC participation. The estimated OLS model for the focused EITC participation ratio is similar to the first model. Higher VITA use rates (β =0.39, p<0.001); median income (β =0.12, p<0.001); median cost of rent (β =0.42, p<0.001); higher proportions of Black individuals (β =0.70, p<0.001) and other race individuals (β =0.46, p<0.001); higher proportions of individuals that have English as a second language (β =0.19, p<0.05); higher proportions of individuals with educational attainment less than a college degree (β =0.71, p<0.001); and crime rates (β =0.37, p<0.001) are positively associated with the focus EITC ratio. Household type, except for female-headed households with children (β =0.27, p<0.1), is not significantly associated with the focused EITC ratio. However, being in a state with its own EITC program ($\beta = -0.05$, p<0.001), being a rural county ($\beta = -0.02$, p<0.001), and the proportion of households renting ($\beta = -0.70$, p<0.001), are negatively associated with the focused EITC participation ratio.

Using probit models, the likelihood that a county has a higher-than-average participation rate in the EITC program is examined using the same covariates as those used in the OLS regression models. The results indicate that median income (β =1.13, p<0.01), higher proportions of Black individuals ($\beta = 6.79$, p<0.001) and other race individuals (β =4.63, p<0.001), higher proportions of individuals with educational attainment less than a college degree (β =6.43, p<0.001), and crime rates (β =3.59, p<0.001) are positively associated with counties being above-average relative to the broad EITC participation ratio. Being a county in a state with its own state-EITC program ($\beta = -0.64$, p<0.001), being a rural county ($\beta = -0.23$, p<0.05), and the proportion of households renting (β =-4.8, p<0.001) are all negatively associated with the likelihood of a county having an above-average EITC participation rate based on the broad measure of EITC participation.

The second estimated probit model is similar to the first probit model; however, the VITA use rate (β =2.73, p<0.01) is positively associated with above-average participation. Additionally, household type, unemployment, and rural classification are no longer significant.

Discussion
Findings from this research provide insight to community agencies and government officials on identifying communities where there may be systematic under claiming of the EITC. Practitioners have little control over the demographic makeup of counties. However, practitioners do have substantial control over where programs are offered and how people are reached out to with interventions, programs, and counseling. For those practitioners interested in increasing the participation rate of EITC-eligible households in claiming the EITC, the results of this study may provide some helpful target populations.

First, counties that have very low incomes may be under claiming the EITC. Income is positively associated with EITC claims. This is consistent with the structure of the EITC, with maximum EITC benefits being associated with earned income right around the poverty level for the household. However, very low-income households are also eligible for the EITC, just a smaller amount, as their income is above a certain amount (varies by year). The results of this study suggest that these households may not be filing tax returns to claim their EITC. Second, counties that have a high proportion of renters and the overall cost of rent is low appear to also under participate in the EITC. This suggests counties with high proportions of low-income renters. Ironically, these counties may benefit the most from their residents receiving additional funds at tax time. As people move, they may miss important tax documents that are mailed to them. Practitioners could promote the use of IRS tax transcripts as a way to overcome this hurdle. An individual can receive a copy of their tax transcript by requesting one through IRS.gov. The tax transcript shows all documents associated with a given social security number. This includes W-2s and Form 1099s filed by employers and other entities that have issued payments related to the social security number. Tax transcripts are usually complete around July of the year following the tax year. Third, VITA sites make a difference for counties in closing the EITC participation gap. By supporting, either by sponsoring, volunteering at, referring clients to, or helping to fund a VITA site, you are making a significant difference in closing the EITC participation gap and bringing additional tax-based support to low and moderate-income households in your community.

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Mortgage Debt, Home-Equity Loan, and Financial Satisfaction in Retirement: Are there Differences Among Racial and Ethnic Groups in the United States?

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Extended Abstract

The purpose of the current study is to examine two housing-related debt types (mortgage debt and home-equity loans) and financial satisfaction among retired Americans aged 50 and older. We focus on retirees because they are at the decumulation phase of the life cycle. Their financial behaviors, beliefs, and satisfaction are different from non-retirees (Hira & Mugenda, 1998; Hansen et al., 2008).

The empirical analyses utilized pooled cross-sectional datasets from the restricted versions of the 2015 and 2018 National Financial Capability Study (NFCS). The number of observations for our empirical research included 250 Hispanics, 7,166 Whites, 318 Blacks, and 184 Asians. The "other" racial and ethnic group comprised of 131 retired American adults.

Using a two-block hierarchical regression model, we find fundamental differences among racial and ethnic groups. The findings from the first model provided evidence of a negative relationship between mortgage debt and financial satisfaction among Hispanics, Whites, and Blacks. Home-equity loans had a statistically significant negative relationship with financial satisfaction among Whites only. The results from the second model, which included behavioral controls, revealed that the negative associations observed in the first model remained statistically significant. In all models, the relationships between housing-related debts and financial satisfaction were not statistically significant among Asians. The findings suggest that racial and ethnic background plays a role in how housing-related debts affect financial satisfaction in retirement.

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Evolving Financial Capability of Vulnerable Consumers in Day-to-Day Practices

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Abstract

Vulnerable consumers face many challenges in current financial environment. They have a higher risk of financial hardships, limited resources, and a shortage of skills to avoid harsh financial circumstances. The purpose of this study is to enlighten the characteristics of financial capability process and the sources of self-efficacy information in vulnerable consumers' day-to-day practices the financial coaching project serves. Based on the data, with vulnerable consumers self-efficacy is emphasized in the process. The main sources of self-efficacy information are practical experiences, social learning and social support. We argue that building confidence to financial skills seems to play a key role in developing into a competent consumer.

Key words: financial capability process, financial self-efficacy, vulnerable consumers

Introduction

The current financial environment is challenging to all consumers, but especially for those who are living in a vulnerable life situation, such as having a low income or being affected by unemployment, over-indebtedness, divorce, illnesses or addictions to substances (e.g. Autio et al., 2016; Hill & Sharma, 2020). Not only life situations but also novel financial services and new money management technologies challenge consumers' financial knowledge and skills. Skill shortages are especially critical to financially vulnerable consumers (Sherraden et al., 2019).

To control the risks of unexpected financial hardship as well as to increase financial stability, financial literacy is important for consumers. According to Lusardi et al. (2010), financial literacy refers to knowledge and understanding as well as its purpose to promote effective financial decision-making. The objective of financial literacy is to improve overall financial well-being rather than a single behaviour. The process of obtaining financial literacy can be defined as financial capability (Atkinson et al., 2006). Financial capability emphasizes subjective and experienced ability as well as opportunities to promote well-being, i.e. confidence to control his/her own behaviour (Frey et al., 2013). Confidence and self-efficacy (i.e. self-beliefs), along with financial behaviour, influences financial well-being as well as overall well-being (Ranta & Salmela-Aro, 2018; Xiao & O'Neill, 2016). A recent longitudinal study (Ranta et al., 2020) also confirms the important role of financial capability in mediating economic stress and well-being.

Appropriate financial behaviour in day-to-day life requires that individuals possess confidence in their abilities as well as control of their behaviour. In the agentic perspective of human behaviour, confidence to perform desired behaviour is associated with self-efficacy. Higher self-efficacy enhances performance and influences what challenges are undertaken, how much effort is expended, how long to persevere in the face of obstacles and failures, and whether failures are motivating or demoralizing. (Bandura, 2001.) However, confidence in one's own abilities varies. For instance, life experiences influence financial self-efficacy beliefs (O'Neill & Xiao, 2012) as well as abilities such as applying financial knowledge (Serido et al., 2013) and financial literacy (Postmus et al., 2012). In studies of behavioural change, the importance of self-efficacy has been noted when undertaking action towards healthier financial behaviour (Xiao et al., 2014) and is referred to as an important condition of financial capability (Ozmete & Hira, 2011).

Self-efficacy is both a product and a constructor of experiences. Individuals evaluate the experiences of expected consequences, and this reflection influences the actual performance. Thus, experiences are an important source of self-efficacy information. According to Bandura (1997), mastery experiences are the most influential source of self-efficacy information. In addition, vicarious learning i.e. social modelling and social comparison can advance the source of self-efficacy in both positive and negative ways. In everyday life, people compare themselves to peers in similar situations, such as classmates or work associates. Self-efficacy is especially sensitive to vicarious learning when the observer is uncertain or has had little prior experience in similar situations. Added to these, social support is also the source of self-efficacy information. In many financial education programs targeted to vulnerable consumers, mentoring and tutor training are recommended practices (e.g. Adkins & Ozanne, 2005) as well as client-driven approaches (e.g. Sherraden et al., 2016) as they enable the social support of mentors and trainers. According to Bandura (1997; 2001) reflecting upon physiological and affective states function also as the source of self-efficacy information.

Smith and Cooper-Martin (1997) argue that vulnerable consumers have limited capability to minimize financial, physical or psychological disadvantages in their lives, and thus cannot use their full potential to sustain well-being. Financial vulnerability refers to having a low income, financial insecurity or being exposed to financial risks and stress. O'Connor et al. (2019) have defined financial vulnerability as the risk of falling into financial hardship. With limited day-to-day resources, financial vulnerability can have emotional implications, making it difficult to plan for a better future because immediate financial challenges dominate the decision-making (Sherraden et al., 2019). Economic hardship-induced pressures, i.e. economic stress, have long-term effects on subjective well-being (Ranta et al., 2020). In addition, the imbalance between resources and consuming opportunities can cause experienced vulnerability (Shi et al., 2017).

When resources are scarce, skills in allocating them are crucial. O'Neill and Xiao (2011) emphasize the challenges of functioning adequately in stressful life events, disruption or challenging circumstances. Furthermore, vulnerable consumers and low-income families often face difficulties in profiting from educational interventions or training. Especially challenging is adapting financial knowledge that is presumed to affect financial behaviour (Hadar, Sood & Fox, 2013; Kaiser & Menkhoff, 2017). According to Sherraden et al. (2019), the financial well-being of vulnerable consumers requires an emphasis on income sufficiency, financial capability, and asset building. According to Warrener et al. (2013), vulnerable consumers require support in their self-efficacy before they can be considered ready for traditional financial education programs. However, there are only a few studies on financial challenges of vulnerable consumers: divorced spouses (Warrener et al., 2013), survivors of violence (Postmus et al., 2012), and students of restricted schools (Autio et al., 2016). An in-depth analysis of the process of gaining financial capability, especially with vulnerable consumers, is lacking. In the present study of Finnish Addict Hospital customers, we enlighten the characteristics of financial capability process in vulnerable consumers' day-to-day financial practices. We argue how a financial coaching project can enhance to obtain information of financial self-efficacy.

Conceptual Background of Financial Capability in Day-to-Day Life

Financial capability is a broad theorization of financial knowledge and skills, financial self-beliefs and financial behaviour (Frey et al., 2015; Sherraden, 2013). Serido et al. (2013) describe financial capability as a process where changes in financial information improve financial self-beliefs, which thereafter improve financial behaviour, promoting financial well-being and as well as overall well-being. When practiced daily, financial capability results in more than merely completing discrete tasks (e.g. developing a budget) (Delgadillo, 2014).

Financial knowledge often refers to knowledge of financial concepts and mechanisms such as interest, inflation and risk (Lusardi et al., 2010). Financial knowledge can also refer to confidence in assessing financial knowledge, i.e. perceived financial knowledge (Allgood & Walstad, 2016) as well as the cognitive ability to process the knowledge, understanding what information is needed, where to find it, and how to apply it (Atkinson et al., 2006; Huston, 2010).

Self-beliefs act as a self-regulating mechanism that transforms external information and experiences into internal models. Applying new information and gaining new experiences build confidence in abilities and control over behaviour (Bandura, 1997). Financial self-efficacy (i.e. the belief that one is capable of a particular behaviour) and financial attitudes function as financial self-beliefs (Serido et al., 2013). Studies of financial behavioural change emphasize the importance of self-efficacy in initiating new practices (see Peeters et al., 2018). Financial self-efficacy has been positively associated with financial knowledge (Danes & Haberman, 2007; Postmus et al., 2012), savings behaviour (Loke et al., 2015) and assessing investment and savings products (Farrel et al., 2015). Strong self-efficacy has been associated with lower debt rate and financial stress, engaging in consultation for financial planning and financial satisfaction (Lim et al., 2014).

Healthy **financial behaviour** is described as sound routines in financial management, goal setting and following through on intentions. In addition, financial behaviour has been associated with estimating future needs, behavioural outcomes, as well as performing the plans (Atkinson et al., 2006; Remund, 2010; Tang et al., 2015; Xiao, 2016). Sherraden et al. (2019) associate financial well-being with the interaction of people's *ability* to act with their *opportunity* to act. With vulnerable consumers, they specify the challenges in abilities (lack of basic knowledge, lack of resources to pay for timely financial advice) and opportunities (access to financial services).

According to Atkinson et al. (2006) and Xiao (2016), in everyday mastering, five characteristics define financial capability: (1) financial knowledge of expenses and an ability to keep track of these expenses; (2) staying updated with financial knowledge by seeking information; (3) financial behaviour that emphasizes planning and being future-oriented; (4) deciding reasonably in financial matters; and (5) financial behaviour that supports well-being, having few problems to deal with financial obligations and being able to make ends meet (Atkinson et al., 2006; Xiao, 2016). In Zakaria and Sabri's (2013) review of financial capability studies, the most common components of financial capability in a day-to-day context are planning ahead, making ends meet, and managing money.

Overall, practising day-to-day finances can enable the development of financial capability defined as a process that reciprocally combines financial knowledge, financial behaviour and financial self-efficacy promoting financial well-being (Serido et al. 2013). In other words, financial capability is a developmental rather than remedial activity (Loke et al., 2015), and a dynamic process rather than a stabile state (Serido et al., 2013). In this process, experiences of behaviour function as an evaluation of individual resources, and positive experiences build incentives for initiating subsequent behaviour (Bandura, 1997). However, more specific understanding of the characteristics of financial capability process and of the sources of financial self-efficacy information in vulnerable consumers' day-to-day life are needed.

Research Design, Methodology, Data Source and Sample Characteristics

In this study of Finnish Addict Hospital customers, our research objective is to enlighten the characteristics of the financial capability process whilst settling into normal life and initiating daily financial practices after hospital care. The design of this study is a multiple case study, which allows emphasizing the distinctive nature of each case.

Case study research involves studying a specific phenomenon or entity. Used methods to collect and analyse data do not characterize case studies, they rather focus on a particular unit of analysis the case (Willig, 2008). This case study falls into the category of an intrinsic case that focuses on the particulars of one specific phenomenon rather than seeking generalizations. This case study is also naturalistic as it seeks to describe the cases from the ground-up rather than being designed with focused questions (Delgadillo et al., 2016). In giving a holistic understanding of a problem, the case study design enables researchers to recognize and focus on the relevant factors of the issue being explored (Sprow, 2010).

Our data consists of interviews with Addict Hospital customers who have recently adjusted to everyday life after rehabilitative hospital care. The customers participated in a financial coaching project lasting a few weeks where they received financial coaching for their financial situation. After the coaching period, the customers, the coaches and the responsible researcher discussed the project and its outcomes. That is, we studied the very first steps to resume financial activities after rehabilitation. Students of the University of Applied Sciences served as coaches, and they participated in the project voluntarily.

The financial coaching project in this study was designed to support the customers in day-to-day financial practices, such as clarifying the financial situation, liabilities, expenses and income sufficiency, as well as helping them make ends meet. Joining the project was voluntary. However, finding participants for the project was challenging. The project required psychophysiological resources, confessing to needing financial coaching was not easy for the participants and joining the project required several weeks' commitment. In the spring semester, 13 customers attended the project invitation meeting at the hospital. Three of them began the coaching, and two of them continued until the end discussion. In the fall semester, 15 customers attended the second project invitation meeting. Four customers started the project and one of them continued until the end discussion. Altogether, three participants continued in the entire project from the beginning until the end discussion (see Table 1). We gave fictitious names for our participants: Joakim, Laura, and Pete.

Table 1. Background information of the participants

	Joakim	**Laura**	**Pete**
Gender	Male	Female	Male
Age	Thirties	Forties	Fifties
Household	Single	Single mother, one son	Single
Extended household	Spouse and a son live separately	Parents	Brother
Income	Funding from different authorities	Funding from different authorities	Funding from different authorities

Experienced vulnerability	Shortage of skills, knowledge and solid routines.	Challenges to memorize and concentrate due the medical treatment.	Shortage of skills and knowledge, limited financial resources.

The coaching project was designed according to the participants' needs. Joakim's project lasted seven weeks, Pete's project lasted five weeks and Laura's project lasted three weeks. The participants' age and financial situation varied, yet, they all experienced financial vulnerability at the beginning of the coaching project, as previously defined and described in Table 1. The financial situation of the participants changed during the coaching period as shown in Table 2. Joakim's income and expenses were under control by selling the apartment. Laura got her monthly expense structure under control. Pete's financial situation was fairly controlled at the beginning of the coaching period and he was able to reduce costs during the project.

Table 2. Expenses, assets and liabilities before and after the project

	Joakim		**Laura**		**Pete**	
	Before	After	Before	After	Before	After
Expenses	Unknown amounts of expenses	Expenses cleared out and open liabilities paid	Unknown amount of expenses	Monthly expenses structured	Fixed expenses structured	Fixed expenses structured; some decreased
Assets and liabilities	Own apartment, unknown amount of debts	Apartment sold, liabilities cleared out and paid	Unknown amount of debts	Unknown amount of debts	No major assets or liabilities	No major assets or liabilities

Analysis

The transcribed interviews were analysed by content analysis in two phases. We first concentrated on phrases that reflected the financial capability process. We focused on the expressions of financial knowledge (e.g. information about costs or funding opportunities), financial self-beliefs (e.g. expressions of confidence) and financial behaviour (e.g. money management practices). In the second phase, we scrutinized the expression of self-beliefs focusing on self-efficacy and categorized them according to Bandura's (1997) four sources of self-efficacy information. The sources were 1) practical experiences (e.g. participants' experiences of tackled financial hardships), 2) vicarious learning (e.g. reflection on their own performance in relations to others), 3) social support (e.g. received feedback from others) and 4) participants' descriptions of their physio-emotional states. We noticed that the financial capability process was different among all three participants. However, we found that all participants shared similarities in their expressions of the sources' financial self-efficacy information. The results are presented as two-folded accordingly.

Three cases of financial capability process in day-to-day practices

Case 1: Joakim. Joakim's preliminary target for the project was to get a clear picture of his financial situation. He was expecting to become a father in the near future and he wanted to 'clear the table', to pay all open liabilities as well as to structure and to minimize the remaining costs. To acquire the needed information, he contacted the creditors. Contacting was emotionally challenging to Joakim as he was used to prevaricate uncomfortable situations like open liabilities. With the weekly social support of the coaches, he managed to contact all of his creditors.
As weekly meetings continued, Joakim's financial overview got more detailed. The meetings made the gradual progress towards the target visible to him. He started to pay open invoices and to cut unnecessary costs. The amount of creditors and open liabilities decreased. He considered the improvements in his financial situation as rewarding and that motivated him to continue the planned steps. Paying the bills on time was a new behavioural trait to him. He was used to routinely postpone the payments. As the project lasted several weeks, he had chances to rehearse paying bills on time. In the end, Joakim commented that he had learnt a new consistent way for money management and that before the project he had lacked needed skills for coherent money management. He also commented that a solid financial situation requires an income being larger than his expenses, and he set that as his new target after the project. He had learnt solid financial behaviour in both practice and theory.

After stabilizing the financial situation, Joakim started to arrange a start-up enterprise. He collected different sources of funding with the coaches. He also gradually prepared a business plan and discussed it in the weekly meetings. He felt insecure in being privileged with start-up funding after screwing up his own finances. However, he referred to his well-formulated business plan, cash flow and risk calculations when going through the potential obstacles as an entrepreneur.

At the beginning of the project, Joakim experienced financial vulnerability. His financial situation and his experienced lack of skills and knowledge and his attitude made him pessimistic about the possibility of a positive outcome for the project. Gradually his confidence in his financial capacity increased. In the financial capability process, financial knowledge initiates financial self-efficacy. In Joakim's case, self-efficacy comes before acquiring knowledge, as following extract explains.

> '*My experience was that tentatively talking to outsiders about my situation was useful and revealing. I got the feeling that the situation is manageable*'.

A master experiences in successful financial performances and social support from the coaches serves as relevant sources of self-efficacy information. He also compared himself to his peers and other addicted customers.

> '..*addicted patients' financial skills are often retarded to kid's level. Just like me, I used to only think about how to spend the money*'.

This comparison at the end of the project helped him reflect upon his learning process. He stated that there are always possibilities for development, but it requires a willingness to change his behavior.

Case 2: Laura. Laura had worked as a social worker and she had helped people in difficult life situations very similar to hers at that moment. Laura had solid knowledge of daily financial practices. However, she did not rely on her capacity to utilize her possessed knowledge and skills. Her lack of confidence in controlling her performance made her feel vulnerable. Laura's project started going through her current income and expenses. The coaches helped her to comprehend the funding decisions, their terms and taxation consequences. They also helped her to structure the costs and contact her creditors. Together they created a budget for daily living, which Laura noticed offered very limited flexibility for living.

The lack of confidence in controlling her financial behaviour characterized Laura's process. During the project, she had difficulties taking control of her financial situation. Instead, she leaned on the authorities and support from others. In the following extract, she explains how her mother will take care of her part of her forthcoming preheritance.

> *'We have tentatively discussed that my mother holds the (inheritance) money, they would not be under my control, but mother dishes it out when needed'.*

Laura's funding came mainly from public sources. According to her experiences the authorities' decisions and schedules to make those decisions were unpredictable. This caused a feeling of being 'bounced around' and made her feel insecure about her financial situation. However, because of her background as a social worker, she had perseverance when operating with authorities and did not hesitate to contact various officials in order to get her applications handled. She claimed that sometimes dealing with various authorities and officials is time-consuming and requires both knowledge and strength. In Laura's case, the financial project did not lead to changes in her daily financial behaviour. However, she stated that her income-expenses balance did not show flexibility, but she is used to considering functions that are available free of charge.

Case 3: Pete. Pete's financial capability process during the financial project. Pete's target in the project was to take control of his costs, make the ends meet and find new income opportunities. He met the coaches in weekly meetings. They first structured his income and expenses. After that, with the support of his coaches, Pete started to scrutinize his expenses one by one in order to decrease costs or cut unnecessary liabilities. They also counted the daily flexibility to cover the grocery store costs. To Pete, the relevant information was the amount he could spend on groceries each day. That information helped him to stay within the limits. Pete and his coaches also examined his monthly costs (e.g. electricity and phone bills). During the project, Pete was able to influence these fixed costs. Coaching sessions that focused on his daily practices helped him consider his daily costs. As in the following extract, Pete explains that careful consideration led to his adjusted financial behaviour (e.g. more conscious grocery shopping). Successful practices (e.g. positive experiences in money management) motivated him to continue the planned behaviour.

