

PERSONAL FINANCE AND THE RUSH TO COMPETENCE:

Financial Literacy Education in the U.S.

FannieMae FOUNDATION

Personal Finance and the Rush to Competence: Financial Literacy Education in the U.S.

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A National Field Study
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ACKNOWLEDGMENTS AND DEDICATION

We are grateful to the Fannie Mae Foundation for conceptualizing and funding this study and to Karen Murrell and Lopa Kolluri for their leadership and direction. Jenny Ward at ISFS provided superb administrative and accounts management supervision and also helped with the production of the matrix and various reports to the Foundation throughout our project.

We appreciate the participation of every program manager, instructional designer, educator and industry leader for helping us understand their financial literacy education initiatives and for sharing with us their vision for the future of financial education. Heartfelt thanks to program participants who told us their hopes and dreams and also of life enhancing changes that followed their experiences in financial literacy education. Special thanks to Joyce Adkins, Bill Arnone, Joe Bradley, Pat Brennan, Debbie Conover, Tom Garman, Kathryn Garnett, Frances Graham, Sally Hass, Steve Herrmann, Tony Jurney, Jim Laffargue, Steve McLamar, Gary Nederveld, Barbara O'Neill, Janet Paulovich, Jane Schuchardt and Ike Templeton.

Behind every personal financial education program we studied, both large and small, we found a champion (sometimes more than one) who strives passionately to help people increase their financial knowledge and skills. These champions—because they have observed the newly self-reliant—know that such persons can become better parents, partners, employees, neighbors, community members and citizens. This study is dedicated to these program champions and to the millions of Americans whose lives can be uplifted when the language and management of their everyday personal financial affairs becomes routinely comprehensible to them.

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EXECUTIVE SUMMARY

Since the mid-1990s, an increasing number of public and private sector organizations have begun helping Americans enhance their financial preparedness for life events, most notably retirement. National campaigns that call on Americans to increase personal savings, invest in pension programs, prepare the transition from welfare to work, and obtain computer literacy skills, as well as the growing media interest in personal finance, have all contributed to a “money aware” public. Most people are getting the idea that they must take more responsibility for their present and future financial well being. This report is about the educational resources that exist to help them.

STUDY PURPOSE AND METHODS

The Fannie Mae Foundation commissioned this study of the current state of financial literacy education to inform its philanthropic efforts. The research was designed to ascertain major trends in financial literacy education, to learn what challenges are being faced by program managers and educators, and to identify the strategies and practices in use that are particularly effective. We are pleased that the Foundation has chosen to share these findings broadly, and we hope that as a result many more organizations will become interested in sponsoring programs to help Americans achieve competence in personal finance.

The information contained in this study came from the following sources: (1) literature; (2) telephone, in-person and faxed interviews with program directors of a sample of 90 personal financial education programs; (3) site visits; (4) focus group or individual interviews with 78 participants who attended courses or seminars at the sites visited; and (5) interviews with industry leaders. The study is a process evaluation that employed benchmarking tools to learn the breadth and depth of financial education programs nationwide and to identify “effective strategies” of those that excel in one or more areas.

We used a stage model of organizational development derived from Ronald Manheimer’s[1] planning phases of educational programs. We used a modified version of this model to examine the steps that organizations take as they plan, assess the need for, implement and evaluate financial education programs. Details of the study methods can be found in the full report.

BACKGROUND AND TRENDS

Financial literacy education is increasing in all United States sectors largely in response to public initiatives that call on Americans to save and invest for long-term financial independence. Concerns about the adequacy of Social Security, and shifts in responsibility from government to citizens and from employers to employees are drivers alerting individuals and families to bleak future prospects without an accumulation of adequate monetary resources for later life.

Campaigns to Save, Invest, and Learn

The American Savings Education Council (ASEC), a coalition of private and public sector institutions, was organized in July 1995 to raise public awareness about the need for increased personal savings. ASEC's goal is to make saving and planning a vital concern of Americans and in the economic interests of employers. The Jump$tart Coalition for Personal Financial Literacy also started in 1995 to promote personal finance in schools and improve the financial knowledge and abilities of children and young adults. In 1998, the Securities and Exchange Commission (SEC) launched the "Get the Facts on Saving and Investing Campaign" to further help Americans increase savings and invest wisely. In April 2000, Treasury Secretary Lawrence Summers formed the National Partners for Financial Empowerment (NPFE), a public-private partnership to promote the development of personal financial skills for all Americans.