> *'… it made me think, and to pay attention to these (financial) practices. Not that I would think about it all the time, or would keep a diary. But I have thought about it and in daily practices you can always save a little bit'.*

The coaches supported him in applying for new working opportunities. They discussed different options and the techniques he could use to submit his online application. This support empowered him to check out job market web pages. However, Pete did not believe in his opportunities to find a suitable job, '*I am a 52-year-old male, there are no open jobs for me*'. At the same time, he gained some extra cash from gambling and this helped him to stay positive about his situation.

Financial Self-Efficacy in Financial Capability Process of Vulnerable Consumers

In the second round of analysis, the data were interpreted according to Bandura's (1997) categorization of sources of self-efficacy information. In our data, self-efficacy was intertwined in gaining new information as well as in learning new practices. With a more in-depth analysis of self-efficacy, we want to enlighten its role in the financial capability process of vulnerable consumers.

In the data, practical experiences referred to the experiences the participants gained from their own performance. Participants' comparisons to peers were interpreted as vicarious learning and social persuasion was interpreted as social support from the coaches. The participants reflected on their feelings and emotions, such as feeling handicapped and depressed as a socio-emotional description (Bandura, 1997). **Practical experiences** were important when implementing the activities for daily practice. Performing the activity once, either with positive or negative consequences did not influence behavioural change. Repeating the activities and gaining more practical experiences empowered the change. As Pete's example, the team structured the income–expenses balance with him. With the information about the daily flexibility to consume, Pete started to pay attention at the grocery store. Learning that paying attention was beneficial, he continued to do so. The confidence of being able to control his behaviour followed. However, the practical experiences of initiated activities did not automatically build confidence. Again as in Pete's case, he was supported in seeking online job opportunities. He visited the sites several times but expressed being unsuitable (too old) for open vacancies and did not proceed further with the plan. Learning to look for open vacancies did not give him confidence in his ability to apply for them.

Vicarious learning had two aspects: modelling the vicarious performance and comparing the model with the participants' own performance. For example, Laura's understanding of her spending habits had these two elements: knowing how to behave and the control to behave accordingly. She compared her behaviour to her child's behaviour. In her case, the comparison had a negative outcome: '*My kids have a considerably more reasonable way to use money than I have… he [son] doesn't necessarily accept the money if I offer it. He says he doesn't need it. His spending is on a way different level than mine*'.

When Laura and Joakim reflected upon their behaviour to their peers, the vicarious learning as a source of information of their self-efficacy was used to explain their behaviour rather than model it: '*This could happen to anyone*', as they said. Thus, the evaluation explained their status being not only due to missing capacities but also due to a challenging situation. Referring to other groups—such as family members and relatives, peers, acquaintances, specialists and people with the same addiction and age—had a positive effect on self-efficacy when the result of the comparison was 'I am better than' or 'I am as good as'.

Social support was an effective source of financial self-efficacy information when entering financial activities. As Joakim explained: '*I am the kind of person out of sight, out of mind. I want to leave things behind and forget them. Now the things were on a plate all the time, I wanted to fix them. So I learned a new habit, acting now and not pushing forward.*'

The Addict Hospital provided treatments aimed at improving their customers' physio-emotional state and was covered by professionals at the hospital. However, the participants expressed **reflections on their emotions** that their financial situation caused them. It was obvious that the customers needed to cope with anxiety and stressful situations in their life, which were challenging for them and affected mastering everyday life financially.

Discussion

According to our study and in line with previous research (Serido et al., 2013), day-to-day financial capability is a combined process of knowledge, self-beliefs and appropriate behaviour, eventually promoting well-being. In the data, financial self-beliefs, especially self-efficacy, was emphasized with the vulnerable consumers.

Financial self-efficacy was an important condition when the participants initiated the daily practices. Building confidence in being able to control one's behaviour was a process and more successful if practices could be performed repeatedly. According to Bandura (1997), resilient self-efficacy is not based on momentary success or failure; instead, it is built on a process of overcoming obstacles. Practising finances in an everyday context is therefore an adequate source in building financial self-efficacy. Bandura (2001) also argues that self-efficacy beliefs affect the choice of challenges to undertake and the kind of environment to live in. In the study, Joakim's case showed this developmental character. At the beginning of the project, he had limited confidence in his capacities, resources or control of behaviour. Eventually, his confidence grew, and at the end of the project, he was capable of choosing to start as a masseur and start his own company.

Although the position of confidence has been emphasized in the financial self-efficacy literature (e.g. Bandura, 1997; Ozmete & Hira, 2011) as well as financial capability (Frey et al., 2015; Serido et al., 2013), it seems essential to understand how the process building of confidence starts and takes place with vulnerable consumers. In other words, confidence (self-efficacy) seems to be a process rather than an existing 'attitude' or skill. Supportive coaching created a safe environment to initiate daily practices to develop self-efficacy.

The coaches were prepared to help the participants attain **financial knowledge.** According to the data, adequate knowledge was closely associated with the needs in daily practices. The participants got new information by practising: building a budget taught them about budgets and checking up on funding opportunities taught them about the different funding sources and their terms.

In daily practices, solid **financial behaviour** has been associated with estimating future needs, planning and setting targets as well as performing the plans (Remund, 2010; Tang et al., 2015; Xiao, 2015). In this project, participants approached future orientation and target setting differently. Joakim was committed to the preliminary target—to clear up his financial situation. The target was concrete and the time horizon was several weeks. Laura's preliminary target was also to get a financial overview. However, her lack of confidence in controlling her finances limited her experienced opportunities to plan her future. Pete had adjusted to his situation, which he did not find optimal. However, his future orientation was associated with the characteristics he felt confident in—to be able to control fixed costs and gain some extra money from gambling.

Coaching as a form of this intervention was considered based on the suggestions made in earlier studies of financial education interventions. Peeters et al. (2018) emphasized the supportive role of working groups. Xiao et al. (2014) explained the role of well-timed education as well as different ways to benefit from adequate financial information to support consumers' confidence. In this coaching project, practical experiences and social support from the team were important sources of self-efficacy information. With vulnerable consumers, the supporting role of families and peers is important. However, prior studies of this topic are limited.

Conclusion

In this study, we shed light on how the financial coaching project enhanced vulnerable consumers' financial capability process. According to Serido et al. (2013), financial capability is a process where financial knowledge initiates self-beliefs and together improve behaviour. That is, financial capability is not a bunch of abilities but a dynamic process where the purpose is to promote well-being. Financial capability in an everyday context consists of the capacity to deal with financial obligations, to make ends meet, to keep track of expenses, to make adequate financial decisions and to stay updated with financial information (Atkinson et al., 2006; Xiao, 2016). In our study, vulnerable consumers' financial knowledge was associated with the information needed in daily practices, and gaining the information was intertwined with the daily practices they initiated. The financial coaching project supported the behaviour and hence helped to achieve and utilize the information.

The role of self-efficacy has been emphasized in the studies of financial capability (e.g. Ozmete & Hira, 2011) and behavioural change (Xiao et al., 2014). With vulnerable consumers, self-efficacy has been associated as a mediator between financial knowledge and behaviour (Loke et al., 2015; Rothwell et al., 2016). Challenging life situations—struggling with addiction, having a low-income level and inadequate financial skills—create feelings that do not support self-efficacy. A vulnerable position emphasizes experiences of powerlessness. In this study, we emphasize the characteristics of financial self-efficacy in the capability process. According to our data, financial self-efficacy can function merely as a mediator but also as a prior condition to financial knowledge and behaviour. Initiating and performing daily financial practices requires confidence in one's abilities as well as the confidence to control one's behaviour. In other words, establishing targets, taking the required steps to reach the target and making adequate decisions all require confidence. We argue that even though financial capability is a reciprocal combination of self-efficacy, knowledge and appropriate behaviour, with vulnerable consumers, building confidence seems to play a key role in developing into a competent consumer.

In the study, we focus on the sources of self-efficacy information that the coaching project enabled. According to Bandura (1997; 2001), there are four main sources: mastery experiences, vicarious information, verbal persuasion and reflection of affective states. In this study, practical experiences, vicarious learning, social support and reflection of affections were the sources of self-efficacy information. In the daily practices, the sources influenced the financial capability process. Practical experiences gained from successful and repeated daily performances were an especially important sources of information.

Financial capability consists of ability as well as opportunity to act. According to Sherraden et al. (2019), with vulnerable consumers, the challenges are in abilities (e.g. lack of basic knowledge) and opportunities (missing access to financial services). Hill & Sharma (2020) approach vulnerability from the scarcity of possessed individual, interpersonal and structural resources. According to this study, the opportunity to function should be understood as the access to structural resources such as government funding and the ability to sustain the funding. With limited individual resources (e.g. knowledge and savings), the undefined waiting time for a public funding decision causes a loss of the sense of control over the financial situation and reinforces the experienced vulnerability, like in Laura's case.

The challenge of financial education interventions is to design them so that they enable and encourage participants to enter financial activities. As Kaiser and Menkhoff (2017) argue, influential education incentives are right-timed and designed according to participants' needs. With vulnerable consumers, this is even more challenging. Vulnerable consumers are often difficult to motivate in participating in coaching projects. Even though vulnerable consumers' financial challenges have similarities to all consumers, building the confidence is a core element of their financial capability.

The purpose of this study is to enlighten the characteristics of financial capability process in vulnerable consumers' day-to-day practices. Despite the limited size of the data, through in-depth analysis, this study explains how financial coaching project can enhance the participants to obtain self-efficacy information via practical experiences, vicarious learning, social support and reflection of emotions. The study emphasizes the importance of financial self-efficacy in financial capability process of vulnerable consumers. As practical implications, we state the importance of on-demand designed financial coaching with vulnerable consumers. The coaching should focus on the challenges the vulnerable consumers face in daily financial practices. Successful daily money management can create a landscape for further future plans.

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The Role of Financial Advisors in Shaping Investment Beliefs

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Abstract
The objective of this study is to examine the influence of financial advisors on their clients' investment beliefs. A theoretical model is first introduced, establishing a framework for how financial advisors affect the investment beliefs of their clients. The authors empirically test the theoretical model with data collected from the RAND American Life Panel. The findings suggest an association between the influence of a financial advisor and their clients' investment beliefs. The ensuing discussion highlights the need for financial advisors to be aware of their own investment beliefs, attitudes, and behaviors when working with clients. The conclusions orbit around the need for financial counseling and communication education to be cemented as a part of the broader financial planning curricula.

JEL classification: D14, G29

Key words: Financial Advice, Financial Counseling, Financial Planning, Investment Advice, Investment Behavior

Introduction

Financial advisors play a critical role in facilitating the achievement of their clients' financial goals. From planning their clients' retirements to effectively managing taxes and developing insurance recommendations, financial planners develop valuable and lasting interactions with their clients when providing financial advisory services.

As a part of the financial planning process, financial advisors may work with their clients to determine appropriate investment recommendations that meet their clients' long-term financial goals. As a part of this process, financial advisors consider a broad range of information when working to develop appropriate investment recommendations, such as their client's time-horizon, age, and expected return. In addition, many financial advisors consider their clients' investing beliefs, attitudes, and perceptions as a part of the development of their financial advice.

An area of growing research interest is the formation of clients' investment beliefs and the implications of how client's investment beliefs affect client behavior. This study adds value to this research effort by examining the role of financial advisors in shaping their clients' investment beliefs. A theoretical model illustrating the formation process of financial advisors' investment beliefs is first established. This model showcases how financial advisors and behaviors are formed. Next, an additional theoretical model is presented, which introduces a robust theoretical foundation for how financial advisors serve as a contributing factor in their clients' investment beliefs. Lastly, the authors empirically test the theoretical model with newly introduced data from Choi and Robertson (2020).

Background

Investment Beliefs

Investment beliefs have been associated with a plethora of factors, such as financial literacy (Van Rooij et al., 2011), recent corporate scandals (Giannetti & Wang, 2016), risk aversion (Vissing-Jørgensen & Attanasio, 2003), and demographics (Gao, 2019; Pearson, 2020). Research has also suggested that investment beliefs are influenced by interactions, experiences, and contacts with other individuals through life. For example, the influence of parental overt and convert financial beliefs have shown to be formative in an individual's beliefs regarding money and investing (Klontz et al., 2011). Moreover, Cude et al. (2006) showed that the financial decisions of an individual's parents are a key factor in their children's money and investment beliefs.

Investment beliefs have more broadly been studied in parallel with related financial counseling research. Klontz et al. (2008) coined the term "money scripts" to refer to an individual's beliefs about money. Their research suggests that money scripts are a predictive factor in investment beliefs. Klontz and Britt (2012) go on to suggest that money scripts have both positive and negative impacts on investment beliefs, an outcome that is dependent on the "type" of money script. Types of money scripts include vigilance scripts, money anxiety scripts, and money worship scripts (Klontz & Britt, 2012; Lawson et al., 2015). Harris et al. (2021) suggest that if individuals understand their money scripts, they can improve their interpersonal communication. They ultimately suggest that this can even lead to improved relationship dynamics.

Financial Advisors and Investment Beliefs

The presence of financial advisors may also influence individuals' investment beliefs. The use of financial advisors has been associated with participation in equity markets (Georgarakos & Inderst, 2014). Linnainmaa et al. (2021) show that a household's likelihood of owning investment assets increases by 59.2% when households utilize financial advisors. Moreover, Kirchler et al. (2020) shows that financial advisors invest their personal assets in a similar manner as their clients' investment strategy.

Gerhardt and Hackethal (2009) add to the aforementioned research by analyzing trading data from individuals before and after receiving financial advice. They show that individuals who begin working with a financial advisor increase the likelihood that they will place less risky and speculative trades. Utilizing a survey of over 200 financial professionals, Grable et al. (2020) found that financial advisors with more experience are more likely to recommend portfolios with higher ratios of investment holdings when compared to younger financial advisors.

Research Contributions

A significant challenge in the current literature is the issue of identification. Largely, the current literature has attempted to empirically address the influence of financial advisors on their clients' investments through proxy variables, which do not directly evaluate the underlying and veritable client investment belief. For instance, research has generally suggested that individuals who utilize financial advisors invest more into equities (Linnainmaa et al., 2021; Georgarakos & Inderst, 2014). An issue of identification is created when an individual seeks the advice of a financial advisor with the goal of investing heavily into equities. Identification issues are seen in other areas of financial planning research, such as conclusions drawn in studies on income and net worth advice (Hanna, 2011, Joo & Grable, 2001), education planning (Salter et al., 2010), marriage planning (Cummings & James, 2014), and mutual fund selection (Jones et al., 2005; Ramasamy & Yeung, 2003).

This study adds value to the current literature in two overarching ways. First, this is the first study, to the authors' knowledge, that introduces a theoretical model showcasing how financial advisors can affect the investment beliefs of their clients. Secondly, this study provides empirical evidence of the connection between financial advisors and the investment beliefs of their client.

Conceptual Background

Financial Advisor Communication

Figure 1 provides a theoretical model that illustrates how financial advisors form their communication during an equity event, such as the early 2000s "dot-com" bubble, the 2007-2009 U.S. financial crisis, or the 2019-2020 COVID-19-related equity market decline. This theoretical model illustrates how financial advisors' investment beliefs are formed as a byproduct of financial advisors' own investing biases, experiences, and educational attainment. It is important to note that the weight of each influence will likely vary among financial advisors.

The formation of financial advisors' investment beliefs is a paramount consideration when examining the connection between financial advisors' investment beliefs and the interpersonal communication they engage in with their clients, especially when an equity event occurs. When an equity event occurs, an opportunity presents itself for financial advisors' interpersonal communication to affect their clients' investment beliefs. Consequently, a link is created between financial advisors' investment beliefs and their interpersonal communications.

Financial Advisor Communication and Investment Beliefs

Figure 2 builds on Figure 1, showing how the interpersonal communication between financial advisors' and their clients is an input element in the formation of new client investment beliefs. Clients have varying investing biases, experiences, and educational attainments. These influences come together to form clients' investment beliefs. When an equity event occurs, clients may engage with their financial advisors to seek advice on how to manage their investments during times of market volatility.

When clients engage in interpersonal communication with their financial advisors during equity events, clients are influenced by their financial advisor's investment beliefs. The influence of these investment beliefs can be present in both financial advisors' verbal and nonverbal communication. Consequently, financial advisors' interpersonal communication with clients during equity event results in an additive factor in the formation of new client investment beliefs.
As noted by Kolb (1984), experiences are transformed into beliefs through post-event reflection, particularly when the severity of event increases (Barnett & Pratt, 2000; Weick et al., 2005). Financial advisors who reference equity events in future communications with their clients are engaging in post-event reflection. As a result, an additional opportunity for financial advisors to influence the investment beliefs of their clients presents itself when financial advisors engage in post-event reflection with their clients.

Methodology

Data

Data collected from a survey circulated in the RAND American Life Panel (ALP) are utilized. The original purpose of the data collection was to study the determinants of portfolio investment allocation. The survey took place in December of 2016 and survey participants were paid based on anticipated survey completion time. Choi and Robertson (2020) provide a robust description of the data and the data collection process. This study uses weighted data from the sample weights provided by the RAND ALP. The sample size is 1,045.

Investment Beliefs

Survey participants are first asked, "How important are the following factors in determining the percentage of your investable financial assets that is currently invested in stocks?" For each factor, respondents can answer: 1 (Not important at all), 2 (A little important), 3 (Moderately important), 4 (Very important), and 5 (Extremely important). This study examines two equity event investment beliefs.

The first investment belief examined comes from the question, "The feelings, attitudes, and beliefs about the stock market I've gotten from living through stock market ups and downs" (Ups & Downs). The second investment belief examined comes from the question, "The feelings, attitudes, and beliefs about the stock market I've gotten from my personal experiences of investing in the stock market" (Personal Experiences).

Influence of Financial Advisor (FA)
To assess whether financial advisors exert influence on their clients' investment beliefs, this study examines whether survey participants consider financial advisors important in determining their investment allocation (FA Influence). Survey participants are asked, "How important are the following factors in determining the percentage of your investable financial assets that is currently invested in stocks?" The FA Influence variable is derived from the responses to the question, "Advice from a professional financial advisor I hired." Respondents could have answered: 1 (Not important at all), 2 (A little important), 3 (Moderately important), 4 (Very important), and 5 (Extremely important).

Controls
The control variables utilized in this study include educational attainment, age, gender, racial identification, marital status, income, and investable assets. Educational attainment has been shown to influence financial literacy (Huston, 2010) and financial literacy has been shown to influence investment beliefs (Mandell & Klein, 2009). Age also is an important variable to consider because as individuals age, they enter different periods of their life-course. As individuals enter those periods, their beliefs, attitudes, and perceptions are expected to restructure to match their current stage of life-course. Demographic background, such as gender and race, have been shown to influence investment perceptions (Pearson, 2020; Bhavani & Shetty, 2017). Investment beliefs, such as risk tolerance, have been shown to be influenced by marital status (Yao & Hanna, 2005). Varying levels of income and investable assets are expected to produce new investment perspectives, and, thus, are also included as controls.

4.3 Empirical Model
To understand the role of financial advisors in shaping the investments beliefs of their clients, the following two ordered probit regression models are estimated:

$$Ups\ \&\ Downs_i^* \ = \ \beta_0 + \beta_1 FAInfluence_i + \beta_j DV_j + \varepsilon_i$$

$$Ups\ \&\ Downs_i = \begin{cases} 1\ if\ Ups\ \&\ Downs_i^* \ > 0 \\ \\ 0\ if\ Ups\ \&\ Downs_i^* \ \leq 0 \end{cases}$$

$$Personal\ Experiencesi_i^* \ = \ \beta_0 + \beta_1 FAInfluence_i + \beta_j DV_j + \varepsilon_i$$

$$Personal\ Experiences_i = \begin{cases} 1\ if\ Personal\ Experiences_i^* \ > 0 \\ \\ 0\ if\ Personal\ Experiences_i^* \ \leq 0 \end{cases}$$

where $Ups \,\&\, Downs^*$ and $Personal\ Experiences^*$ are latent while $Ups \,\&\, Downs$ and $Personal\ Experiences$ are observed measures of investment beliefs that are rooted in experience with historic equity events.

To capture any potential influence financial advisors may have on the respondent's investment beliefs, the $FAInfluence$ variable takes the form of a dichotomous variable by assigning a value of "0" for all 1 responses and a "1" for all 2, 3, 4, and 5 responses.

The matrix DV_j contain the controls utilized in the models. The controls include whether the survey participant has a 4-year college degree, a continuous measure for age, whether the survey participant is male, whether the survey participant is white, whether the survey participant is married, and categorical measures for income and wealth. The categorical measure for income utilizes the reference category $0-$9,999, to which values of $10,000 - $24,999, $25,000 - $39,999, $40,000 - $74,999, and $75,000 + are compared. The investable assets variable was developed from the question, "What is the value of all your investable financial assets?" The categorical measure for wealth utilizes the reference category $0 - $999, to which values of $1,000 - $9,999, $10,000 - $49,999, $50,000 - $99,999, and $100,000 + are compared.

Each of the models are estimated via maximum likelihood. Average marginal effects are calculated to determine the magnitude of the effects. The error term is assumed to follow the standard normal distribution.

Results

Summary Statistics

Table 1 provides the summary statistics of the sample. The averages for the level of importance for the Ups & Downs investment belief are as follows: 23% "Not Important," 19% "A Little Important," 31% "Moderately Important," 19% "Very Important," and 8% "Very Important." The averages for the level of importance for the Personal Experiences investment belief are as follows: 19% "Not Important," 17% "A Little Important," 33% "Moderately Important," 21% "Very Important," and 10% "Very Important."

Other summary findings reveal that 62% of respondents ranked the FA Influence at "A Little Important" or greater. 50% of the sample holds at least a 4-year college degree, 47% of the sample are male, 82% are white, 58% are married, and the average age is 57. For the categorical income variable, 6% have income between $0-$9,999, 15% have income between $10,000 - $24,999, 22% have income between $25,000 - $39,999, 20% have income between $40,000 - $74,999, and 37% have income over $75,000. For the categorical investable assets variable, 14% have investable assets between $0-$999, 12% have investable assets between $1,000 - $9,999, 16% have investable assets between $10,000 - $49,999, 11% have investable assets between $50,000 - $99,999, and 46% have investable assets over $100,000.

Main Econometric Results

Table 2 presents the average marginal effects from the Ups & Downs ordered probit regression. For brevity, only the Not Important and Extremely Important average marginal effects are reviewed. For the Ups & Downs investments belief regression, the FA Influence variable was associated negatively with the Not Important response with an average marginal effect of -0.2010 ($p < 0.001$). For the Ups & Downs investments belief regression, the FA Influence variable was associated positively with the Extremely Important response with an average marginal effect of -0.1065 ($p < 0.001$).

Table 3 presents the average marginal effects from the Personal Experiences ordered probit regression. For the Personal Experiences investments belief regression, the FA Influence variable was associated negatively with the Not Important response with an average marginal effect of -0.1434 ($p < 0.001$). For the Personal Experiences investments belief regression, the FA Influence variable was associated positively with the Extremely Important response with an average marginal effect of 0.1011 ($p < 0.001$).

Other Econometric Results

Other results from the regression analysis provide other associations to note. For brevity, only the Not Important and Extremely Important average marginal effects are reviewed. For the Ups & Downs ordered probit regression, being male was associated negatively with the Not Important response with an average effect of -0.0479 ($p < 0.05$). Being male was associated positively with the Extremely Important response with an average marginal effect of 0.0254 ($p < 0.05$).

For the Personal Experiences ordered probit regression, being male was associated negatively with the Not Important response with an average effect of -0.0399 ($p < 0.05$). Being male was associated positively with the Extremely Important response with an average marginal effect of 0.0281 ($p < 0.05$). A one-year increase in age was associated negatively with Not Important with an average effect of -0.0014 ($p < 0.05$). A one-year increase in age was associated positively with the Extremely Important response with an average marginal effect of 0.001 ($p < 0.05$).

Discussion

Discussion of Main Results

This study analyzed the role of financial advisors in the formation of their clients' investment beliefs utilizing newly introduced data from Choi and Robertson (2020). The empirical findings suggest that considering the advice of a financial advisor as "influential" in making investment decisions is associated with an individual's investment beliefs. Other results showed that males compared to females, generally, consider the "ups-and-downs" of the market and their own personal investing experience when investing. Increases in age showed similar results for considering personal experiences when investing, however, the results for increases in age and the consideration of the "ups-and-downs" of the market when investing did not result in a statistically significant association.

Limitations

Despite the findings and the contributions, an empirical limitation to note is that the data only provided a measure assessing the value of survey participants' investable assets. The data did not provide a measure assessing the net worth of the survey participants. As noted by Klontz and Britt (2012), net worth has been associated with money beliefs, such as money status and money worship beliefs. Although investable assets and net worth are likely correlated, a measure for net worth would have provided a better control.

Implications

Financial advisors play a critical role in facilitating the achievement of their clients' financial goals. One of the ways that financial advisors act as facilitators is in their input in shaping their clients' investment beliefs, attitudes, and behaviors. Financial advisors should be aware of their own investment beliefs, attitudes, and behaviors and the impact they have in influencing their clients' beliefs, attitudes, and behaviors. Moreover, financial advisors should understand how their beliefs are both overtly and covertly communicated when working with their clients.

As noted by Kolb (1984), experiences are transformed into beliefs through post-event reflection, particularly when the severity of the event increases (Barnett & Pratt, 2000; Weick et al., 2005). When financial advisors reflect on historic equity market events with their clients, such as the early 2000s dot-com bubble, the 2007-2009 financial crisis, or the 2019-2020 COVID-19-related investment downtown, financial advisors should consider how the reflection of those events with their clients play a role in shaping their clients' beliefs.

Training in financial counseling and communication can offer support to financial advisors in developing greater self-awareness. Furthermore, trainings designed to teach self-reflection and self-discovery provides an opportunity for financial advisors to assess their own beliefs and how those beliefs may be communicated in their work with clients. Financial counselors and financial therapists have a unique opportunity to provide financial advisors with these trainings.

An additional avenue for training financial advisors lies in financial planning education programs. Financial planning education programs that incorporate financial counseling and communication as a part of their core curricula provide current and future financial advisors with an opportunity to further explore and develop their understanding of their investment beliefs, attitudes, and perceptions.

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Figures and Tables

Figure 1 – Financial Advisor Communication Model

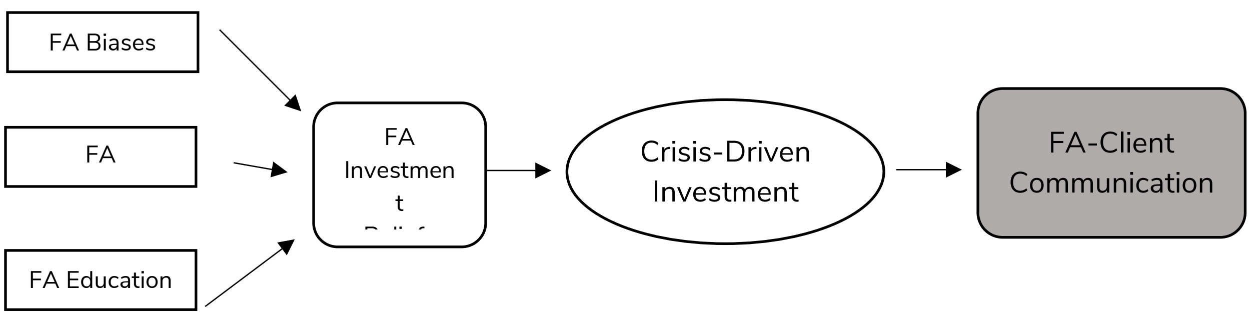

Figure 2 – Client Investment Belief Formation during Equity Events

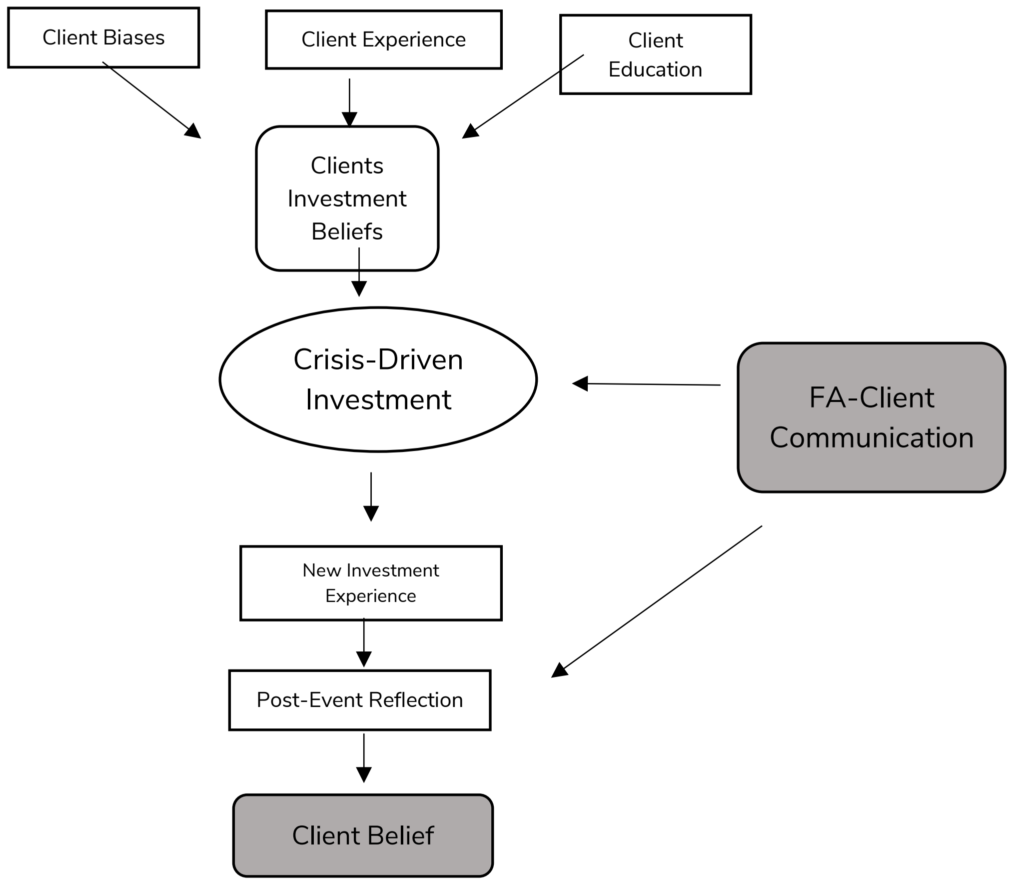

Table 1 - Summary Statistics of Sample

	Averages	Standard Dev.
Ups & Downs		
Not Important	22.85% (Categorical)	
A Little Important	19.22% (Categorical)	
Moderately Important	31.07% (Categorical)	
Very Important	18.93% (Categorical)	
Extremely Important	7.93% (Categorical)	
Personal Experiences		
Not Important	18.74 % (Categorical)	
A Little Important	16.73% (Categorical)	
Moderately Important	33.08% (Categorical)	
Very Important	21.03% (Categorical)	
Extremely Important	10.42% (Categorical)	
FA Influence	61.91 (%)	48.58
College Degree	49.90 (%)	50.02
Age	56.57 (Continuous)	14.02
Male	47.04 (%)	49.94
White	81.84 (%)	38.57
Married	58.32 (%)	49.33
Income		
$0 - $9,999	5.93% (Categorical)	
$10,000 - $24,999	14.82% (Categorical)	
$25,000 - $39,999	22.28% (Categorical)	
$40,000 – $74,999	20.08% (Categorical)	
$75,000 +	36.9% (Categorical)	
Investable Assets		
$0 - $999	14.44% (Categorical)	
$1,000 - $9,999	12.14% (Categorical)	
$10,000 – $49,999	16.06% (Categorical)	
$50,000 - $99,999	11.19% (Categorical)	
$100,000 +	46.18% (Categorical)	

Significance is defined as follows: * significant at $p < 0.05$; ** significant at $p < 0.01$; *** significant at $p < 0.001$

Data collected from the RAND American Life Panel (ALP) 2016

N = 1,045

Table 2 - Average Marginal Effects from Ordered Probit Regression: Ups & Downs

	Ups & Downs				
	Not Important (Standard Errors)	A Little Important (Standard Errors)	Moderately Important (Standard Errors)	Very Important (Standard Errors)	Extremely Important (Standard Errors)
FA Influence	-0.2010***	-0.0603***	0.0420***	0.1128***	0.1065***
	(0.019)	(0.0072)	(0.007)	(0.0113)	(0.0133)
College Degree	-0.0283	-0.0085	0.0059	0.0159	0.0150
	(0.0202)	(0.0061)	(0.0043)	(0.0113)	(0.0108)
Age	-0.0009	-0.0003	0.0002	0.0005	0.0005
	(0.0007)	(0.0002)	(0.0002)	(0.0004)	(0.0004)
Male	-0.0479*	-0.0144*	0.0100*	0.0269*	0.0254*
	(0.0187)	(0.0057)	(0.0042)	(0.0106)	(0.0101)
White	-0.0005	-0.0001	0.0001	0.0003	0.0002
	(0.0252)	(0.0076)	(0.0053)	(0.0142)	(0.0134)
Married	-0.0322	-0.0097	0.0067	0.0181	0.0171
	(0.0211)	(0.0064)	(0.0045)	(0.0119)	(0.0112)
Income ($0 - $9,999 base)					
$10,000 - $24,999	-0.0499	-0.0103	0.0152	0.0256	0.0195
	(0.0532)	(0.0098)	(0.0177)	(0.0263)	(0.0193)
$25,000 - $39,999	-0.0945	-0.0243*	0.0243	0.0510	0.0435*
	(0.0534)	(0.0105)	(0.018)	(0.0268)	(0.0199)
$40,000 – $74,999	-0.05372	-0.0113	0.016155	0.02762	0.021247
	(0.0575)	(0.0104)	(0.0191)	(0.0285)	(0.0204)
$75,000 +	-0.0774	-0.0183	0.0214	0.0409	0.0334
	(0.0583)	(0.0113)	(0.0191)	(0.0294)	(0.0213)
Investable Assets ($0 - $999 as base)					
$1,000 - $9,999	0.0171	0.0034	-0.0055	-0.0087	-0.0063
	(0.0419)	(0.0084)	(0.0134)	(0.0214)	(0.0155)
$10,000 – $49,999	-0.0454	-0.0121	0.0119	0.0250	0.0207
	(0.0397)	(0.0103)	(0.0113)	(0.0216)	(0.0175)
$50,000 - $99,999	-0.0385	-0.0100	0.0104	0.0210	0.0171
	(0.0442)	(0.0114)	(0.0124)	(0.024)	(0.0194)

$100,000 +	-0.0648	-0.0189	0.0154	0.0365	0.0318
	(0.0402)	(0.0107)	(0.0114)	(0.022)	(0.0177)

Significance is defined as follows: * significant at $p < 0.05$; ** significant at $p < 0.01$; *** significant at $p < 0.001$

Data collected from the RAND American Life Panel (ALP) 2016

N = 1,045

Table 3 - Average Marginal Effects from Ordered Probit Regression: Personal Experiences

	Personal Experiences				
	Not Important (Standard Errors)	A Little Important (Standard Errors)	Moderately Important (Standard Errors)	Very Important (Standard Errors)	Extremely Important (Standard Errors)
FA Influence	-0.1434***	-0.0573***	0.0113*	0.0882***	0.1011***
	(0.0176)	(0.0078)	(0.0056)	(0.0107)	(0.014)
College Degree	-0.0225	-0.0090	0.0018	0.0138	0.0159
	(0.0182)	(0.0073)	(0.0017)	(0.0112)	(0.0128)
Age	-0.0014*	-0.0005*	0.0001	0.0008*	0.0010*
	(0.0006)	(0.0003)	(0.0001)	(0.0004)	(0.0005)
Male	-0.0399*	-0.0160*	0.0032	0.0246*	0.0281*
	(0.0168)	(0.0068)	(0.002)	(0.0104)	(0.012)
White	-0.0194	-0.0078	0.0015	0.0120	0.0137
	(0.0226)	(0.0091)	(0.0019)	(0.0139)	(0.016)
Married	0.0019	0.0008	-0.0001	-0.0012	-0.0013
	(0.0189)	(0.0075)	(0.0015)	(0.0116)	(0.0133)
Income ($0 - $9,999 base)					
$10,000 - $24,999	-0.0543	-0.0144	0.0145	0.0298	0.0245
	(0.0506)	(0.0121)	(0.0157)	(0.0267)	(0.0209)
$25,000 - $39,999	-0.1022*	-0.0333*	0.0200	0.0596*	0.0560*
	(0.0507)	(0.0129)	(0.0163)	(0.0272)	(0.0218)
$40,000 – $74,999	-0.0703	-0.0200	0.0173	0.0394	0.0337
	(0.0545)	(0.0133)	(0.0167)	(0.0291)	(0.0226)
$75,000 +	-0.1072	-0.0356*	0.0200	0.0628*	0.0600*
	(0.0548)	(0.0146)	(0.0162)	(0.0299)	(0.0243)
Investable Assets ($0 - $999 base)					
$1,000 - $9,999	-0.0073	-0.0025	0.0014	0.0043	0.0041
	(0.0362)	(0.0123)	(0.0068)	(0.0215)	(0.0202)
$10,000 – $49,999	-0.0388	-0.0148	0.0051	0.0240	0.0246
	(0.0351)	(0.0131)	(0.0061)	(0.0215)	(0.0214)
$50,000 - $99,999	0.0177	0.0055	-0.0039	-0.0102	-0.0090
	(0.0416)	(0.0129)	(0.0092)	(0.024)	(0.0214)

$100,000 +	-0.0546	-0.0221	0.0054	0.0343	0.0370
	(0.0354)	(0.0135)	(0.006)	(0.022)	(0.0216)

Significance is defined as follows: * significant at p < 0.05; ** significant at p < 0.01; *** significant at p < 0.001

Data collected from the RAND American Life Panel (ALP) 2016

N = 1,045

Appendix

All questions are lead with, "How important are the following factors in determining the percentage of your investable financial assets that is currently invested in stocks?"

<u>Dependent Variables</u>

Ups & Downs

The feelings, attitudes, and beliefs about the stock market I've gotten from living through stock market ups and downs (whether or not I was invested in stocks at the time).

1 Not important at all
2 A little important
3 Moderately important
4 Very important
5 Extremely important

Personal Experiences

The feelings, attitudes, and beliefs about the stock market I've gotten from my personal experiences of investing in the stock market.

1 Not important at all
2 A little important
3 Moderately important
4 Very important
5 Extremely important

<u>Primary Explanatory Variable</u>

FA Influence

Advice from a professional financial advisor I hired.

1 Not important at all
2 A little important
3 Moderately important
4 Very important
5 Extremely important

Familial Roles & Financial Habits of International Students Studying in the United States

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Abstract

When experiencing any kind of transition, it can be difficult to juggle both family and personal responsibilities. For international students in the United States, the transition through college can be even more daunting when familial roles and finances intertwine. The limitations of their status as both foreign nationals and students compound their ability to meet obligations. Data from a 36-question survey on financial goals, responsibilities, habits, etc. were collected from 326 international students at 2 Midwest universities. Findings show correlations between familial financial roles and habits useful for financial advisors, educators, and counselors working with students pursuing education somewhere other than their home country.

Key words: college finances, college students, family finances, financial habits, financial roles, international students, international education

Introduction:

International students experience various challenges when they come to pursue their education in the United States (U.S.). Although various research has highlighted language issues as one of the biggest challenges (Li et al., 2017; Yan & Berliner, 2009), events such as the COVID-19 pandemic (Batalova & Israel, 2021), tense political climate (Bothwell, 2018), discrimination (Lee & Rice, 2007), and restricted international travel (Almasy & Simon, 2017), have emphasized other struggles well beyond linguistic barriers.

Background and Purpose

In addition to navigating complex institutional systems (immigration, education, banking, etc.) and sociocultural nuances, many international students have to balance a variety of financial obligations - especially if they are the breadwinner or have to contributive towards their family's overall well-being. Getting an education is such an important goal for many individuals, and many of the issues both immigrants and nonimmigrants face can make their academic trajectories even more challenging, financially and otherwise.

With a contribution of $42 billion to the U.S. economy in 2017 (Morris, 2018), International students play an important role in national, regional, and local economies. Having informed consumers helps contribute to a healthy economy and empowers individuals to navigate daily spending decisions along with more long-term, complex financial planning.

By better understanding the unique financial challenges international students face can help higher education professionals, financial educators, and financial counselors better support immigrant and nonimmigrant families studying in the United States or abroad. In the pursuit to understand how familial contribution roles may impact spending behavior, financial choices, and persistence towards degrees, this study analyzed self-reported survey data along with student account transactions and enrollment data. Implications can be beneficial to financial counselors and professionals wanting to address financial planning and behavioral change mechanisms for international populations or immigrant families in the U.S. as well as higher education staff, faculty, and administrators. Lastly, this paper contributes to the larger body of scholarship in Financial Literacy Education, Financial Counseling, and International Student Education and Multicultural Education.

Cultural Differences in Family Finances

As international students relocate to the U.S., adaptation difficulties become a common experience due to the different cultural and linguistic surroundings. Culture shock, challenges, and miscommunications can occur when they immerse themselves into American social, cultural and academic life (Wang, et. al., 2018, Pg. 822). We focus on the financial aspect of these challenges and highlight trends in how international students and their families navigate U.S. culture as it relates to familial contribution roles. Specifically, how international students navigate financial obligations in the context of their financial responsibilities within their families. Within the United States, there is a lot of variety in how domestic families approach finances, with cultural expectations and financial socialization (Gudmunson & Danes, 2011; Sharif & Naghavi, 2020) often influencing the different roles that family members play in contributing to the overall financial well-being of their family group.

Research shows the manner in which parents behave financially influences how their adult children understand finances which can directly impact how they spend and/or save their own money (Serido et al., 2015). Typically, the majority of children and youth do not manage their household's finances, but they are "continually apprenticing—acquiring the knowledge, habits, attitudes, and personality traits" -- which plays a huge role in their financial habits as they become adults (Drever et al., 2015). Overall, cultural differences and how they influence family finances are key factors to addressing our research findings in upcoming sections.

Prevalence of International Students in the United States

Many institutions of higher learning in the United States have at least some international students. Even with the coronavirus pandemic reducing enrollment in the year prior to this publication, there have consistently been over 1 million international students enrolled in U.S. schools in recent years (U.S. Immigration and Customs Enforcement, 2018- 2020). In 2019, the year this survey was conducted, students under an F-1 or J-1 visa were pursuing a total of 1,306,869 associate's, bachelor's, master's, or doctoral degrees (U.S. Immigration and Customs Enforcement, 2019). Additionally, students may stay in the United States to pursue Optional Practical Training (OPT) after completing their degrees which can last up to 24 months depending on the type of degree they receive. US Immigration and Customs Enforcement reported that 48% of all SEVIS records on file were from Asian countries – primarily China (474,497 active students) and India (249,221 active students), with South Korea (84,071 active students) as the third most represented country (U.S. Immigration and Customs Enforcement, 2019, p. 13).

College Student Financial Education

As financial markets and technology have evolved, there has been an increased focused on financial education geared towards young adults and college students specifically (Financial Literacy and Education Commission, 2019) as evidenced by more university programs dedicated to financial education being implemented across the United States (Klepfer et al., 2018; Higher Education Financial Wellness Association, n.d.). Many college-oriented financial education programs address a wide variety of financial topics like budgeting, managing credit, student loans and funding a college degree, identity theft and more. Delivery methods for educational programs may include academic courses for credit or noncredit as well as informal seminars, webinars, or individual financial coaching sessions. Assessment and participation metrics can also vary tremendously depending on the capacity and goals of the program, be it an experiential learning opportunity for future financial planners or as part of an overall well-being or retention effort by the institution.

Financial education core competencies have been addressed across the United States for many years, including those laid out by the U.S. Department of Treasury (2010) covering overarching topics such as borrowing, earning, protecting, saving, and spending. Researchers and educators have suggested financial literacy standards for K-12 () and higher education (Financial Literacy and Education Commission, 2019).

Challenges Unique to International Students

Previous studies on the struggles of international students at Western higher education institutions have highlighted language barriers, as mentioned earlier, along with cultural barriers, funding complications, discrimination, and understanding the nuances of the University community as hindrances to success (Sherry, Thomas, & Chui, 2010; Perry et al., 2017). International students often pay higher tuition than their domestic counterparts, navigate a complicated U.S. monetary system, face limitations on income potential due to visa status restrictions (U.S. Citizenship and Immigration Services, 2009), do not qualify for many credit-based financial tools and services, and require employer sponsorship post-graduation to qualify for the work visa lottery (U.S. Department of State, n.d.), among other substantial obstacles, like overt or covert discrimination, that can hinder their academic success and overall well-being.

Methods

A large university system in the Midwest took a 3 phased approach to researching the needs of their international student body which made up nearly 18% of the student population at the time of the study, a large portion of the community.

Initially, student account information was pulled to analyze trends in payment activity, demographics, majors, etc. with the hope of identifying opportunities to improve education and outreach to international students. After a review of the results, it became evident that a more thorough study was needed to capture financial responsibilities, well-being, attitudes, habits, and delivery preferences to best inform any educational outreach, interventions, or policies.