Financial Literacy

Personal financial literacy is the ability to read, analyze, manage, and communicate about the personal financial conditions that affect material well-being. It includes the ability to discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future, and respond competently to life events that affect everyday financial decisions, including events in the general economy.

In the "Financial Literacy 2000" project,[2] a national effort was made to assess public patterns of financial knowledge and consumer confidence. A sample of 1000 adults was surveyed for the purpose of providing financial literacy profiles of the U.S. population for a subsequent responsive educational campaign to improve financial literacy. Cutler and Devlin conceived of financial literacy as comprising both a knowledge and a confidence dimension. Devlin implied that financial literacy is a function of the financial information to which one has access:[3]

> *"…the key to getting people to improve their financial behavior is to first give them the information which they can then use to confidently engage in the desired behavior."*

Financial information, however, is now widely available through financial services providers, educational resources, and an increased focus on money and investing in books, articles, Internet sites and television. As SEC Chairman, Arthur Levitt observes:

> *"Today there is a glut of information. But the irony is: Do people have the foundation in the financial basics that will allow them to use that information?"*

Rep. Harris Fawell (R-Ill.), author of the Savings Are Vital to Everyone's Retirement Act of 1997 (SAVER Act), warns that America faces "*a ticking demographic time bomb that requires increased retirement savings.*"[4] Educating the public, Fawell urges, is the first step in defusing this time bomb.

Financial Literacy Education

General education determines occupation and income, which in turn, influences place of residence, social contacts, consumer choices, and activities. *Financial literacy education* shapes the life course in other, extended ways by enhancing access to investment income, asset accumulation and asset protection. When education about personal finance reflects socio-cultural sensitivity, moreover, the confidence dimension that Cutler and Devlin conceptualized as a requirement for achieving financial literacy is far more likely to be realized.

Confidence in one's ability to do a thing successfully increases the likelihood of undertaking it and the probability of success. In the personal finance classroom, seminar or counseling program, the following factors build or enhance a participant's confidence:

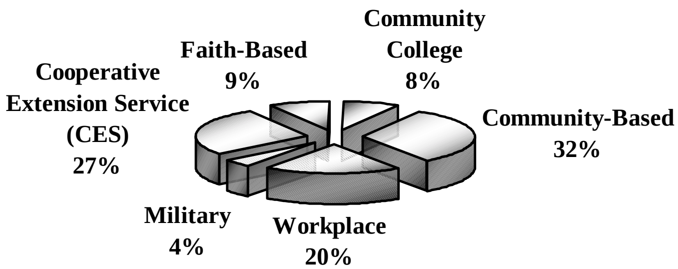
- The opportunity to undertake a specific action that challenges one's sense of self-sufficiency *without* overwhelming it;
- The presence of supportive and reassuring others; and
- The experience of succeeding at something, with confirming feedback from others.

STUDY FINDINGS

Characteristics of Organizations that Sponsor Financial Education

The 90 programs in our sample are remarkably diverse. They include: (1) eighteen workplace financial education programs; (2) twenty-four Cooperative Extension Service (CES) programs; (3) four U.S. military programs—the U.S. Army, U.S. Air Force, the U.S. Marine Corps and the U.S. Navy; (4) eight faith-based programs; (5) seven community college programs; (6) twenty-nine community programs. In addition, we looked at over 150 Internet sites.

Financial Literacy Education Program Sectors



We surveyed workplace programs that target employees facing retirement. We reviewed programs now mandated by the U.S. military for all incoming enlisted personnel. Twelve programs in four categories of education providers specialize in helping women. Some community programs we investigated have been organized to help immigrant populations understand basic banking services, budgeting and the personal credit system in America. We talked to sponsors of programs that specialize in preparing renting populations to become future homeowners. Other community-based and faith-based programs use financial literacy training to help participants find jobs, finish high school education, apply to college, or start small businesses.

Our interviews included programs that help participants from low-income African American, Latino, disabled, and new American populations. We spoke with young, first-time homebuyers and persons in transition through various life disruptions. We talked with grandmothers struggling to raise their children's children, and we learned about elderly populations in need of personal financial education that covers health care financing, sustainable homeownership and reverse mortgages, among other topics.