A pilot survey was developed and tested along with a team of international student interns during the fall of 2018, and IRB approval was obtained in early spring of 2019 for implementation of the final survey.

Population & Participation

At the time of the survey distribution, there were almost 15,000 international students enrolled between the two institutions our samples were recruited from. Across the United States, international students with F-1 visas pursuing bachelor's & master's degrees in 2019 totaled 1,011,655 while doctoral degree seekers in the same calendar year totaled 187,902 (U.S. Immigration and Customs Enforcement, 2019, p. 4).

A total of 323 international students participated in this study by completing a 36-question survey. Of those, 234 agreed to match the results of their surveys with demographic, enrollment, and student account data from their respective universities. Response rate was 3.6%, including 131 men, 108 women, 2 genderqueer/gender nonconforming, and 82 did not want gender considered. 50 countries were represented with India (26%) and China (25%) making up the vast majority.

Procedure

Recruitment

Participants were recruited in accordance with institutional policies for survey-based studies on students. International students with student account activity in spring 2019 were identified at 2 Midwest universities and 50% were randomly selected to receive the email invitation and two subsequent reminder emails to participate in the survey between February 13 - March 13, 2019. Initial recruitment emails were sent on February 13, 2019, with reminder emails sent two more times before the close of the survey. Additional recruitment messages were distributed on social media, university websites and other email listservs. Recruitment messages also indicated the time estimated to complete the survey (10-15 minutes) and that the first 100 respondents would win a fidget spinner. Incentives were limited by tax implications of cash prizes for international students.

Survey Tool

A pilot study was designed & tested in fall 2018, and an IRB-approved survey was launched in spring 2019. The final survey included 36 questions addressing 7 primary topics: financial goals, responsibilities, habits, challenges, insecurities, tools, and educational preferences. Contextual descriptions were provided for each section to try to help address any language barriers that may arise for non-native English speakers taking the survey. The survey was presented into five sections, not including the informed consent section. The Financial Goals, Responsibilities, & Habits section consisted of 10 questions designed to capture open ended responses about goals, roles the respondents play in their family regarding financial responsibilities, financial tools usage, financial topic and delivery preferences. Financial challenges or obstacles included 8 questions addressing emergency expenses – adapted from Federal Reserve's Survey on Economic Well-being of U.S. Households Questionnaire (Chen et al., 2018) – spending decisions, food insecurity (question adapted from definitions of food security (USDA, 2018) – and scams or fraud experiences. The Understanding Expenses section consisted of 9 questions addressing common semesterly or monthly expense for college students. These questions and the ranges students could choose from were based on a previous analysis of data on young adults (under age 25) in the Midwest from the Consumer Expenditure Survey (Bureau of Labor Statistics, 2017). The Sources of Income & Financial Tools section had 3 questions about work and income in addition to a question specific to US issued credit cards. The final section, Tell Us About Yourself, included questions to address GDPR compliance and demographics as well as a request to match survey results with demographic, enrollment, and student transaction data from the universities at which the respondents were enrolled.

Participants were asked to identify what role they play in their family's finances, with the following options to choose from: (a) Primary Contributor: main income-earner and breadwinner; (b) Co-contributor: provide a similar amount of monetary contributions to others in the family; (c) Minimal Contributor: provide a small amount regularly or only when needed; not expected to contribute to family finances; (d) Dependent: do not contribute to family finances; or (e) Other. These familial financial roles (Primary contributor, Co-contributor, Minimal contributor, Dependent) were used to compare self-reported spending habits alongside academic status (e.g., graduate vs undergraduate) and other factors collected through either the survey or identified from the data match for demographic, enrollment, and student account information.

Data Match

The results of the survey were matched with information about student account activity (financial holds, late fees, types of payments applied to student accounts, majors, and year in school) for those that agree to data match. After the data was cleaned, unique participants consisted of 323 students from 2 different universities in the system; 234 of which agreed to the data match. Since some students could have responded to the survey from their home countries, the survey included two questions to comply with The European Union (EU) General Data Protection Regulation (GDPR) around gender and sexual orientation disclosure in research. Any data collected related to gender was scrubbed according to the preferences indicated in the questions defined by GDPR legislation.

Results

Participants

Of the 323 respondents, 40.2% identified as men, 33.7% identified as women, and 0.6% identified as genderqueer/gender non-conforming. The remaining 25.5% chose to not disclose their gender. In terms of country of origin, the majority of respondents were from Asia, including the two largest countries: 27% from India, 25% from China. In total, 50 countries were represented in the survey. Nearly half of respondents self-identified as financial dependents (48.0%), whereas only 17.3% played the primary financial role in their household. Table 1 summarizes demographics by gender, home country, and familial financial role.

When examining the individuals who agreed to data matching, nearly two-thirds were graduate students, with the remaining third being almost entirely undergraduate students. Table 2 summarizes student enrollment levels for those that agreed to a data match ($n = 235$).

Statistical Analysis

Pearson's chi-squared tests were performed to detect differences in behaviors between respondent groups. The Pearson's chi-squared test compares observed counts to expected counts for categorical variables such as familial financial role, frequency of financial tool usage, and ownership of a US issued credit card, resulting in a chi-squared statistic that expresses the difference between the observed and expected results. The expected results assume that distributions should be the same across groups, implying no difference in behavior. From this, a p-value is calculated, representing the probability that a distribution equal to or more extreme than the observed distribution will occur given that the expected result is the true distribution. A p-value cutoff of 0.05 is used to determine significance. Additionally, observations with relevant missing responses were removed, resulting in varying sample sizes between tests.

A condition that must be met when using the Pearson's chi-squared test is that each cell's expected count must have a minimum value; the number five is typically used. Many of the analyses performed in this research did not pass this condition. However, this was resolved by using Monte Carlo simulations, where a preset number of distributions were simulated from the observed distribution for each analysis in which the condition wasn't met. This resulted in a larger sample to be used in the Pearson's chi-squared test, thus passing the minimum cell value assumption. The number of Monte Carlo simulations performed for each analysis, when necessary, was 2,000.

Relationship Between Family Financial Role and Student Level

Before analyzing financial behaviors between groups, examining the relationship between student level and family financial role is important to understand the context for behavioral differences. Figure 1 shows significant differences in financial responsibilities between undergraduate and graduate students $X^2(df = 3, N = 232) = 41.385$, $p < 0.001$. Undergraduate students in the population are more likely to be dependents than graduate students, whereas graduate students hold primary and co-contributor roles at higher rates. Although not surprising, this implies potential confounders when examining behavioral differences between levels or financial roles.

Frequency of Financial Tool Usage

The first behavior examined was financial tool usage. Respondents were asked how often they use cash, credit cards, debit cards, direct deposit/e-checks, mobile wallets, and paper checks. The results were segmented by both familial financial role and student level as shown in Figure 2.

Pearson's chi-squared tests with Monte Carlo simulations were performed, in which it was uncovered that between family financial role groups, there were significant differences in credit card usage $X^2(df = 12, N = 312) = 37.146$, $p < 0.001$, and debit card usage $X^2(df = 12, N = 312) = 37.755$, $p < 0.001$, as shown in Table 3.

When viewing the mosaic plots – figures 3 and 4 – we see that much of the deviation is due to those with more prominent financial roles using credit cards at a higher rate and debit cards at a lower rate in comparison to dependents.

The trend follows within student enrollment status levels, as graduate students who responded to the survey were significantly more likely to use credit cards $X^2(df = 4, N = 232) = 25.596$, $p < 0.001$, and less likely to use debit cards $X^2(df = 4, N = 232) = 21.571$, $p < 0.001$ when compared to undergraduate students.

US Issued Credit Card Ownership

Another significant behavioral difference was related to the ownership of United States based credit cards. Another Pearson's chi-squared test with Monte Carlo simulations was performed on the different financial roles and a significant difference $X^2(df = 3, N = 311) = 27.898$, $p = 0.001$ was found. This is due to dependents owning United States credit cards at lower rates than the other three groups, as shown in Figure 5. This trend also appears in student enrollment levels, where graduate students are more likely to own United Stated based credit cards than undergraduate students $X^2(df = 3, N = 231) = 12.784$, $p = 0.005$.

Net Spending Trends by Familial Financial Roles

Survey respondents were asked to select the range of money that best represented their average monthly income and average monthly expenses. They were asked what they spend on books, supplies, travel, and healthcare semesterly, as well as utilities, car, and cell phone monthly. For each of the spending questions, each response was converted to the numerical midpoint of the given spending range, the semesterly values were converted to monthly values, and all of the subsequent numerical spending amounts were summed resulting in a rough estimate of each respondent's self-reported monthly average spending. This was then compared to their midpoint of the average monthly income range and examined by familial financial role and student level. Individuals were determined to be in the *positive* if their estimated spending was equal to or less than their estimated self-reported average monthly income and in the *negative* if their estimated spending was greater than their estimated self-reported average monthly income.

When examining estimated monthly net spending between financial roles, 73.3% of primary contributors have a greater estimated income than their estimated spending, co-contributors and minimal contributors perform similarly at just below 55% in the positive, and 27.7% of dependents are in the positive. These results are significant $X^2(df = 3, N = 174) = 21.811$, p-value < 0.001. Figure 6 illustrates these differences.

When examining by enrollment level, as seen in Figure 7, the results are much starker. 59.6% of graduate students are in the positive compared to just 5.6% of undergraduate students $X^2(df = 1, N = 135) = 30.799$, p-value < 0.001.

Food Insecurity

For each category of familial financial role, at least half indicated some level of food insecurity because there was not enough money for food. Despite this trend, degrees of food insecurity based on the five levels – always, usually, sometimes, seldom, and never – are significantly different between financial roles $X^2(df = 12, N = 311) = 25.901$ p-value = 0.0111. As shown in Figure 8, between 2.78% (co-contributor) and 3.75% (primary) of individuals in each financial role indicated they always ate less, where primary contributors were more likely to indicate usually eating less (21.43%) compared to the other 3 groups. However, primary contributors were also more likely to indicate never eating less because there wasn't enough money for food (50.00%).

Financial Topic and Delivery Preferences

Since the goal of this survey is to create more inclusive financial education outreach for international students, respondents were asked what financial topics they'd be interested in learning more about as well as what methods of delivery they preferred. Results shown in Figure 9 indicate respondents were most interested in learning about scholarships (244), saving money (196), budgeting/spending plans (163), cutting expenses (151), and credit/borrowing money (126), while fewer respondents were interested in identity protection (92), student loans (85), earning money (3), investing (2) and taxes (1).

As far as delivery formats for financial education preferences go, online videos were the most preferred, with 210 responses, followed by email (163), websites (124), seminars/workshops (121), informational posters or graphics (106), and, lastly, webinars (72), as shown in Figure 10.

Discussion

As globalization continues to impact educational and career transitions for consumers worldwide, it is even more important for financial counselors, advisors, and educators to understand the contextual factors that those studying in locations other than their home countries may be experiencing when managing their finances.

The role that an international student plays in fulfilling familial financial responsibilities has a relationship with their spending behaviors and financial tool usage. For example, participants in this study were more likely to use credit cards if they identified as the primary contributor to finances compared to those that identified as dependents. This is likely at least partially due to age since the Credit Card Accountability Responsibility and Disclosure Act of 2009 (2009) put age-related restrictions on consumers' ability to obtain credit cards in addition to requirements around proof of capacity to repay.

Financial habits and preferences from this study show insights to inform financial education that addresses international student needs and perspectives. Many of the topics that educators address for domestic students will be the same for international students – cash management, banking, budgeting, credit management, identity theft protection, etc. However, it's important to be mindful of a few key elements that can impact the effectiveness of delivery for international students.

As previous research on adult learners in financial education programs has indicated, it's important to cater financial education programs to target audiences' needs (Rhine & Toussaint-Cameau, 2002). Language barriers, in particular, can be challenging for non-native English speakers if delivering content in English. Taking the time to slow down during real-time delivery and explain terminology can be helpful in enhancing learning for both international students and more novice domestic students. For older students, drawing parallels between concepts more prevalent in U.S. financial markets and similar concepts in countries like China or India, which are often more represented in international student populations, may support conceptual understanding through inclusion. Additionally, providing information through multiple modes of delivery can be beneficial to learning generally (Moreno and Mayer, 2007; Cook, 2015), so making content available in video, text, and graphic formats can help both non-native and native English speakers. Making webinar recordings available later may also help international students and non-native English speakers to review content that they may need more time to look up terms to understand. Delivering content in multiple languages is not always possible for educational programs or financial planners, but it can be helpful for enhancing understanding for both domestic and international students. The Consumer Financial Protection Bureau's website, consumerfinance.gov, can be viewed in multiple languages to help consumers from a variety of language backgrounds. International students may also be unaware of the value of United States currency, like coins, even though they may be using cash occasionally. This can also impact daily spending decisions.

Access to credit for any consumer can be a challenge to obtain, but international students may have additional barriers that credit education should address, like using secured credit cards to establish credit, or looking for opportunities to transfer credit established in their home country to the United States. Since international students are often not eligible for Federal Student Aid, providing education on scholarships and alternative funding options for international students when providing education on funding a college degree is important. In addition to limited funding options and restricted employment, international students may not be eligible to participate in local community or government programs designed to address basic needs security, like food insecurity or housing insecurity. International students do experience basic needs insecurity so advocating for culturally inclusive, institution-level programs for international students and/or educating on how to navigate those university systems may be critical to helping international students provide for their own as well as their families' well-being and safety.

Although many international students in this study did not indicate an interest in learning about taxes or identity theft protection, these topics are still important to cover. It may be important to highlight through general outreach to international students when scams and fraud targeting international students may be up, including prior to arrival in the United States, when some individuals may be looking for lodging in the campus community. Additionally, it may be important to highlight during tax season that taxes differ by individual tax status and international tax treaties in addition to talking about local and regional differences in sales tax liabilities during peak international orientation times. Working with international student services office can help target more critical information during onboarding or embedding into existing communications or procedures.

This particular paper examined self-reported data alongside education (enrollment, demographics) and observable behavior data (student account transactions) to identify potential relationships between international students' roles in contributing to their families' financial well-being and their spending behaviors. The survey also captured financial topic and delivery preferences which are beneficial to any educators looking to design educational intervention targeting international students. Lown & Ju (2000) proposed adapting western financial education and counseling models to support consumers in South Korea. Piloting some of their ideas (Cooperative Extension Service, employee education, etc.) with international student populations studying at land-grant universities in the U.S. could provide opportunities to inform culturally appropriate research and practice before implementing or enhancing delivery in target countries like South Korea. Since land-grant universities which house Cooperative Extension in many states also serve international students and conduct research, this could be an excellent opportunity for higher education professionals to partner with Cooperative Extension practitioners and researchers on delivery and assessment of educational interventions specifically geared towards international audiences.

Future research addressing financial education for college students should consider assessing both knowledge acquisition and potential behavioral change for both international and domestic students. Looking at differences in responsibilities and financial socialization for culturally diverse college students can also inform financial planning and outreach initiatives for consumers across the United States, regardless of immigration status. Additional investigation of differences between genders by home country and cultural practices in those countries may be beneficial in providing more context to educational outreach and financial planning approaches. Continuing to research and create financial education best practices that are culturally inclusive can enhance learning and transferability for both international and domestic students.

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Table 1. Demographics for International Students and Financial Well-being Survey

Survey Demographics (n = 323)		
Gender		
	Man	40.6% (131)
	Woman	33.4% (108)
	Genderqueer/Gender Non-conforming	0.6% (2)
	Prefer to Not Disclose	25.5% (82)
Home Country		
	India	26.3% (85)
	China	25.1% (81)
	South Korea	4.6% (15)
	Taiwan	4.0% (13)
	Other	32.8% (106)
	NA	7.1% (23)
Familial Financial Role		
	Primary	17.3% (56)
	Co-contributor	11.1% (36)
	Minimal	20.1% (65)
	Dependent	48.0% (155)
	NA	3.4% (11)

Table 2. Student Enrollment Demographics for Data-Matched Individuals

Student Enrollment Level Demographics (n = 235)	
Graduate	66.0% (155)
Undergraduate	33.2% (78)
Professional Program	0.4% (1)
Non-Credit	0.4% (1)

Table 3. Financial Tool Usage by Familial Financial Role

Financial Tool Usage by Familial Financial Role X^2(df = 12, N = 312)			
Financial Tool	Monte Carlo (2,000 simulations)	X^2 Score	p-value
Cash	Yes	16.299	0.1779
Credit Card	Yes	37.146	< 0.001
Debit Card	Yes	37.755	< 0.001
Direct Deposit/ E-check	Yes	13.410	0.3153
Mobile Wallet	Yes	13.410	0.2009
Paper Check	Yes	15.975	0.1774

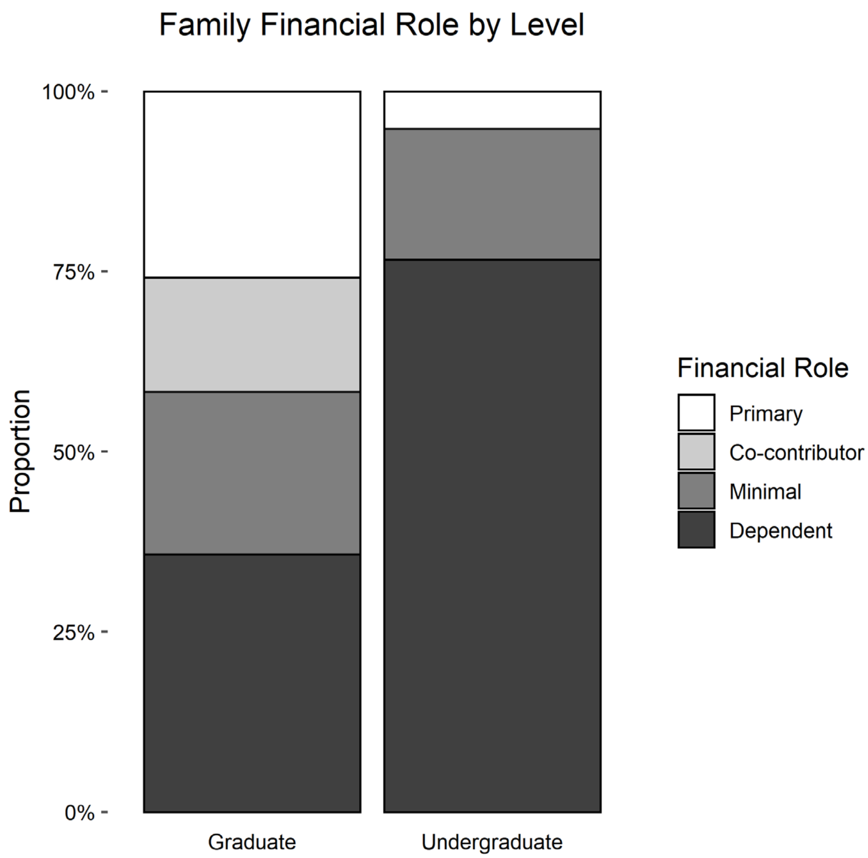

Figure 1. Family Financial Role by [Enrollment] Level

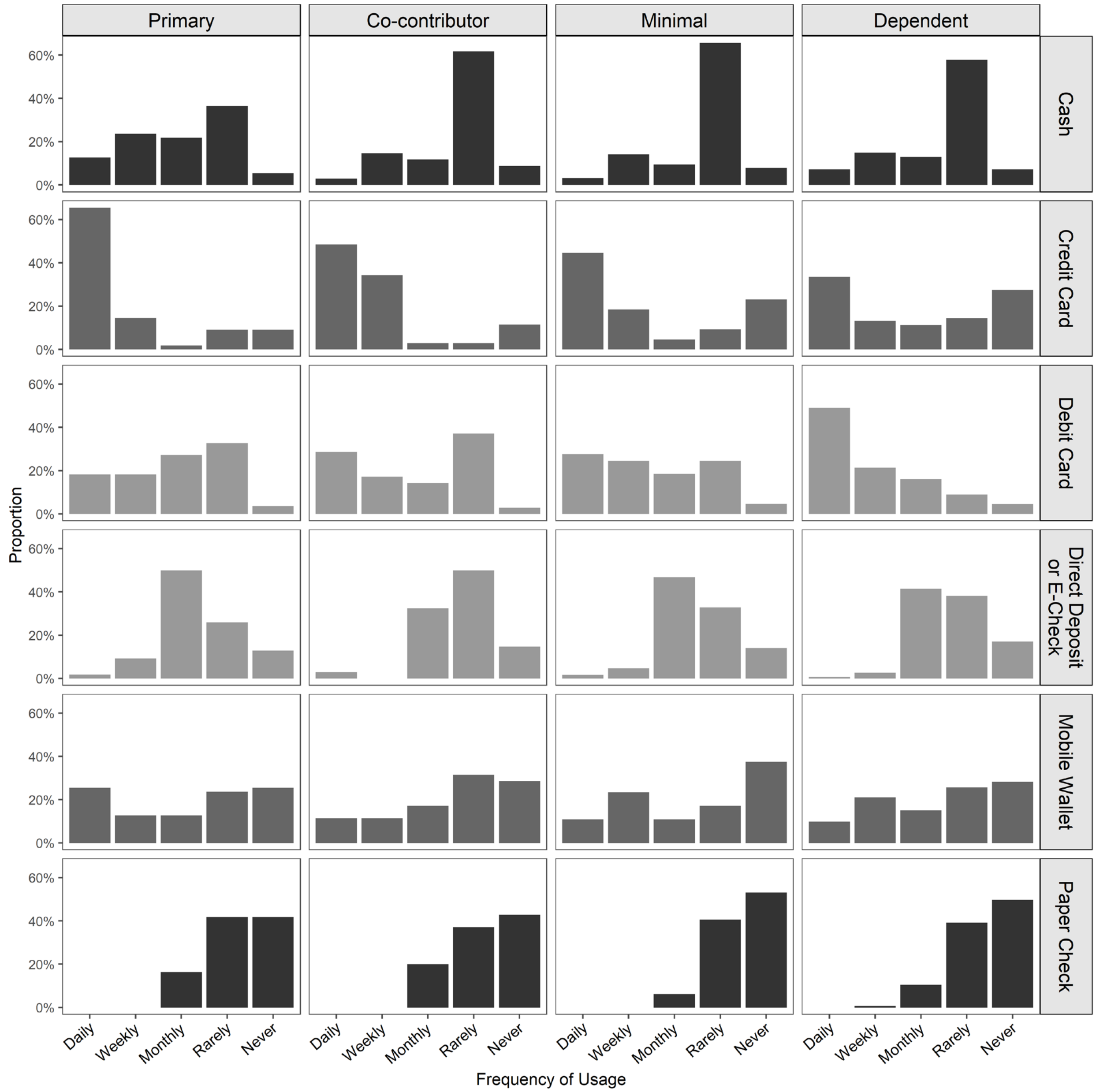

Figure 2. Financial Tool Usage by Familial Financial Role

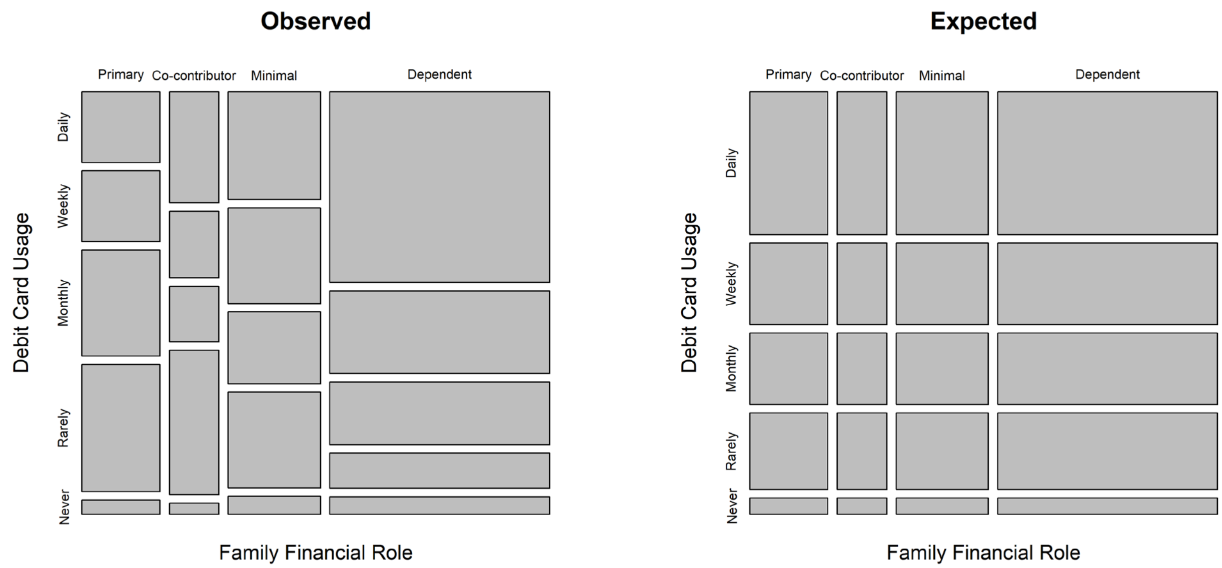

Figure 3. Mosaic Comparison for International Student Debit Card Usage by Familial Financial Role

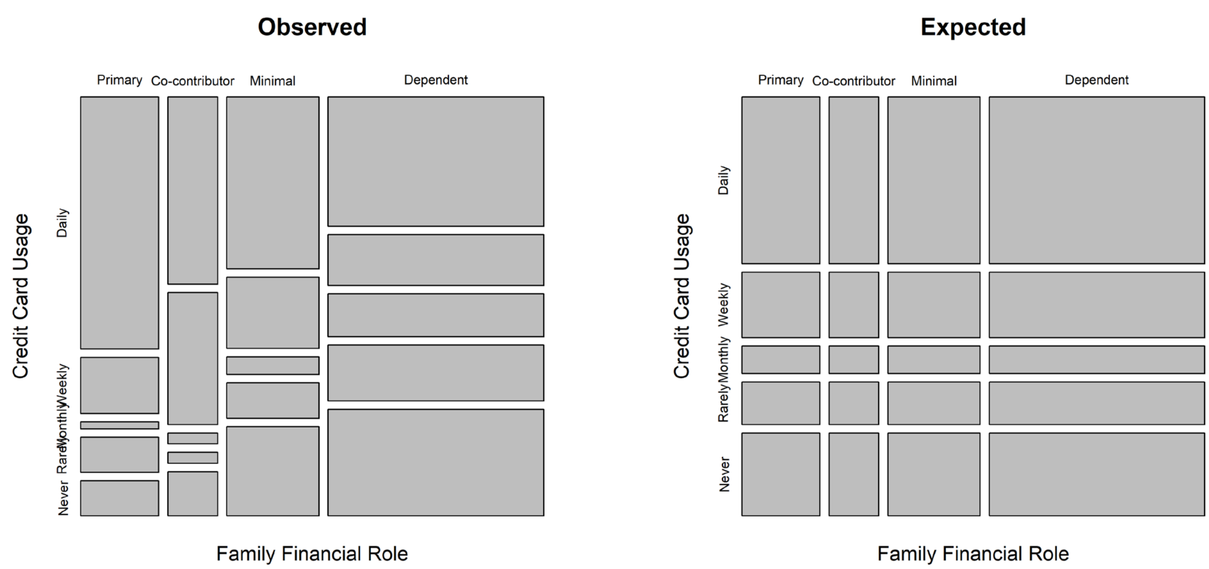

Figure 4. Mosaic Comparison for International Student Credit Card Usage by Familial Financial Role

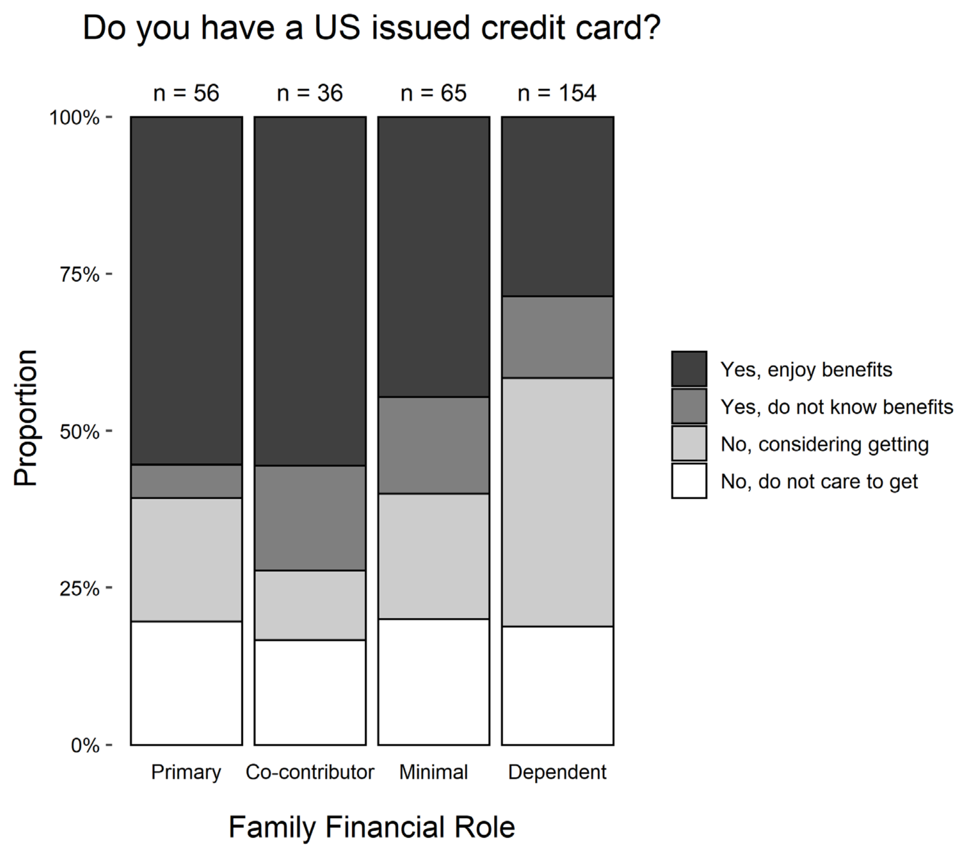

Figure 5. US Issued Credit Card Ownership by Family Financial Role

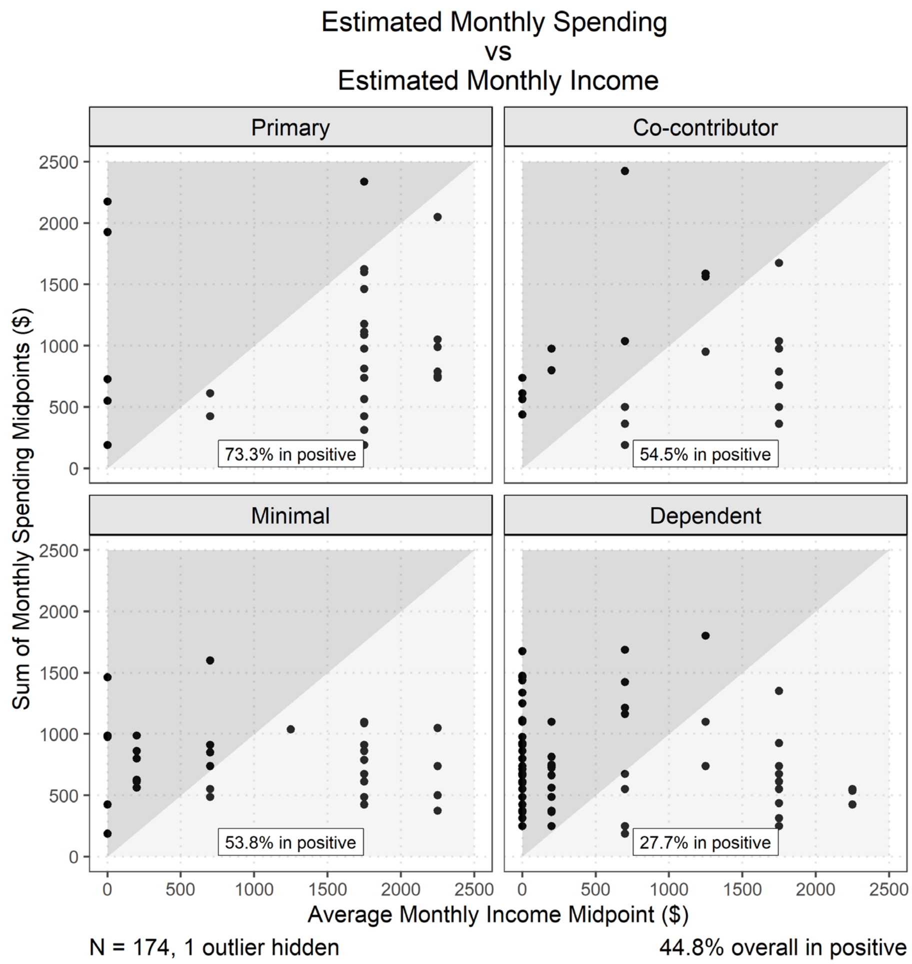

Figure 6. Sum of Spending vs Average Income by Familial Financial Role

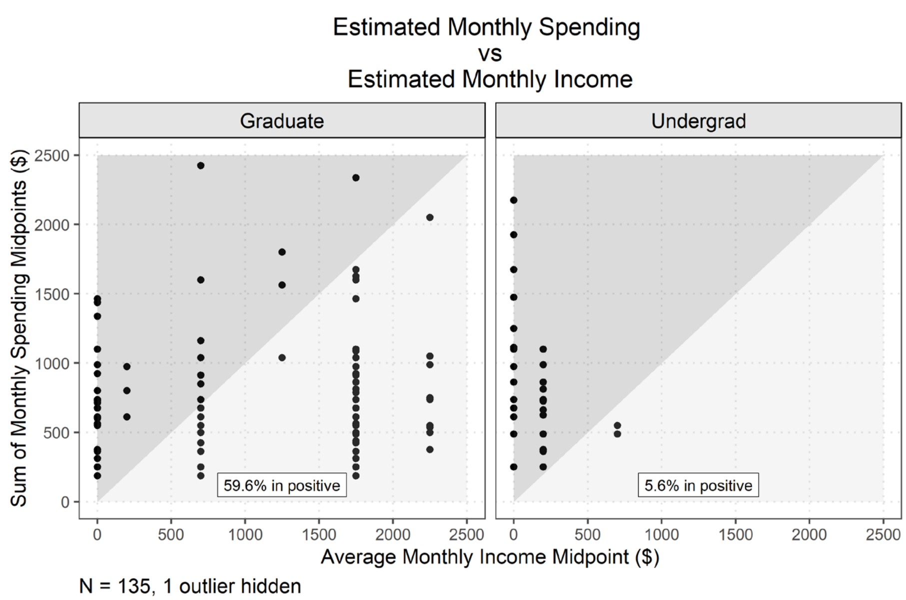

Figure 7. Spending vs Average Income by Enrollment Level

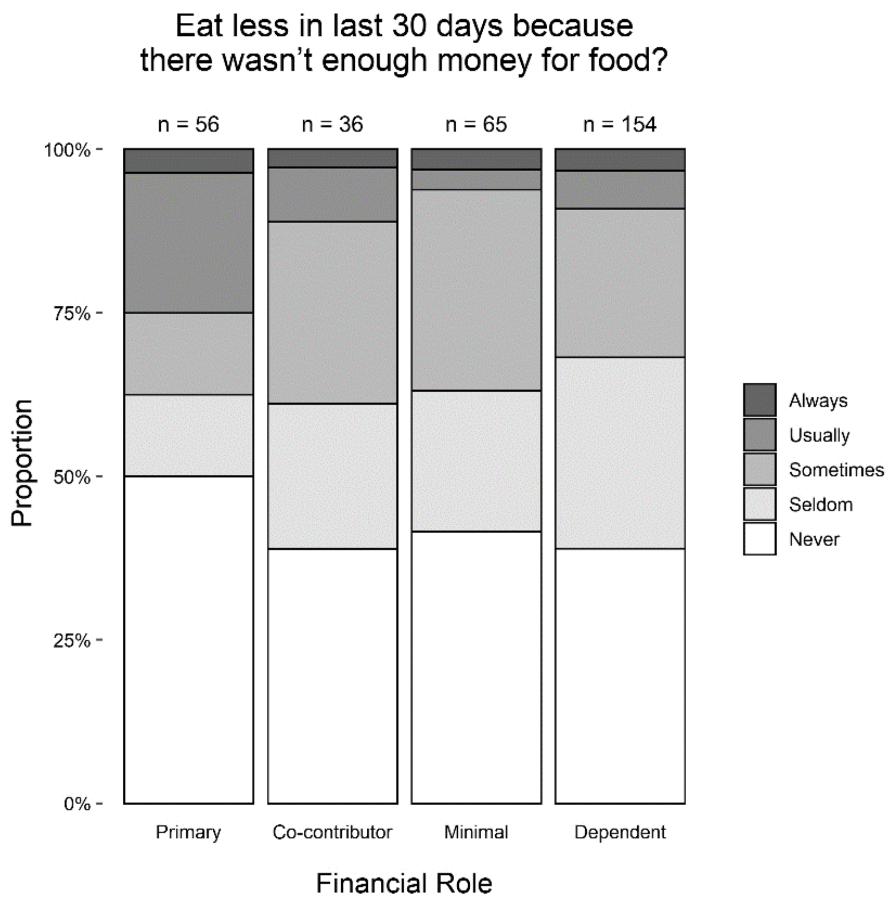

Figure 8. Food Insecurity by Familial Financial Role

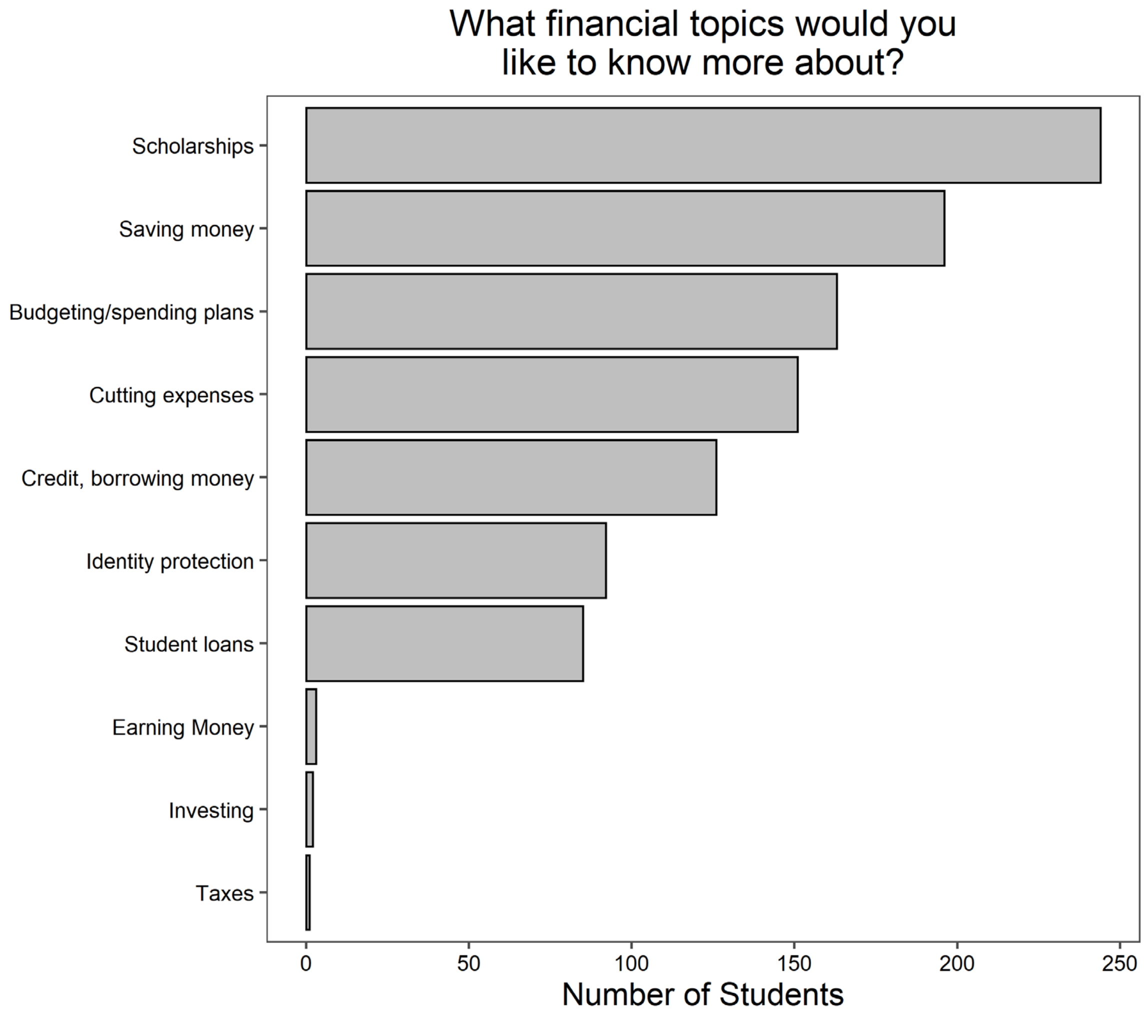

Figure 9. Financial Topic Preferences for International Students

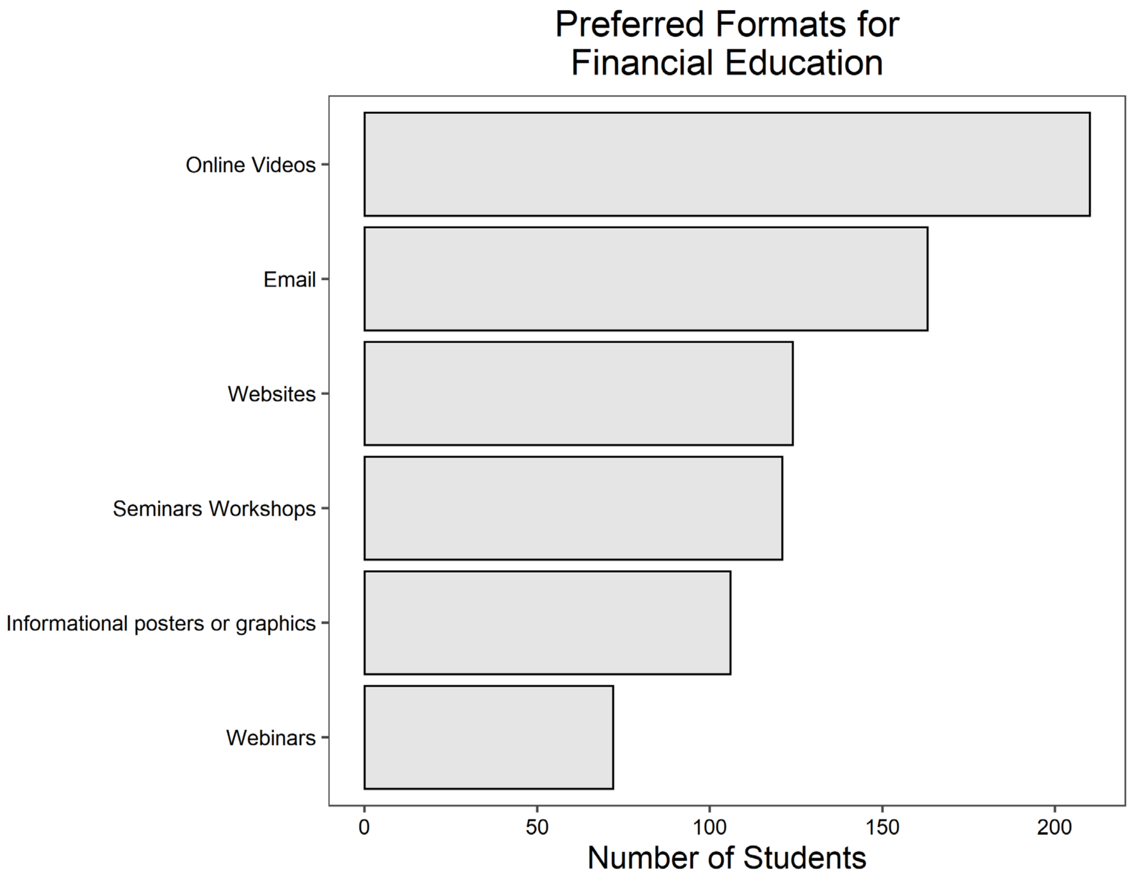

Figure 10. Preferred Formats for Financial Education for International Students

Creating Financial Scales for Adults in the United States using the 2018 National Financial Capability Study

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Abstract

Using data from the 2018 National Financial Capability Study and the Spanish-language supplement financial scales were developed to understand and explain the financial behavior of Hispanics in the US. We combined various related questions using factor analysis (principal component analysis) to create the scales for financial anxiety, financial capability, financial readiness, and financial self-efficacy. These scales and their corresponding scores allowed us to better measure specific concepts related to financial management. Cronbach's alpha showed scales were reliable and the Kaiser-Meyer-Olkin index confirmed the appropriateness of factor analysis. For each of the scales, the mean scores were found to be different.

Key words: financial scales, Hispanics, NFCS

Introduction

When analyzing responses to questions on personal finance, it is important to examine ideas across a series of items. This process is done based on a theoretical construct (combination of questions with similar topics) as it is more difficult to judge responses from a single question. Once the scale is created, it can be used in a variety of statistical evaluations to observe what other variables may influence the scale, such as sociodemographic variables and ethnicity or culture, for example. The intent is to capture individual judgements and collective perceptions by ethnicity and to create a scale that is adaptable across cultures and settings (Webb, 2011).