Our report includes six case studies of programs run by the organizations named below. These organizations employ educational and operating strategies that, we believe, optimize the effectiveness of their offerings for participants:

- Weyerhaeuser & Co.
- United Parcel Service
- Rutgers Cooperative Extension
- Mississippi Housing Initiative
- International Institute of Boston
- MidAmerica Leadership Foundation

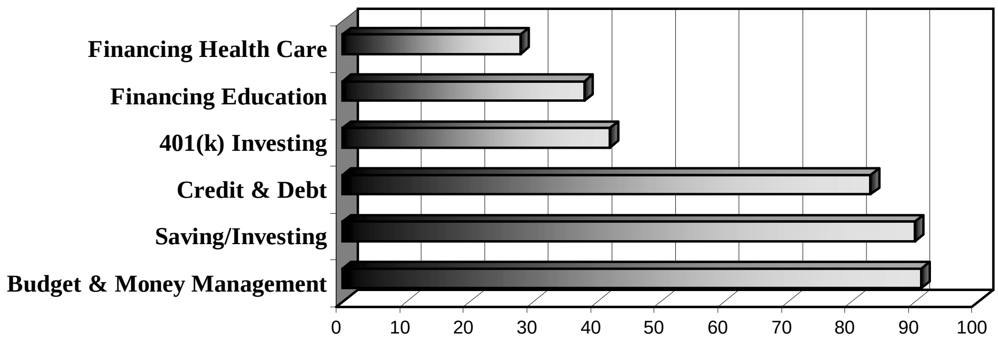
Selected Financial Education Program Characteristics

Reasons given by organizations for sponsoring a financial education program fall into one or more of four categories: (1) empower participants to take charge of their financial lives; (2) help participants get out of or avoid financial problems; (3) comply with regulations or requirements imposed by an outside authority; and (4) meet an organizational goal (e.g. military readiness, increased stewardship, increased employee satisfaction or productivity).

The following summarizes responses to selected questions. Full survey results are summarized in Chapter Two of the report and detailed by program sector in Chapters Four through Nine.

- Sixty-five percent of programs began in the 1990s. Seventy-five percent of these started in the late 1990s or 2000.
- Only 22 percent of program organizers conducted a formal needs assessment. The "need was obvious" was the reason given for not conducting an assessment of need.
- Sixty-two percent of programs operate under a written mission statement.
- Eighty-nine percent of educators use participant evaluation forms to assess program success. Sixty-four percent follow up to learn how participants are applying the skills and knowledge received.
- Length of program offerings range from one hour to 120 hours.
- Frequency of program delivery range from once a year to "ongoing," "continuous," or "unlimited."
- Thirty-four percent of programs incorporate computer technology to enhance or more broadly deliver financial education.

Least and Most Frequently Taught
Financial Education Topics



Program Challenges

We asked program leaders and managers to identify challenges they faced during the design, implementation and operations stages of their programs. Challenges reported fell into one or more of three categories: (1) having inadequate resources to design, evaluate, revise, or expand programs; (2) inexperience in socio-cultural aspects of program design, marketing and evaluation; and (3) the need to attract or expand programs to reach many more participants than they presently do. What emerged from our analyses were solutions found by other program managers to many of these challenges. We chose our case studies to highlight programs that had succeeded in solving problems using strategies we think are particularly effective. Building on the literature and on our analyses of responses from program managers and participants, we offer what we believe constitute effective strategies and practices in personal financial education today.

Seven Dimensions of Effective Personal Financial Education Programs

1. Unambiguous Mission and Purpose

A mission shapes an organization's identity, gives it direction and serves as a unifying force. For successful financial literacy education programs, a clearly articulated mission defines the program's scope of operations, reflects its values, priorities, and goals. With a program mission *"to rebuild Chicago communities through the ministry of asset-building,"* MidAmerica Leadership Foundation was quick to recognize that if personal asset building is to occur, financial literacy education must become a priority. As a consequence of its commitment to financial education, MidAmerica not only created value for program participants but also significantly increased its understanding of both the people and the communities served by the organization.

2. Targeted Outreach

Organizations using creative recruitment techniques are flexible, market driven, and know their target audience. Since the need for financial literacy training is ubiquitous in many under-served settings, formal needs assessments are often not conducted, but the characteristics of the target population must be well known in order for the education to be effective. The International Institute of Boston (IIB) employs bilingual Vietnamese, Haitian-Creole, Cape Verdean Creole, Portuguese, and Chinese instructors, who are from the populations served by this organization.

The success of the IIB program can be attributed to these instructors who teach and are recruited within their communities. They identify which newspapers reach the most people, when radio is an effective tool, or if posting notices in housing units is an appropriate way to find participants.

3. Adequate Resources

Organizations have the best chance for achieving program success when they can commit the necessary resources to their programs. United Parcel Service (UPS) has committed the resources required to reach 42,000 of its employees with information that integrates company benefits with personal financial instruction and allows participants to attend workshops on company time. UPS partnered with PricewaterhouseCoopers to design the program, develop the materials, and train the instructors. Consequently, UPS is able to offer workshops frequently enough to meet demand. Some UPS participants benefited so much from the program that they believe it "should become mandatory."