The creation of financial scales is the first phase of the overall project which is studying the financial capability of Hispanics in the US. The objective of this paper is to identify the factors that might explain specific financial behavior of Hispanics and non-Hispanics. We will be able to better understand personal financial management behavior between Hispanics and non-Hispanics as well as among Hispanics who prefer Spanish as their primary language based on their heritage.

Hispanics are the largest minority group in the US and population estimates reflect a continuous growth of this group within the overall US population. It is necessary to understand whether Hispanics behave differently than their counterparts in financial matters. There is a growing body of research, although still limited, that focuses on how Hispanics handle their finances (Plath & Stevenson, 2005; Young, Schinnar & Cho, 2009; Yahoboski, Scheresberg & Lusardi, 2015).

Studies and Federal government reports tend to treat Hispanics as one homogeneous group. We challenge that assumption. The Hispanic population is comprised of people from different Latin American countries and may not be a homogeneous group due to cultural differences. We understand it is necessary to look at the cultural and ethnic differences within the larger Hispanic grouping and recommend understanding these subpopulations to identify and clearly describe differences, if any.

Purpose

This initial research seeks to develop several financial scales to be used to assess and understand behavioral patterns and decision making of Hispanics as compared to non-Hispanics. We also test the validity and reliability of the translations (via the scales we create) using the 2018 NFCS Spanish-language supplement. Our focus on the Hispanics population is justified as they represent one of the largest minority groups in the USA and trends show that its share within US population will keep growing.

Conceptual Background

As we attempt to identify the financial behavior of Hispanics in the US, we created four scales – financial anxiety, financial capability, financial readiness and financial self-efficacy. These four areas have been shown to be of particular importance by researchers. Grable, Heo & Rabbini (2015) show that high levels of financial anxiety impact financial decision making. Shapiro & Burchell (2012) found that consumers who reported having financial anxiety processed financial information less efficiently. Financial capability has been defined in a variety of ways – from a synonym of financial literacy; financial knowledge combined with the ability to act on that knowledge; and financial behaviors combined with financial knowledge (Potacki & Cierpial-Wolan, 2019; Xiao, Chen & Chen, 2014). Research on financial readiness particularly focus on specific life events, such as retirement, attending college, or joining the military (Lusardi and Mitchell, 2017). Much of this research suggests that many are not adequately prepared to make consequential financial decisions affecting their future. Farrell, Fry & Risse (2016) show that financial self-efficacy has a suggestive roll in personal financial actions. Bandura (1997, p. 37) describes perceived self-efficacy as a "belief about what one can do under different set of conditions with whatever skills one possesses". Financial self-efficacy therefore measures one's beliefs about financial management under different conditions with the skills one possess.

Methodology, Sample and Analysis

The data for these scales were obtained from the 2018 State-by-State National Financial Capability Study (NFCS) and a Spanish-language supplement to the 2018 NFCS. The NFCS is a project of the FINRA Investor Education Foundation (FINRA Foundation). The Spanish-language supplement is composed of 1,024 Hispanic respondents. Of these, 524 identified themselves as being of Mexican heritage, 70 as Cuban, 184 as Puerto Rican, 47 as Dominican, 61 as Central American, 98 as South American, 30 as Spanish, and 10 as other. The full data set is composed of 27,091 respondents. Of these, 20,099 identified themselves as white non-Hispanic, 2,576 as black non-Hispanic, 2,338 as Hispanic, 1,210 as Asian non-Hispanic, and 868 as other.

We created scales to combine various related questions to better measure specific concepts related to financial management. These questions are found in different sections of the NFCS (i.e., banking, credit cards, other debt, and self-assessment and literacy) and combining the related questions allows for more comprehensive measurement of the underlying concept. Factor analysis was used to identify commonalities among the variables. Where more than two components were identified, we chose the factor with the largest percent of variance.

Principal components analysis with varimax rotation and Kaiser normalization was used to determine reliability and validity of the scale as well as to verify if any subscales are present, if they are independent, and to confirm the factor structure. Cronbach's alpha has been calculated for each scale to measure reliability and compare it to published research. Cronbach's alpha gives an indication of how reliable the scale is in terms of measuring the underlying concept, or internal consistency. The general rule of thumb to interpret this value states that values higher than .700 are good. The Kaiser-Meyer-Olkin index is used to demonstrate whether factor analysis is appropriate to use in our data. KMO index should be between .50 and 1 (the higher the better).

Results and Discussion

The resulting scales measure financial readiness, financial capability, financial anxiety, and financial self-efficacy. The financial anxiety scale is composed of seven items. Each of these statements shares a perspective of worry or anxiety about different financial situations. Tables 1 and 2 present the factors and loadings for the components of the financial anxiety scale for the Spanish Language Supplement and the State-by-State Survey of the 2018 NFCS.

Table 1: Financial Anxiety Scale – 2018 NFCS Spanish-Language Supplement

Factors	Loading
I am concerned that the money I have or will save won't last	.819
Thinking about my personal finances can make me feel anxious	.804
Discussing my finances can make my heart race or make me feel stressed	.800
Because of my money situation, I feel like I will never have the things I want in life	.790
I am just getting by financially	.786
I worry about running out of money in retirement	.731
My finances control my life	.671

Table 2: Financial Anxiety Scale – 2018 NFCS State-by-State Survey

Factors	Loading
I am concerned that the money I have or will save won't last	.862
Thinking about my personal finances can make me feel anxious	.856
Because of my money situation, I feel like I will never have the things I want in life	.841
Discussing my finances can make my heart race or make me feel stressed	.837
I worry about running out of money in retirement	.793
My finances control my life	.791
I am just getting by financially	.788

Tables 3 and 4 present the factors and loadings for the components of the financial capability scale for the Spanish Language Supplement and the State-by-State Survey of the 2018 NFCS. For this scale, the Principal Component Factor Analysis identified different questions to measure financial capability in each sample. As such, the scale measures different aspects of financial capability for the Spanish-language supplement and the state-by-state sample. The questions in the Spanish-language supplement were centered on past asset accumulation and savings for retirement. The state-by state data set questions were centered on monthly cash flow management issues.

Table 3: Financial Capability Scale – 2018 NFCS Spanish-Language Supplement

Factors	Loading
Do you currently have a will?	.758
Not including retirement accounts, do you have any investments in stocks, bonds, mutual funds, or other securities?	.756
Do you regularly contribute to a retirement account like a 401(k) or IRA?	.713
Do you currently own your home?	.619

Table 4: Financial Capability Scale – 2018 NFCS State-by-State Survey

Factors	Loading
Over the past year, would you say your [household's] spending was less than, more than, or about equal to your [household's] income?	.789
In a typical month, how difficult is it for you to cover your expenses and pay all your bills?	.787
How often do these statements apply to you? - I have money left over at the end of the month	.750

The financial readiness scale is composed of four questions. Each of these questions shares a focus on the extent to which respondents are prepared for future financial events. Tables 5 and 6 present the factors and loadings for the components of the financial readiness scale for the Spanish Language Supplement and the State-by-State Survey of the 2018 NFCS.

Table 5: Financial Readiness Scale – 2018 NFCS Spanish-Language Supplement

Factors	Loading
Do you have any retirement plans through a current or previous employer, like a pension plan or a 401(k)?	.731
Do you have any other retirement accounts NOT through an employer, like an IRA, Keogh, SEP, or any other type of retirement account that you have set up yourself?	.730
Have you ever tried to figure out how much you need to save for retirement?	.727
Have you set aside emergency or rainy-day funds that would cover your expenses for 3 months, in case of sickness, job loss, economic downturn, or other emergencies?	.681

Table 6: Financial Readiness Scale – 2018 NFCS State-by-State Survey

Factors	Loading
Do you have any other retirement accounts NOT through an employer, like an IRA, Keogh, SEP, or any other type of retirement account that you have set up yourself?	.760
Have you ever tried to figure out how much you need to save for retirement?	.729
Have you set aside emergency or rainy-day funds that would cover your expenses for 3 months, in case of sickness, job loss, economic downturn, or other emergencies?	.714
Do you have any retirement plans through a current or previous employer, like a pension plan or a 401(k)?	.698

The financial self-efficacy scale goes from five to six different questions depending on the sample. Each of these questions shares a perspective on one's financial confidence and ability. Tables 7 and 8 present the factors and loadings for the components of the financial anxiety scale for the Spanish Language Supplement and the State-by-State Survey of the 2018 NFCS.

Table 7: Financial Self-Efficacy Scale – 2018 NFCS Spanish-Language Supplement

Factors	Loading
I am just getting by financially	.806
Because of my money situation, I feel like I will never have the things I want in life	.772
In a typical month, how difficult is it for you to cover your expenses and pay all your bills?	.677
How confident are you that you could come up with $2,000 if an unexpected need arose within the next month?	.660
If you were to set a financial goal for yourself today, how confident are you in your ability to achieve it?	.634

Table 8: Financial Self-Efficacy Scale – 2018 NFCS State-by-State Survey

Factors	Loading
Because of my money situation, I feel like I will never have the things I want in life	.813
I am just getting by financially	.807
How confident are you that you could come up with $2,000 if an unexpected need arose within the next month?	.786
Overall, thinking of your assets, debts and savings, how satisfied are you with your current personal financial condition?	.785
In a typical month, how difficult is it for you to cover your expenses and pay all your bills?	.785
If you were to set a financial goal for yourself today, how confident are you in your ability to achieve it?	.755

Once the components of each financial scale were identified, the corresponding values for each question were summed to get the final scores. Table 9 summarizes the main descriptive statistics and reliability measures for each financial scale within each sample. As shown below, each financial scale has a different score range due to its composition. Results showed that respondents (all Hispanics) in the Spanish Language Supplement of the 2018 NFCS have, on average, higher levels of financial anxiety as compared to respondents in the State-by-State Survey. Also, they have lower levels of financial capability, financial readiness and financial self-efficacy. Further analysis would allow us to determine the mean scores for specific subsamples in each survey.

Table 9: Scale and Score Comparison

Scale	2018 NFCS	Score Range	Mean	Standard Deviation	N (valid)	Cronbach's Alpha	Kaiser-Meyer-Olkin
Financial Anxiety	Spanish Language Supplement	7 – 41	26.4037	8.7765	914	.797	.875
	State-by-State Survey	7 – 41	24.860	9.5618	24,722	.921	.898
Financial Capability	Spanish-Language Supplement	0 – 4	1.6956	1.4061	588	.696	.734
	State-by-State Survey	0 – 8	4.9387	2.2428	25,408	.721	.798
Financial Readiness	Spanish Language Supplement	0 - 4	1.8544	1.4077	742	.685	.732
	State-by-State Survey	0 - 4	1.8612	1.4201	17,577	.700	.742
Financial Self-Efficacy	Spanish-Language Supplement	4 – 20	12.9877	3.7980	816	.755	.739
	State by State Survey	5 – 30	19.6064	6.7375	24,063	.879	.883

Implications

The results of this research on scale development will provide practitioners and educators with insights on the behavioral differences in personal finance attitudes, skills, preparation, and capability of Hispanics and non-Hispanics. Given the scales were developed using the 2018 State-by-State NFCS and the Spanish supplement, we found that the translation of the questions did not appear to change the responses or validity of the scale scores. We understand this provides researchers with tools for greater reach (i.e., to work with people who prefer Spanish) and it goes to the growing Hispanic population in the US. Furthermore, researchers can look at generational shifts (immigrants who prefer Spanish, first and second generations who prefer English).

An initial comparison of the results of the average scores between the Spanish-Language Supplement and the State-by-State data sets showed that respondents who prefer Spanish (from the Spanish Supplement) have on average, lower levels of financial capability, financial readiness and financial self-efficacy, and higher levels of financial anxiety. These observations can be considered by counselors when working with clients. Further research needs to be carried out to better understand the possible associations with other factors such as socioeconomic, levels of education and income.

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Elder Family Financial Exploitation Offenders: Examining the Complexities of Problematic Behaviors

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Elder family financial exploitation (EFFE) affects victims, families, and society, yet little is known about the problematic behaviors of EFFE offenders. The purpose of this study was to (a) explore the range and scope of problematic behaviors of EFFE offenders; and (b) examine common combinations of EFFE offenders' problematic behaviors. Interviews were conducted with 28 non-victim, non-offender family members. Seven themes reflecting problematic offender behaviors were identified: mental health concerns, financial dependence, other abuse, financial irresponsibility, substance abuse, a sense of entitlement, and legal problems. An in-depth understanding of the behaviors was identified, including how and why behaviors were connected to each other. Offenders exhibited two to six problematic behavioral themes. The findings suggest a need for multiple, integrated interventions that fit the complex behavioral realities of individual offenders and the family systems in which EFFE occurs.

Human Capital Investment: Building an App for That

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Abstract

This paper outlines the development of an education-career investment model structured for customizable, just-in-time delivery. Although many challenges remain, the resulting prototype application suggests an academic-FinTech collaboration can leverage the power of distributed expertise to support human capital investment planning via robo-advising. We offer some insight into the challenges and opportunities of this pre-seed venture. We illustrate technical elements, the complexity of comprehensive personal financial projections, psychological obstacles, the potential for agency conflict, and balancing academic rigor with user experience.

Key words: career planning; consumer sovereignty; personal finance; robo-advice; technology and employment

Introduction

Why is there so much conflicting information about human capital investment? Is college the "right" decision with many students actually borrowing too little to finance their college path (Avery & Turner, 2012)? Or, as Caplan (2018) laments, is "there is way too much education" with "typical students burning through thousands of hours of material that neither raises their productivity nor enriches their lives" (pp. 2-3)? Extant research in this area is growing, yet tends to focus on population-level decision making and is of limited use to guide individuals (e.g., Abel & Deitz, 2014; Autor, 2014; Heckman & Letkiewicz, 2021; Lobo & Burke-Smalley, 2017). Given much population-level information, yet persistent confusion, we hypothesize that challenges stem from a lack of individualized information. Motivated by this concern, we outline a prototype human capital investment application developed by an academic-FinTech collaboration and the challenges associated with a pre-emergence venture in this arena.

Literature Review and Motivation

Why the Reluctance to Address Human Capital Investment?

Studying and quantifying individual human capital investment is challenging. Unlike most other capital, a human capital investment is irreversible, collateralized with flesh, and generates returns via the generally opaque labor market. Indeed, the contingent nature of human capital does not lend itself to inclusion on a balance sheet (Washer & Nippani, 2004). Given these challenges, researchers may resort to a dichotomous approach to human capital (i.e., present or absent; see Siepel et al., 2017) or as perceived capability (i.e., entrepreneurial start-up self-efficacy, see Brush et al., 2017) rather than attempt to quantify the actual "value" of human capital. Even discussion of human capital – linking financial value to human value – can elicit strong emotions.

Perception of a robo-advising tool for human capital investment is also an important consideration. Some will view human capital investment robo-advising as a paternalistic device—a means of sorting the "haves" from the "have nots"—furthering inequality instead of decreasing it. Big data algorithms intended to aid human decision making are now criticized for creating disparities in health care (Obermeyer et al., 2019), access to credit (Natarajan & Nasiripour, 2019), data privacy (Hayes et al., 2020), and even parental rights (Eubanks, 2018). Given these considerations, a robo-advising platform providing information about human capital is likely to face criticism.

Much resistance may also arise from the very organizations most capable of guiding human capital investment – universities. Building human capital is a core function of these institutions, yet the financial rewards to human capital investment vary widely by discipline (Abel & Dietz, 2014; Webber, 2014). There exists substantial potential for agency conflict, both from administrators and faculty members, when institutions offer programs promising high variance of net present value (NPV). Both individuals and institutions may resist attempts to quantify the returns to human capital investment. Indeed, a grant reviewer for the current application bluntly stated, "Perhaps this will help some people not choose degrees that have no chance of paying back investment, but that will just kill the arts programs." As such, faculty entrepreneurs in this area may adopt an "insurgent" mentality whereby the disclosure of the NPV of a chosen degree becomes an issue of social justice and social sustainability (Muñoz & Dimov, 2015).

Finally, university technology transfer may compound this potential agency conflict around user-focused human capital investment applications. Faculty work within a university ecosystem that must support entrepreneurial activities in order for research output to emerge into the marketplace (Thomas et al., 2020). Specifically, research outputs are owned, at least in part, by the originatig university and must be developed with the support of the university technology transfer office. However, capabilities and styles of tech transfer offices vary widely (Weckowska, 2015). Even under the best of circumstances, there exists friction between the research-focused faculty, the commercialization-focused tech transfer office, and the enrollment-focused administrators within the university.

Research Goals

Our goal is a dynamic, applied model to address the most important financial decision facing young people. First, we search for a balance between simplistic user-friendly calculators with limited capacity, versus complex academic models that are designed for research rather than for users. The tool should be agnostic regarding education-career pathways in strictly providing financial projections. Meeting this goal would provide the *right information* to the user. Second, the model should allow users to employ editable default parameters as they consider their financial future. Research-based parameters are critical in providing users with appropriate benchmark values, while editability acknowledges the individual attributes of the *right person*. Lastly, application should be consistently and easily accessible with just-in-time delivery to facilitate information at the *right time*. In the simplest form, we view the challenge as striking a balance in providing the *right information* to the *right person* at the *right time*.

Right information

Individuals making human capital investment decisions are often confused about the direct costs of their investment (Velez & Horn, 2018) and legislative mandates to clarify college costs have been ineffective with many college websites still omitting critical information in their tuition calculators (Perna et al., 2019). Even if one can determine direct costs, other information is so difficult to coordinate that academic papers often omit key human capital investment variables (e.g., unemployment rates, taxes, Social Security). The sheer amount of information often results in over-weighting some aspects of the investment decision (i.e., college tuition) while under-weighing others (i.e., university graduation rates) (LaFave et al., 2018; Paulsen & St. John, 2002). Rather than attempting to distill a parsimonious model, we model in detail applying researched default parameters. This approach allows an individual to begin with average and then customize to their desire and ability. To capture the greatest value from this model, a user should be able to edit parameters based upon their own situation. Verified and accessible databases are available for a majority of the key parameters to establish credible default values. For example, median salary for particular jobs is available via application programming interface (API) from the Bureau of Labor Statistics. We contend that the primary utility and market potential of an applied model flows from the ability to customize at an individual-level. From a technology angle, a human capital investment planning tool could be stand-alone and useable without professionals. However, from a practical angle, robo-advising platforms are often difficult to navigate (Bartlett & McCarley, 2019). A personal finance professional, instructor, or a similarly trained individual following an established framework could be of great value in guiding the use of an application to estimate human capital investment options (Wright & Ross, 2021).

Right person

While no shortage of research exists about the "average" college student, individuals often find it difficult to apply average information to their own circumstances (Savage, 2009). Yet some key variables in human capital calculations are critical to personalize. For example, whether or not college is a "good" investment depends largely on one's individual discount rate and the expected number of periods after graduation. With issues so sensitive as putting a price on patience via the discount rate and confronting mortality via an estimate for remaining periods, one might imagine that some people would refuse to engage. Similarly, the earnings potential for a hopeful career path is a key individual variable, given substantial variation in compensation among various jobs. To this end, the application should allow sufficient customization options and suitable interface to be inclusive (Salampasis & Mention, 2018). While modeling these individual-level variables complicates an already complex problem, the benefits to informed investment decisions are potentially enormous.

Right time

Financial literacy in young adults is decidedly poor with most high-school students reporting high confidence in finance yet scoring objectively low on financial literacy assessments (Lusardi et al., 2010). To further compound the issue, the adolescent brain is immature and biologically predisposed to favor "emotional" decisions over "rational" ones (Casey et al., 2008; Reyna & Farley, 2006). The higher-order cognitive skills needed for complex decisions, such as hypothetical thought are not fully developed until early adulthood (Giedd, 2008; Johnson et al., 2009). This maturation pattern requires that adolescents make consequential human capital investment decisions when they are underprepared, over confident, and developmentally distant from "homo economicus" (see Braun (2021) for a summary of this term).

While an application cannot speed development of the adolescent brain, it can offer information based on best-practices in the financial education field. Financial knowledge is particularly sensitive to time decay, so presenting appropriate information just-in-time is essential (Fernandes et al., 2014). However, just-in-time interventions are more effective when targeted at specific behaviors (Carlin & Robinson, 2012; Drever et al., 2015; Grinstead et al., 2011). Choi et al. (2016) assert a need for comprehensive financial coaching rather than tackling one interlinked issue after another. However, a just-in-time approach within a comprehensive framework requires trade-offs between theoretical purity and accessibility.

Method

A comprehensive education-career investment model must incorporate research-based parameters to facilitate estimation of a lifetime net present value (NPV). While others outline comprehensive lifetime models (Cunha et al., 2006, among others) we structure our model for individual-level application focusing on financial returns to an education-career investment, ceteris paribus, save for adjustments based on individual preferences. We begin with an adaptation of Becker's (1962) equation 5:

$$G = E_i \left[\sum_{t=0}^{T} \frac{DI_{j,t}}{(1+d)^t} \right] \quad (1)$$

where the net present value (NPV), G, is a function of individual expectations, $E_i[f(x)]$, using discretionary income, DI_t, from an education-career path applying discount rate, d, over T periods. Given the complexity and need for dynamic updates, we opt for a hierarchical alphanumeric nomenclature to identify both equations and variables rather than a traditional numeric equation identification (see Figure 1).

Model Specification

Table I provides the default input parameters for the initial model specified in Supplementary Materials Appendix A. Variables include government-determined parameters, education plans, career goals, personal timeline, and lifestyle selections, among others. The default parameters generally reflect national averages to the extent possible. Space limitations preclude an exhaustive description of all parameters so the Supplementary Materials provide additional information. The primary goal of model specification is to improve the model with better data (Table I) and greater expertise. Readers are referred to Supplementary Material Appendix B for one example of how the model could evolve over time with inputs from different expert groups.

Implementation Requirements

At a high level, we establish a minimal set of requirements for implementation of the human capital investment application. The initial goal is not to build out the full application, but rather a Lean Startup Approach (LSA) to enable engagement with prospective users (Ghezzi, 2019). Obtaining constructive feedback to steer productive FinTech development is critical, particularly when limited to a budget constrained by the resources accessible via a university technology transfer office. The following are implementation requirements of the prototype:

1. Intellectual property (IP) protection: The implementation must protect core IP leaks.
2. Familiar interface: The prototype must appear in a format that is familiar to users. This reduces the friction for onboarding new users allowing prototype deployments to focus on the capabilities of the tool rather than the interface.
3. Reasonable user experience (UX): While production-level quality UX is not required, it should nonetheless be understandable, easily readable, low latency, etc.
4. Scalable: Even at an early stage, one must factor in the ability of the approach to scale longer term. This could mean support for new features, a growing user base, or a variety of use cases.
5. Simple delivery: Delivery of the tool should minimize intervention from administrators, developers, or support staff.
6. Low cost: The system should require minimal maintenance expense to remain online and functional. Specifically, this includes keeping the software stack updated with regular operating system (OS) and tool updates so that it remains secure.