4. Successful Evaluation and Follow-Up

Having evaluation tools is important and necessary, but using them to improve and upgrade course offerings is vital to program success. Effective programs are flexible enough to change direction, even curricula, when evaluations deem such changes will improve the course or program. Successful programs contain two *participant-centered* evaluation components, both of which must be voluntarily offered by participants:

1. Immediate Program Response Measures—to learn participants' satisfaction with the education, and
2. Follow-Up Action Measures—to ascertain participants' application of what has been taught.

When *business-centered* results of courses are needed to demonstrate links between increased participant well-being and positive organizational impact, additional components must be designed that include pre- and post-education measures.

Rutgers Cooperative Extension assesses the monetary impact of its Money2000 Program at the county, state, and national levels using both participant-centered and business-centered evaluation components. Measures are used that explore participant satisfaction with courses and actions taken by participants six months after instruction. Periodic dollar amounts of savings and debt reduction are obtained from participants, and the Extension is thus provided with data on behavioral changes as well as information that can be used to tabulate the cumulative monetary impact of the education.

5. Program Accessibility

Decisions regarding the scale of a program relate directly to time frame; scope of curriculum; geographic; workplace or community delivery locations; and program duration. Effective programs take all of this into consideration when scheduling courses or counseling sessions.

Weyerhaeuser permits its employees to attend personal financial education courses of up to two-and-one-half days during working hours. In most cases, employees report that supervisors are very supportive of allowing time off to attend programs. Employees expressed appreciation for Weyerhaeuser's program accessibility and the ease of participation that is encouraged in this workplace employee education setting.

6. Relevant Curriculum

Effective programs use carefully crafted, or adapted, Participant Texts, Workbooks and other written materials, and we found many examples in use—too many to address in this study. (An on-line resource for reviewing financial literacy education materials is available at www.nefe.org.) A curriculum must meet the needs of learners. It must be geared to their level of general literacy, written in understandable language—even native language, when appropriate or necessary—responsive to their present socio-economic situation and sensitive to their cultural background.

In Boston, the IIB translated the city's documents on homebuying into five languages, which makes homeownership more accessible and demystifies the homebuying process. The use of native language instructors allows materials to be shaped to fit the specific needs and sociocultural issues that exist for participants and fosters heightened communication, interaction and learning in the classroom.

7. Dynamic Partnering

Effective programs don't hesitate to enlist the help of partners to accomplish whatever is required. Dynamic partnering refers to the practice of two-way service and sharing. For example, a commercial bank or mortgage banker can be a good community partner, provide help with curriculum design, supply committed teachers, and help post notices of financial literacy course offerings. In return, course participants may look to the bank or mortgage banker to provide banking or mortgage financing services upon completion, or as a result of having participated in financial literacy educational offerings.

The Mississippi Housing Initiative (MHI) succeeded in creating a single, statewide homebuyer education program by building a fairly extensive system of networks. MHI has relied on networking on multiple levels and at various stages of development and implementation, from the initial formation of MHI to the connection with agencies that provide the education, to grassroots recruiting techniques. County networking is particularly important in rural areas where potential participants are more difficult to target, reach, and attract.

ISSUES AND RECOMMENDATIONS

- Workplace financial education is the venue for reaching most people. Rewards can be numerous and mutually beneficial for both employer and employee. We urge many more employers to offer personal finance courses in workplace settings and we support public policy initiatives that offer incentives to those employers who do.
- While workplace financial education can reach the most people, evidence shows that faith-based and other community-based organizations provide the most comfortable setting for many people. More importantly, in under-served populations, these organizations offer hope, motivation, and emotional support, which are necessary for learning that leads to feelings of increased opportunity and personal efficacy. We recommend that public and philanthropic resources increasingly support these critically important community efforts.