Results and Discussion

The resulting prototype application at www.cashncareers.org suggests that a collaboration between academia and a FinTech company holds potential in developing a customizable, just-in-time human capital investment decision application. Our prototype default parameters produce generally plausible estimates.

Goal 1 Result: Right Information

We construct equations around research-based parameters and available data sources. In situations where theoretical purity conflicts with accessibility of quality data, we compromise to facilitate a functional system. While imperfect, the model uses verified data to yield projections such that the user may "off-load" many aspects of the calculation, including the tedious search for clear costs and coordination of relevant information. One key feature is the ability to account for opportunity costs, resulting in an agnostic tool that does not steer an individual toward any particular path but rather provides financial projections. We assert that while Table I includes many variables, still more variables could be reasonably included in an initial model. The volume and sourcing challenges of accessing quality parameters necessarily means that imperfect variables are included.

Given the six requirements outlined above, we implement the applied model using a cloud based serverless infrastructure. In this environment, the cloud provider professionally maintains machines, operating systems, patches, infrastructure software, etc., which are then rented out on an as-needed basis. This approach provides a high uptime, low maintenance, and highly scalable platform that can easily scale with the number of users and support more advanced features with very low up-front investment (see Supplementary Materials Appendix C). When combined, the Table I data and application implementation offer users the *right information.*

Goal 2 Result: Right Person

A prototype user can adjust financial information to apply scenario or sensitivity analysis appropriate to their individual circumstances. Specifically, the model should consider how individual qualities alter the financial projections. For example, the default high-school GPA of 2.59 must be editable to reflect academic variance. As a proxy for ability, GPA propagates through the model with an adjustment to the discount rate (equation 1b1b3*), the college completion probability (equation 1a1a1a3*), and earnings potential (equation 1a1a2a2*) with an end result of NPV variance given the same career selection. While this approach has much room for improvement, it does offer customizable financial and academic information—specific to the *right person*.

Compared to gathering the information, allowing for customization of the information is relatively straightforward. The primary obstacle with customization is guiding users in how to make sensible adjustments. While the model incorporates the equations and default values, not all parameters are editable in the prototype. Our research team identified identify key variables to implement initially, however, we acknowledge that inclusion of additional customizable variables is a critical step going forward. Furthermore, implementation must be thoughtful to avoid UX overload.

Goal 3 Result: Right Time

In addition to the above architectural considerations (e.g., desktop and mobile access, high website uptime, etc.), we specifically optimize the system to achieve low latency response times. Our initial approach generated a variety of charts on the server side and then transmitted these to the client to display, in an attempt to minimize the amount of processing required by the client. In reality, between the processing required on the server side and the additional data transmission needed, we observed response times of about ten seconds, which is far too slow for a viable UX. The prototype implementation inverts this approach. Data for the charts is generated on the server side and semantically compressed, resulting in transmission of less than five kilobytes. The entire application programming interface (API) call takes about half a second to complete, including Secure Sockets Layer (SSL) session initiation and communication overhead. Displaying the resulting data takes less than 100 milliseconds as measured on a consumer grade laptop.

Development of a web-based tool to calculate one's NPV for their human capital investment is invaluable for the just-in-time approach to financial education and literacy. Research suggests young adults with unhealthy financial behaviors (e.g., low financial impulse control) are the most likely to consult online resources and social media for financial advice (Cao & Liu, 2017). Accordingly, accessible human capital investment information is likely to command a premium during adolescence. Targeting adolescents with a responsive web-based tool allows delivery at the *right time* to best leverage the resulting financial information.

Yet, the accessibility and ease of use also presents challenges. Prototype testing indicates that while the majority of users understand the value of the tool to estimate a feasible financial future, not all users do so. Some appear to search for inputs that will increase the financial projections with little though to the selections they are making. Upon finding a sufficiently high estimate, they appear sanguine with their financial future with seemingly no comprehension that despite disliking school their selected path requires a terminal degree. This result is concerning as the likelihood of a student with a history of academic underperformance achieving a terminal degree is quite low and, yet, consistent with the Dunning-Kruger effect where the individual lacks enough self-awareness to realize their incompetence (Kruger & Dunning, 1999). Again, proper use of any sufficiently complicated tool may require guidance from a professional.

Conclusion

Limitations and Future Directions

The limitations of this model and the overall approach are many. First, we acknowledge that financial costs and benefits of human capital investment are but one aspect of the decision-making process. Even though all areas of wellness are interconnected, dollars are relatively easy to operationalize while other dimensions of wellness are generally more difficult to define and measure (Swarbrick, 2006). Second, this model also does not address a number of hard-to-quantify aspects of human capital investment and career selection. Social considerations involving human capital may include positive externalities such as more effective citizenship, greater opportunities for mate selection, or simply having fun. Value based features such as career expenses, employment benefits, or other non-wage consideration are not explicitly included in this model. The model also fails to address a number of non-monetary individual considerations such as working conditions, perceived job usefulness (Wolfe & Patel, 2019), self-actualization or self-knowledge (Van Ewijk & Weber, 2021), and association with a particular institution.

Finally, this model does not explicitly address all aspects of a lifetime financial picture. Improving estimates without degrading the UX requires both the general intelligence of human experts and the specialized intelligence of smart machines, human-computer superminds (Malone, 2018). Machine learning presents a means to address, if not optimize, human interaction with a complex and dynamic model (Verbraeken et al., 2020). We also model human capital investment only in the United States as other nations have substantially different structures (see for example, Bönte & Filipiak, 2012; Hanafizadeh et al., 2014). Refining the prototype application requires careful analysis of the trade-offs between the rigor of estimates and the UX.

Implications

This work, and other digital resources to support human capital investment decisions such as Georgetown's College ROI tool (Carnevale et al., 2019) or Init2Winit (Chen et al., 2021), point the way toward the future of personal financial planning around education investments. Potential benefits include a more invested labor force, greater labor mobility, enhanced consumer sovereignty, and increased chances of entrepreneurial success (Millan et al., 2014). Higher education is often difficult to navigate for first-generation college students and those with limited economic means. As such, these same individuals may benefit the most from timely information regarding human capital investments. Research suggest those with low levels of financial literacy are likely to rely on friends and family for financial advice (who may also have low financial literacy) and are less likely to engage in proactive investment behaviors (Van Rooij et al., 2007). Instead of a challenge, this behavior could be viewed as an opportunity; individuals who have been historically underserved by traditional financial institutions may be more likely to engage with FinTech, especially if accessible using a mobile device (Salampasis & Mention, 2018).

While the market is ripe for development of individual-level human capital investment tools (Julien & Ross, 2020), entrepreneurial perseverance in the area is a challenge. University faculty versed in research, modeling, and having close student interaction may be the most capable of developing such a tool, yet university resources and tech transfer funding exists in a complex milieu of administration, admission quotas, and transparency mandates. This pre-emergence venture is so closely tied to the university mission it requires a high degree of opportunity confidence (Dimov, 2010). Given the amplified potential for agency conflict, maintaining the emotional energy needed to persevere is critical (Walsh et al, 2020). Despite these substantial challenges, we assert that a human capital investment robo-advising platform holds great promise for those eager to explore a unique project—their own human capital investment.

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Table I: Default parameters for class of 2020

Table I provides the default model input parameters, equation indentifiers, variable codes, and default values. The source provides either the primary research indication of the parameter or the approach taken to estimate the value.

Equation	Variable	Parameter description	Default (t=0)	Units	Source
1a1a(1a&2a1(b&c) / 1b1b3b	$GPA_{OBS,0}$	High school grade point average (GPA)	2.59	#	French, Homer, Popovici, & Robins (2015)
1a1a1a	$GPA_{OBS,1}$	Stage 1 grade point average (GPA)	2.85	#	assume 10% increase from prior stage
1a1a1a	$GPA_{OBS,2}$	Stage 2 grade point average (GPA)	3.13	#	assume 10% increase from prior stage
1a1a1a	$GPA_{OBS,3}$	Stage 3 grade point average (GPA)	3.44	#	assume 10% increase from prior stage
1c2a / 1a3b2b / 1a3c2	m	Periods per year	12	months	assume monthly
1a1a1a1	$GPA_{I,\mu,1}$	Mean incoming GPA of cohort: stage 1	2.59	#	French, Homer, Popovici, & Robins (2015)
1a1a1a1	$GPA_{I,\mu,2}$	Mean incoming GPA of cohort: stage 2	2.85	#	assume 10% increase from prior stage
1a1a1a1	$GPA_{I,\mu,3}$	Mean incoming GPA of cohort: stage 3	3.13	#	assume 10% increase from prior stage
1a1a1a1	$GPA_{I,\mu,4}$	Mean incoming GPA of cohort: stage 4	3.44	#	assume 10% increase from prior stage
1a1a1a2	$\omega_{IAC,1}$	Probability of completion: stage 1	80.62	%	assume an exponential function
1a1a1a2	$\omega_{IAC,2}$	Probability of completion: stage 2	65.00	%	Chatterjee & Ionescu (2012)
1a1a1a2	$\omega_{IAC,3}$	Probability of completion: stage 3	52.40	%	assume an exponential function
1a1a1a2	$\omega_{IAC,4}$	Probability of completion: stage 4	42.25	%	assume an exponential function
1a1a2a1a	γ_{GPA}	Earnings premium and GPA	12.81	%	French, Homer, Popovici, & Robins (2015)
1a1a2b	$W_{IC,\mu,0}$	Median bachelor degree wages	57180.01	$/year	US Census Bureau (2018)
1a1a2c	$\epsilon_{1,IC,t}$	Earned working wages, succesful investment	1 or 0	Dummy	assigned if applicable
1a1a2c X / 1a1a3c X	UED	Unemployment duration	5	months	US Bureau of Labor Statistics (2019c)
1a1a2d	$\epsilon_{2,IC,t}$	Collected unemployment, succesful investment	1 or 0	Dummy	assigned if applicable
1a1a2d X	$\omega_{UE,IC}$	Unemployment rate college graduate	3.41	%/year	US Bureau of Labor Statistics (2019a)
1a1a2e1 / 1a1a3e1	UE_{MAX}	Maximum unemployment insurance	362.00	$/week	Bonn (2019)

Table I: Default parameters for class of 2020 (continued)

Equation	Variable	Parameter description	Default (t=0)	Units	Source
1a1a3 X	$Y_{retirement}$	Expected retirement age	66	years	Newport (2019)
1a1a3b / 1a1a3e	$W_{IF,\mu,0}$	Median high school diploma wages	34298.24	$/year	US Census Bureau (2018)
1a1a3c	$\epsilon_{3,IF,t}$	Earned working wages, failed investment	1 or 0	Dummy	assigned if applicable
1a1a3c X	m_{child}	Time out of work per child	3	months	US Department of Labor (2012)
1a1a3d	$\epsilon_{4,IF,t}$	Collected unemployment, failed investment	1 or 0	Dummy	assigned if applicable
1a1a3d X	$\omega_{UE,IF}$	Unemployment rate high school graduate	7.18	%/year	US Bureau of Labor Statistics (2019b)
1a1b1	$\epsilon_{5,t}$	Collecting social security payments	1 or 0	Dummy	assigned based on SS age
1a1b1 X	$Y_{early\ SS}$	Stop work age for partial benefits	62	years	Social Security Administration (2019a)
1a1b1 X	$Y_{full\ SS}$	Full retirement age	67	years	Social Security Administration (2019a)
1a1b21	ω_{SS}	Social security percent of working wages	40.00	%	Social Security Administration (2019b)
1a1b3	$\epsilon_{6,t}$	Collecting retirement payments	1 or 0	Dummy	assigned based on retirement age
1a1b5 / 1a1b5c	r_{IR}	Investment returns	6.08	%/year	assumed equal to unsubsidized graduate rate
1a1c1	C_0	Income from charity and government	0	$/year	assume no assistance
1a1c2	G_0	Gifts	9130	$/year	Wightman, Schoeni, & Robinson (2012)
1a1c3 / 1a3b1	$\epsilon_{7,i,t}$	Investment in stage i human capital	1 or 0	Dummy	assume investment through stage 2
1a1c4a	$AS_{i=1,0}$	Scholarships & student grants: stage 1	9519	$/year	Baum, Ma, Pender, & Libassi (2018)
1a1c4a	$AS_{i=2,0}$	Scholarships & student grants: stage 2	9519	$/year	Baum, Ma, Pender, & Libassi (2018)
1a1c4a	$AS_{i=3,0}$	Scholarships & student grants: stage 3	10389	$/year	Baum, Ma, Pender, & Libassi (2018)
1a1c4a	$AS_{i=4,0}$	Scholarships & student grants: stage 4	12055	$/year	Baum, Ma, Pender, & Libassi (2018)
1a1c4b1 / 1a3b3(a)	m_C	Academic terms per year	3	semesters	Bostwick, Fischer, & Lang (2018)
1a1c4b3 / 1a3b3(c)	m_I	Investment terms per year	2	semesters	assume no summer courses

Table I: Default parameters for class of 2020 (continued)

Equation	Variable	Parameter description	Default (t=0)	Units	Source
1a2a / 1a2a1	$\omega_{ST,t}$	State income tax rate	4.25	%/year	Loughead & Wei (2019)
1a2a / 1a2a1	$\omega_{LT,t}$	Local income tax rate	0.00	%/year	Moreno (2018)
1a2a1	TD_0	Standard deduction	12200.00	$/year	El-Sibaie (2018)
1a2a1	TE_0	Standard exemption	0.00	$/year	El-Sibaie (2018)
1a2a1	$\omega_{SST,t}$	Social security rate	6.20	%/year	Internal Revenue Service (2019)
1a2a1	$TC_{SST,0}$	Social security cap	132900.00	$/year	Internal Revenue Service (2019)
1a2a1	$\omega_{MT,t}$	Medicare tax	1.45	%/year	Internal Revenue Service (2019)
1a2a1	$TC_{MT,0}$	Medicare cap	200000.00	$/year	Internal Revenue Service (2019)
1a2a1	$\omega_{AMT,t}$	Additional medicare tax	0.90	%/year	Internal Revenue Service (2019)
1a2a1	ω_{FT1}	Federal income marginal tax rate 1 (10%)	9700	$	El-Sibaie (2018)
1a2a1	ω_{FT2}	Federal income marginal tax rate 2 (12%)	39475	$	El-Sibaie (2018)
1a2a1	ω_{FT3}	Federal income marginal tax rate 3 (22%)	84200	$	El-Sibaie (2018)
1a2a1	ω_{FT4}	Federal income marginal tax rate 4 (24%)	160725	$	El-Sibaie (2018)
1a2a1	ω_{FT5}	Federal income marginal tax rate 5 (32%)	204100	$	El-Sibaie (2018)
1a2a1	ω_{FT6}	Federal income marginal tax rate 6 (35%)	510300	$	El-Sibaie (2018)
1a2a1	ω_{FT7}	Federal income marginal tax rate 7 (37%)	no cap	$	El-Sibaie (2018)
1a3a6a	K	Number of children	2	#	Roser (2019)
1a3a6b	KC_1	Cost per child #1 per month	954.17	$/month	Lino, Kuczynski, Rodriguez, & Schap (2017)
1a3a6b	KC_2	Cost per child #2 per month	646.67	$/month	Lino, Kuczynski, Rodriguez, & Schap (2017)
1a3a6b	KC_{3+}	Cost per child #3 and more per month	278.33	$/month	Lino, Kuczynski, Rodriguez, & Schap (2017)
1a3a6b X	Y_{child}	Age at first child	26	years	Bui & Miller (2018)
1a3a6b X	$Y_{next\ child}$	Time between children	2.5	years	Kraft (2012)
1a3a6b X	$Y_{child\ out}$	Age out of parent's care	22	years	OECD (2007)

Table I: Default parameters for class of 2020 (continued)

Equation	Variable	Parameter description	Default (t=0)	Units	Source
1a3a7a	$\epsilon_{8,t}$	Living with partner	1 or 0	Dummy	assume living status aligns with marriage
1a3a7a X	$Y_{marriage}$	Age at first marriage	28.65	years	Population Reference Bureau (2019)
1a3a7b	$\epsilon_{9,t}$	Partner is employed	1 or 0	Dummy	assume partner employment
1a3a7c	$\omega_{LE,t}$	Living expense % by partner when employed	0.00	%	assume contribution is independent
1a3a7d	$\omega_{LB,t}$	Living expense % by partner, baseline	50.00	%	assume an even split
1a3b2	$AT_{i=1,0}$	Annual tuition: stage 1 (Lower division)	3943	$/year	Ma, Baum, Pender, & Libassi (2018)
1a3b2	$AT_{i=2,0}$	Annual tuition: stage 2 (Upper division)	10723	$/year	Ma, Baum, Pender, & Libassi (2018)
1a3b2	$AT_{i=3,0}$	Annual tuition: stage 3 (Graduate)	18765	$/year	assume 75% increase from prior stage
1a3b2	$AT_{i=4,0}$	Annual tuition: stage 4 (Terminal)	32838	$/year	assume 75% increase from prior stage
1a3b4	h_{CT}	Expected tuition inflation	3.80	%/year	College Board (2019b)
1a3c1	$\epsilon_{10,t}$	Student loan repayment phase	1 or 0	Dummy	assigned if applicable
1a3c2a	C_1	Periods from stage 0 to stage 1	24	months	assume two years
1a3c2a	C_2	Periods from stage 1 to stage 2	28	months	Cataldi et al. (2011)
1a3c2a	C_3	Periods from stage 2 to stage 3	24	months	assume two years
1a3c2a	C_4	Periods from stage 3 to stage 4	24	months	assume two years
1a3c2a2	$\epsilon_{11,t}$	Investment phase dummy	1 or 0	Dummy	assigned if applicable
1a3c2a3	$\epsilon_{12,t}$	Discretionary income < 0	1 or 0	Dummy	assigned if applicable
1a3c2a4	$\epsilon_{13,t}$	Annual student loans < maximum loans	1 or 0	Dummy	assigned if applicable
1a3c2b4	ML_1	First-year undergraduate annual limit	9500	$	US Department of Education (2019b)
1a3c2b4	ML_1	Second-year undergraduate annual limit	10500	$	US Department of Education (2019b)
1a3c2b4	ML_2	Third-year and more undergraduate annual limit	12500	$	US Department of Education (2019b)
1a3c2b4		Undergraduate aggregate loan limit	57500	$	US Department of Education (2019b)
1a3c2b4	ML_3	Graduate and professional annual limit	20500	$	US Department of Education (2019b)
1a3c2b4		Graduate and professional aggregate loan limit	138500	$	US Department of Education (2019b)

Table I: Default parameters for class of 2020 (continued)

Equation	Variable	Parameter description	Default (t=0)	Units	Source
1a3c2c2	r_1	Unsubsidized loan rate: stage 1 (Undergraduate)	4.53	%/year	US Department of Education (2019b)
1a3c2c2	r_2	Unsubsidized loan rate: stage 2 (Undergraduate)	4.53	%/year	US Department of Education (2019b)
1a3c2c2	r_3	Unsubsidized loan rate: stage 3 (Graduate)	6.08	%/year	US Department of Education (2019b)
1a3c2c2	r_4	Unsubsidized loan rate: stage 4 (Graduate)	6.08	%/year	US Department of Education (2019b)
1a3c6	P_1	Repayment plan 1 (10 years)	7500	$	US Department of Education (2019a)
1a3c6	P_2	Repayment plan 2 (12 years)	10000	$	US Department of Education (2019a)
1a3c6	P_3	Repayment plan 3 (15 years)	20000	$	US Department of Education (2019a)
1a3c6	P_4	Repayment plan 4 (20 years)	40000	$	US Department of Education (2019a)
1a3c6	P_5	Repayment plan 5 (25 years)	60000	$	US Department of Education (2019a)
1a3c6	P_6	Repayment plan 6 (30 years)	no cap	$	US Department of Education (2019a)
1a3d1	$\epsilon_{14,t}$	Line of credit balance > 0	1 or 0	Dummy	defined
1a3d14	r_Q	Borrowing rate	6.08	%/year	assumed equal to unsubsidized graduate rate
1a3d2	$\epsilon_{15,t}$	Discretionary income + student loan draw > 0	1 or 0	Dummy	defined
1a3d2	$\epsilon_{16,t}$	DI + student loan draw - Q > 0	1 or 0	Dummy	defined
1a3d3	$\omega_{Q,t}$	Target debt paydown	75.00	%	assumed
1a3e	$\omega_{RR,t}$	Target retirement savings	40.00	%	50-30-20 rule (20/(30+20))
1a5	h	Expected inflation	2.00	%/year	Federal Reserve (2019)
1b1a	d_{SDR}	Social discount rate	3.50	%/year	Moore et al. (2004)
1b1b1	d_{INT}	Individual discount adjuster	0.00	%/year	assumed
1b1b2	d_{PDG}	Individual delayed gratification	18.00	%/year	Warner and Pleeter (2001)
1b1b3b	$GPA_{MAX,0}$	Maximum GPA in high school	4.00	#	assumed
1c1	Y_{life}	Life expectancy at birth	78.70	years	Arias, Xu, and Kochanek (2019)
1c2b	DOM	Date of model	5/30/2020	date	Add 17 years & round up to May 30th
1c2c	DOB	Date of birth	7/4/2002	date	Default reference selected as July 4th

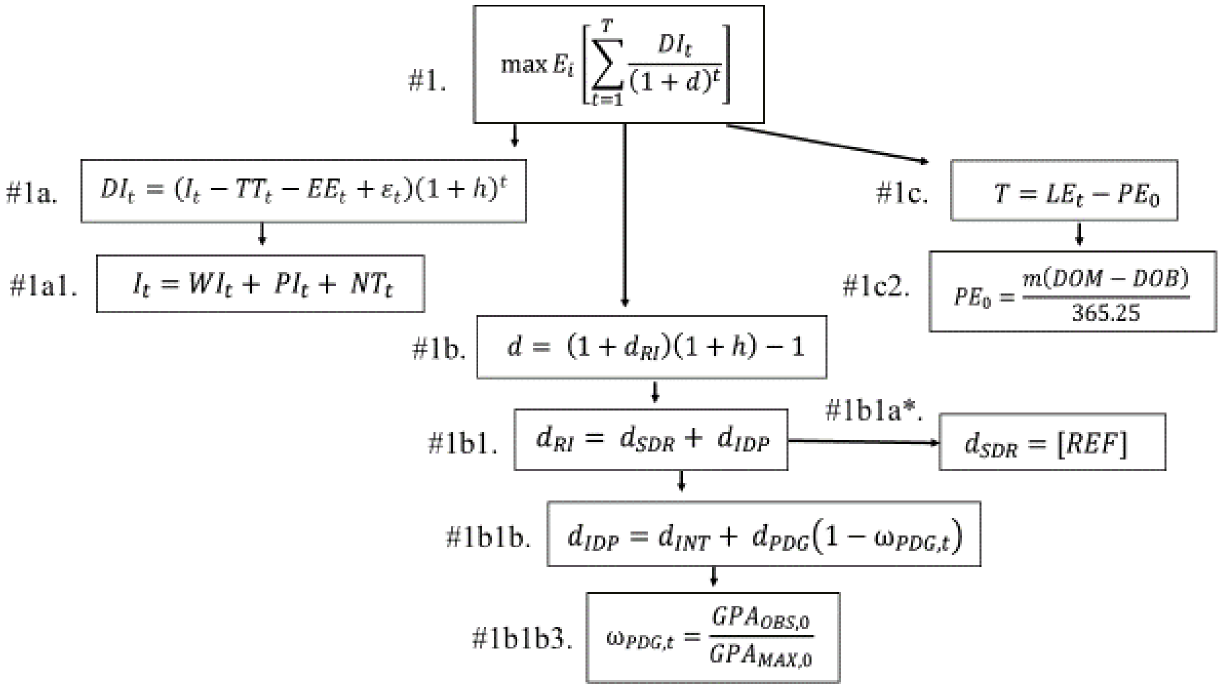

Figure 1: Illustration of the initial model with hierarchical alphanumeric nomenclature for variables and equations.

Integrating Community Cultural Wealth in Financial Education Design and Practice ith Immigrant Families

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Background and Purpose

Communities of color have a store of cultural wealth; however, it is often unnoticed (Yosso, 2005) because it is located within trusted relationships and experiences of community members that cannot be objectively measured and quantified in economic terms. Yet, these unrecognized forms of wealth are extremely important to the health and financial well-being of families in these communities. As American society grows more diverse, financial professionals will benefit from understanding, valuing, and integrating community cultural wealth into financial education, practice, and research. Families in communities of color also face systemic barriers that limit their financial success. A more inclusive financial discipline that integrates cultural wealth into its practice is essential for the future well-being of our multicultural society.

Recently, financial industry leaders have sought to create a more inclusive economy that works for all people, including those in marginalized communities. The chair of the Cleveland Federal Reserve Bank, Loretta Mester, stated, “Opportunity and inclusion are important for achieving a strong economy.” (Marte, 2020). Sherraden and Gilbert’s (2009) and Sherraden’s (2010) pivotal work on asset development highlighted the importance of accessible, inclusive financial products to facilitate financial capability for marginalized populations. The World Bank has developed financial inclusion targets and strategy toolkits to work towards shared prosperity with historically excluded populations (World Bank Group, 2018). However, these measures place White and middle class culture at the forefront by relying on Western models of wealth and financial capabilities. These models can miss important sources of wealth, namely cultural wealth, which exists in immigrant communities and communities of color and contributes to their collective economic well-being.

Financial educators also need to consider how inclusive or exclusive their approaches to education may be. Educators too often focus on the deficits of families in marginalized communities, noticing problems and challenges while overlooking strengths. They may consider, for example, unbanked immigrant families, as outside of the mainstream Western financial system, deprived of important access, and lacking knowledge. These deficit-driven and perhaps racialized assumptions lead educators to promote a banking method (Freire, 1983), whereby they try to “fill up supposedly passive [people] with forms of cultural knowledge deemed valuable by dominant society” (Yosso, 2005, p. 75). In other words, we teach people how the system works and how they can fit into it, what products are available to them, and how to manage their family’s financial resources using tried and true financial tools and practices. Although there is benefit and some level of necessity in doing that, this approach fails to notice alternate strategies that communities may have developed on their own to accomplish similar goals such as ways to save and borrow. We fail to recognize the wealth that families of color can access in their communities. Moreover, our inability to look for and see this wealth maintains current structures, systems, and practices that can alienate, may be inaccessible for a variety of reasons, or may even be detrimental to marginalized families.

The purpose of this paper is to apply Yosso’s (2005) community cultural wealth model to financial education. We suggest ways that the model can expand current approaches by integrating ideas of cultural wealth found in communities of color as important resources for immigrant families. We highlight how immigrant families tap into their cultural wealth to achieve financial well-being despite the systemic barriers they encounter. Additionally, we describe how reframing the narrative of "wealth" will help financial professionals meet the specific needs of their clients of color by working with and building on pre-existing assets and forms of wealth. Although we focus on immigrant families, this material is relevant to all clients from marginalized communities.

Yosso (2005) proposed the community cultural wealth model to highlight assets that culturally marginalized students bring to their schools and communities that facilitate their ability to overcome challenges and excel. The forms of capital are aspirational, navigational, social, linguistic, familial and resistant.

- Aspirational capital is the ability to maintain hopes for the future of one's self, children, or family in the face of barriers
- Linguistic capital is the intellectual and social skills developed through communication experiences in multiple languages and styles
- Familial capital is kinship that models caring, coping, and education
- Social capital is networks of peer and community resources
- Navigational capital is skill in maneuvering social institutions
- Resistant capital is the knowledge and skills developed by challenging inequality

Yosso (2005) steeps the model, positioned broadly with the education field, in critical race theory (CRT), explaining that "looking through a CRT lens means critiquing deficit theorizing and data that may be limited by its omission of the voices of People of Color" (p. 75). Financial education similarly needs to employ a critical lens to challenge the status quo and institute changes that embrace the cultural contexts of communities of color (Daniels et al., 2021). Recognition of immigrant and other marginalized clients' realities and strengths will empower them to pursue their financial goals. This, in turn, will lead to improved financial security and wellbeing, and ultimately, a more robust and inclusive U.S. economy.

Methodology

Research Question

In this paper, we seek to answer the question: How does the community cultural wealth model (Yosso, 2005) enhance financial education to be more inclusive of the strengths and needs of immigrant communities?

Analysis

A search strategy designed and conducted by a social sciences librarian, an author on this paper, was based on keywords associated with the six areas of cultural wealth in Yosso's model (Yosso, 2005; See Figure 1) combined with keywords related to immigrant populations and financial wealth. We searched PsycInfo (Ovid) and Scopus, limiting our results to peer reviewed journal articles published in English. We read the abstracts identified in the search and selected constructs and practices that fit with the cultural wealth model. We describe each of the six forms of community cultural wealthy in the following sections. Due to the paper page limits for this Symposium, we provide our introductory discussion, based on our current understanding of how the tenets of the community cultural wealth model can inform our understanding of financial constructs and financial education practices. We will expand our discussion and provide more examples based on our systematic literature search and analysis for an expanded paper that we will submit to a journal.

Figure 1. Examples of Cultural Wealth in Immigrant Families

Aspirational Capital *Ability to maintain hopes for the future in face of barriers*	Linguistic Capital *Skills developed through communication*	Familial Capital *Kinship that models caring, coping, and education*	Social Capital *Networks of peer and community resources*	Navigational Capital *Skill in maneuvering social institutions*	Resistant capital *Knowledge and skills developed by challenging inequality*
• Business formation • Collective goals	• Multilingualism • Storytelling and diverse communication styles	• Multigenerational living • Flexibility and solidarity in family roles • Resource pooling • Serial home ownership	• Lending circles or *mutualistas*	• Navigating financial systems in home and host country • Finding financial products that meet religious and cultural needs	• Develop new forms of protest and advocacy

Aspirational Capital

Immigrant families have hopes and goals for the future for themselves and their families, despite the systemic barriers and challenges they face. This is particularly evident in the high rates of business formation among immigrants; one in ten immigrant workers owns a business (Small business Administration Office of Advocacy, 2012). Even during times of crisis and while facing discriminatory work conditions, immigrants stay longer in their employment than do native workers (Danzer & Dietz, 2018). Aspirational capital might be considered a culturally based, collective motivation for achieving goals and building financial wealth that is supported by immigrant communities versus a more individually based conceptualization of goals and motivation that is traditionally used by financial professionals. For example, a traditional practice might be to work with a family to set goals for their immediate family members, such as saving for college for one's self or one's child. Immigrants might think more collectively about the college goals for all the children in their extended families. They may support a niece's college attendance by providing care for her aging parents or pooling family resources to pay for her tuition. When she achieves her goal, she will be expected to give back to the community and support other family members achieve their educational goals. Tapping into collective goals, perhaps in addition to individual goals, may help financial professionals connect with and better serve their clients of color.

Familial Capital

Immigrant families often have a broad understanding of family, with multigenerational and transnational members playing powerful roles. Marginalized families are substantially more likely to live in multigenerational households (e.g., Park et al., 2019). Families show great flexibility and solidarity in their family roles (Shapiro, 2018; Solheim & Ballard, 2016), with members sharing responsibility for tasks such as earning income and childcare. Flexibility in family roles "clears the path" to academic and economic success for children, as parents both balance the traditional norms for their children. Balancing traditional norms, such as older siblings assisting with childcare and household chores or marrying early, with collective goals of academic and economic success requires flexibility and on-going negotiation. For example, a woman is the oldest of ten siblings, and has excellent academic and extracurricular performance while caring for several siblings, due in part to ongoing negotiation over family expectations and her parents' flexibility in navigating roles.

Cash flow statements typically consider inflow and outflow of financial resources on a family basis. Educators might be bewildered when cash flow statements are at a deficit, yet families are surviving. Often overlooked, resource pooling or the sharing of resources such as cars, food, housing, or computers, across multiple families, related or unrelated by familial ties, contributes to immigrant family financial stability (Smets, 2018). The ebb and flow of resources across multiple families with multiple contributors and varying demands makes the use of single-family cash flow statements challenging. Children may also contribute to their families' resource stock and cash flow to meet needs (Lanuza, 2020). As is typical of indigenous communities, relationships in immigrant communities are another form of currency (Danes et al., 2016). Although difficult to quantify, understanding this worldview and potential access to resources is an important contextual consideration when working with immigrant families.

Immigrants use familial capital to meet housing demands and build wealth. Multiple families often live together in one home; each income earner contributes to shared housing costs and thus reduces each family's housing cost-burden. This allows families to direct scarce resources to other needs and save collectively to buy the next house for another family. When they have saved enough to buy another home, the process begins again for another family. Serial home ownership is an effective strategy of wealth building.

Immigrant parents' modeling of self-sacrifice and willingness to share resources to advance family well-being sets a powerful precedent. Children see these investments in the family and seek to reciprocate in providing for their families and in seeking better circumstances for their families and others around them (Shapiro, 2018). Higher education and professional careers can become "a way to contribute to the legacy of their families and as a way to repay the sacrifices of their parents" (Matos, 2015, p. 446). Allen-Handy & Farinde-Wu (2018) similarly stated that memories of family sacrifice and financial support give children hope and motivation. In their study of educational success among undocumented immigrants, every informant highlighted their families' sacrifices in supporting them throughout their educational journeys and the high priority their families placed on education. Understanding the process of multi-person and multifamily contributions to wealth building will help financial professionals adjust their lenses as they work with immigrants who have a dynamic, collective sense of resource access and use.

Social Capital

The social science and financial literatures define social capital quite narrowly as the utilization of one's social networks to achieve economic gain (Bourdieu 1985). Individuals use social capital individuals to leverage their resources and networks to achieve material outcomes. We posit that a broader conceptualization of social capital is required when working with immigrant and refugee communities. For the purposes of this paper, we define social capital as social networks that have the potential to provide either material or nonmaterial resources, including physical and mental health, a sense of safety, or the feeling of integration in a community (Nawyn et al., 2012).

Immigrant communities traditionally embody collectivist worldviews that prioritize the economic well-being of the community over individual wealth and financial gain. It is also important to notice that immigrants access considerable instrumental and emotional support through their community's social capital. There is a high need for interconnectedness within minority or underrepresented groups, who navigate unfamiliar, and oftentimes oppressive, systems while simultaneously being viewed as deficient by the dominant culture (Carson, 2009).

Social capital is clearly evident in lending circles or *mutualistas*, which are strategies in the Somali and Latinx immigrant communities that provide participants informal access to financial credit (e.g., Delgado-Gaitan, 2001) via assets of strong relationships and trust that facilitate access to otherwise unattainable resources (Danes et al., 2016). Lending circle participation requires that individuals must have a strong interpersonal relationship with someone already within the lending circle. This is necessary because trust is the cornerstone of these informal financial systems. Lending circles are expressions of social capital that provide access to financial credit as well as a sense of community with the members of the group.

Navigational Capital

Minority families face systemic barriers including employment exploitation, racism, discrimination, and anti-immigrant sentiment. This affects every domain of life - access to safe and affordable housing, health care, job opportunities, benefits, and security, education and training, financial capital such as loans and credit, and low-cost, quality banking products, etc. Systemic oppression creates a unique ecosystem that is different and more challenging to navigate for individuals from communities of color than for individuals from the dominant culture. Dominant culture values and practices shape these systems; individuals from the dominant culture manage and control access to these systems. When individuals in marginalized communities are successful at learning how to navigate these unfamiliar and unfriendly systems, they possess navigational capital that can now be a resource to others in the community.

Immigrant families must navigate multiple financial systems, often in multiple countries. As they remit money to family remaining in the home country they frequently use money transfer systems based on what is available for their family to receive remittances, rather than what might be the least costly, convenient, or safe option in the sending country. Immigrant families often opt for culturally accessible financial products and services such as rotating savings and credit associations (ROSCAs), notaries, lending circles, and money transfer providers rather than Western-based products and services for several reasons. They may have had or heard of exploitative, traumatic experiences with financial institutions, they may have concerns about required documentation, or their religious beliefs may not accept the use of some types of financial products such as usury laws that forbid the payment of interest in the Muslim faith (Barcellos et al., 2012; Bechard, 2018; CFPB, 2016; Osili, 2008).

In spite of these barriers, immigrant families show remarkable adaptability in identifying financial tools to meet their needs. For example, they have high rates of business ownership (as mentioned in the aspirational capital section above), and they partake in informal financial systems (as mentioned in the social capital section above) even though it is more difficult for them to access credit or loans (Lofstrom & Wang, 2009). Learning how to move back and forth between the formal and informal economy is a type of navigational capital that helps immigrant and refugee families prosper in an unfamiliar financial system (Robles, 2014).

Linguistic Capital

Many immigrant families speak multiple languages (i.e., the dominant language in their home country, their tribal language or regional dialect, the language of their temporary country of refuge if they are refugees, and the language of their destination or resettlement country) and use diverse communication styles such as story-telling or using proverbs to teach lessons to children. The Department of Education recently began teaching financial literacy through storytelling to make financial literacy accessible from a young age (BDO Unibank, 2019), and some communities use telenovela miniseries to provide financial literacy education (e.g., Nuestro Barrio). University of Minnesota Extension educators created a financial curriculum for Native American communities that teaches core financial concepts through Ojibwe stories (Garbow & Hagen Jokela, 2019). The linguistic and cultural grounding of these resources is compelling when they reflect a community's cultural and linguistic capital and employ a communication mode that is typical within the community and comfortable for community members. Families with linguistic capital may be uniquely poised to find ways to make financial information accessible to their networks.

Multilingualism can also form a critical part of economic security as well as transnational identity (Duran, 2016).

Resistant Capital
Immigrant families gain knowledge and skills as they challenge inequality. Immigrant families face substantial barriers and oppressive systems, notably including punitive immigration control policies and labor exploitation (Leyro & Stageman, 2018). Navigating and changing these systems requires innovation and builds new skills. For example, 'Dreamers' and their allies developed new forms of protest and advocacy after attempts at immigration reform failed and deportations rose (Bloemraad & Voss, 2020). As immigrants face financial exclusion based on their intersectional identities of race/ethnicity, and documentation status, as well as other identities such as age and labor history, they develop unique and strong coping strategies (Ferrer et al., 2020) that strengthen their families and communities. Immigrant entrepreneurs cross socially constructed boundaries as they navigate challenges and forge relationships across diverse groups, changing and improving the social structure within their communities (Griffin-EL & Olabisi, 2018) and collectively challenging the structures and systems in the dominant society that represent barriers to access resources.

Family stories of persistence through struggle can build resistant capital (Shapiro, 2018). One couple, separated during their flight from war, searched for each other for seven years before finding one another. The mother used this story to motivate her children and push them to do hard things academically and professionally, even when their teachers had low academic expectations (Shapiro, 2018). In this way, aspirational capital intersects with resistant capital. Undocumented Latinx students have described how they dealt with feelings of insecurity, isolation, and defeatism, and that their families acknowledged how hard it was and still motivated them to keep going (Allen-Handy & Farinde-Wu, 2018). Shapiro (2018) described anecdotally how many refugees seek helping professions and community advocacy positions, due to a sense of community responsibility and a desire to lift the burdens they have experienced.

Financial educators may also consider ways that they can serve as allies with cultural communities in their development of resistant capital. As educators learn about and understand systemic barriers that impede the financial success of communities of color, they can advocate for change by providing examples (without identifying persons) and suggesting adjustments to current practices that discriminate and/or block access.

Financial Education Implications

Incorporating the community cultural wealth framework in financial education practice will require flexibility and the will to change. As Anzaldúa (2002) noted, "Change requires more than words on a page—it takes perseverance, creative ingenuity and acts of love" (p. 574). We call on financial professionals to use their creative ingenuity to integrate the following practices that acknowledge community cultural wealth:

- **Assess the cultural meanings of money.** Before using a financial form with a client or in a classroom, try to understand the cultural meanings of money for the people with whom you are working. This may involve exploring what resources they might use that can be used as an exchange medium, including money, how money is used in their culture, who is involved in decisions about money and how those decisions are made. Without relevant cultural context about money and finances, your work and interactions with the client or learner may be misunderstood or go unheeded. Connecting examples, activities, and practices with culture will facilitate a trusted working relationship that will lead to positive outcomes

- **Design and use cash flow analyses and spending plans that are client-drive and household-oriented.** Multigenerational, international, and extended family members play daily roles in family obligations, resources, and connections. Cultural understanding of the family often includes responsibility to take care of elders, children, and extended family kin. Children in immigrant families contribute to families in multiple ways and their contributions should be recognized and valued. Involve clients in identifying their family constellation, who contributes to their income, and what expenses need to be included across family members in their family constellation.
- **Adopt cultural humility.** Surround your financial expertise with attitudes of humility, interest and openness. We can learn from those we serve; they are experts on their culture and unique family circumstances.
- **Help families navigate systemic challenges.** Financial educators can serve as allies to bridge and broker power dynamics inherent in financial systems and structures in the U.S. economy. Rather than simply providing information and expecting independent application, we can identify barriers and join with families to address them. This could mean making a call with clients rather than just giving them the phone number. It could mean identifying financial institutions that recognize financial trauma and offer culturally relevant services that reduce stress. It could mean role-playing how to talk with a loan officer to obtain needed information with a goal of reducing feelings of anxiety when they enter spaces that feel unfamiliar, daunting, or unwelcoming. It could mean learning about organizations that are culturally responsive and are trusted in immigrant communities (Consumer Financial Protection Bureau, 2016)
- **Evaluate financial education programs in culturally relevant ways.** Family finance programs must adapt curricula and assessments to include multiple forms of capital (Danes et al., 2016). We need measures that capture assets as the family defines them. For example, although a family may not own a car, they may have open access to a car owned by a relative that meets their transportation needs. Culturally relevant assessments responds to Burton et al.'s (2010) call for "an infusion of measures into the race and stratification research that capture the hard-to-measure family processes that influence the ways in which race, ethnicity, and colorism operate inside families" (p. 454)".
- **Collaborate with cultural insiders.** Programs can employ community staff to deliver financial education programs that are culturally and linguistically relevant and use cultural wealth (Falicov et al., 2020). Collaborating with trusted community partners or liaisons to facilitate the relationship between these communities and those who serve them can help to overcome the distrust that immigrant families and communities of color may develop when they have had or have heard of exploitative experiences with financial institutions and professionals (CFPB, 2016). Beck (2005) described how their clinic used promotoras, experienced community members, as core staff and "trust bridges" between agency staff and the community.
- **Assess wealth rather than income.** For a long time, researchers and practitioners relied on income alone to evaluate a family's financial well-being and focused solely on income transfers in policy initiatives and money management in programs. In the 90s, we began to understand the value of assets as the long-term key to moving people out of poverty - home ownership and savings that could serve as a cushion when emergencies arose (vs going into debt) (Sherraden, 2009). Income is important, but not a long-term solution. Focusing on the accumulation of assets or building wealth, rather than income, draws attention to the long-standing resources available to community, and better fits families with seasonal or inconsistent income streams. It also draws attention to racist and oppressive systems in our economy that create inequitable opportunities

for new Americans, immigrants, and communities of color, to achieve their goals. While the income gap between Black and White Americans is closing, the wealth gap is widening.

Case Example

Sandra Rodriguez is a Latinx immigrant who lives with her parents, aunt, and three younger siblings in an apartment. They have been in the United States for 3 years. They hope to eventually own a home and have begun saving for that milestone. Due to experiences with corruption and instability in their home country, her parents distrust banks and keep most of their money in cash under their mattress. They opened a bank account when they first came to the United States, but the terms explained to them verbally in Spanish before signing the contract were different from the written terms. Unfortunately, the reality was that they had to pay unplanned high fees on the account. They eventually cancelled that bank account, and now keep a small amount in a checking account and the rest in cash. Sandra works as a medical assistant. She is particularly valuable to her clinic because she is fluent in both Spanish and English and can communicate cultural expectations of Latinx clients to the medical staff. Sandra contributes to the rent and the savings for the home, as do her mother, father, and aunt. Paying rent is sometimes a struggle, particularly as Sandra's father and aunt both work jobs with unpredictable hours. Their landlord refuses to pay for basic repairs, so these costs often come out of their savings. They have decided to begin their home-buying search; several friends from their community have recommended the same realtor.

Reflect on this case example and consider the following questions: *What cultural wealth does this family possess? What systemic barriers have they experienced? If you were working with them as a financial educator, how might you assess their situation and help them capitalize on their cultural wealth and resources?*

Conclusion

Integrating a community cultural wealth model into financial education helps professionals identify wealth available in cultural communities that can be used by families to manage their daily resource needs, build assets and wealth over time, and cope with specific problems they face. In their call to respond in solidarity with disenfranchised families, Wieling et al. (2020) proclaimed, "traumas related to structural oppression and disenfranchisement call for collective action and restoration of trust and human dignity" (p. 573). Restoration of trust and dignity requires that we recognize and value the assets and contributions of the oppressed. As we navigate our multicultural world, responding to the specific needs of cultural communities will allow the financial education field to expand its reach and influence, benefiting the disenfranchised populace as well as the financial professionals themselves.

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