- We recommend that socioculturally sensitive teaching methods be incorporated into financial literacy education curricula. Language, family and community process issues, anxieties and fears, lifestyle issues and other human concerns must be approached more openly by educators within the context of financial decision-making.
- Topics, terminology, and teaching materials need to be developed that emphasize financial "discovery," the learning process that many participants actually experience. In addition, "coping skills" and "recovery methods" must be formulated, taught and encouraged for periods of financial adversity. Labels such as "bad" credit risk must be rethought—corporations and municipalities seeking credit are graded AA, A, B. We recommend nonpejorative terminology for humans too.
- Life planning approaches should increasingly be built into curricula in order to help pre-retirement populations learn proactive ways to think about the future. Retirement planning approaches should be expanded beyond the financial to include life-style choices and other so-called "soft" course topics and materials that are so meaningful to seminar participants when they are included.
- Financial literacy education is lifelong learning. Educators should make this very clear to participants, emphasizing courses that teach resourcefulness—where and how to find information, how to find and when to use financial consultants, what financial designations mean, and how to use print media and the Internet to assist in financial planning.
- We recommend that financial education for older Americans become a national priority, since we believe the need may be particularly acute. Financial resource management can help older adults avoid scams and other forms of financial abuse, and plan, budget, choose or find alternative sources for healthcare, homecare, medication, and daily money management assistance. In addition, older adult homeowners need help in understanding the availability and terms of equity conversion tools and with budgeting the proceeds of reverse mortgages or other lump sum payments when they are received.
- Technological teaching methods must be employed to reduce the cost and widely increase the availability of personal financial education. These, however, must be combined with an instructor-based teaching and a supportive learning environment. Investment is needed in intelligent tutoring models that include interaction and encourage innovation in teaching materials making financial learning more accessible, attractive, and successful.
- Financial literacy is two-dimensional. Personal financial education for every socioeconomic and sociocultural level is challenging. Yet, there must be a willingness by the financial services industry to meet the *document literacy needs* of the public by producing clear, plain English contracts, and other documents. We see this as a marketing opportunity for financial services firms who can become "lifestyle allies" in the escalating competition for the business of increasingly savvy consumers.

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[1] Manheimer, Ronald J., et al. 1995. *Older Adult Education: A Guide to Research, Programs, and Policies*. Westport, CT: Greenwood Press.
[2] Cutler, N. E. and S. J. Devlin. 1996. "Financial Literacy 2000," *Journal of the American Society of CLU & ChFC*.
[3] Devlin, S. J. 1995. Private Correspondence to Stefanie Sonnenberg at ISFS.
[4] Grangaard, Paul A. 1999. "Managing Financial Assets During Retirement: A Whole New Ball Game," *Personal Finances and Worker Productivity*, 3:2:99.

Analysis

Personal Finance and the Rush to Competence: Financial Literacy Education in the U.S.

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Jurg K. Siegenthaler, Carol Anderson, Deanna M. Lyter, Jamie Kent, Jeremy Ward

CHAPTER ONE
INTRODUCTION

In *The Tipping Point*, Malcolm Gladwell[1] examines why and how major changes occur in society—often, within a short time. Gladwell argues that ideas, behaviors and messages can become contagious, sweeping through society as "social epidemics." The tipping point occurs when social forces reach a critical mass and an idea or message takes off. The rush to competence in personal financial literacy education has become, in our opinion, just such a phenomenon.

Since the mid-1990s, an increasing number of public and private sector organizations have begun helping Americans enhance their financial preparedness for life events, most notably retirement. The importance of financial self-sufficiency in later life, however, illuminates a broader picture involving issues of income security, savings and asset accumulation, shifting workplace values, and demographic dynamics.

Americans at all socio-economic levels may be poised to learn and grow in personal financial savvy as never before in U.S. history. Self-directed pension programs, welfare-to-work mandates, spreading computer literacy, a robust economy, public campaigns to increase savings, and growing media interest in personal finance have all contributed to a "money aware" public. Most people are getting the idea that they must take more responsibility for their present and future financial well-being. This report is about the educational resources that exist to help them.

The Fannie Mae Foundation commissioned this study of the current state of financial literacy education to inform its philanthropic efforts. The research was designed to ascertain major trends in financial literacy education, to learn what challenges are being faced by program managers and educators, and to identify the strategies and practices in use that are particularly effective. We are pleased that the Foundation has chosen to share these findings broadly, and we hope that as a result many more organizations will become interested in sponsoring programs to help Americans achieve competence in personal finance.

What Is Personal Financial Literacy?

Personal financial literacy is the ability to read, analyze, manage and communicate about the personal financial conditions that affect material well-being. It includes the ability to discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future, and respond competently to life events that affect everyday financial decisions, including events in the general economy.

Literacy in the context of personal finance is sometimes referred to as economic literacy. While aspects of personal finance are linked to the discipline of economics, we regard economic literacy as knowledge in a much broader—and somewhat different—context.[2]

Financial Literacy Literature

Until recently, "financial literacy" as a research topic had been restricted to proprietary surveys by financial services providers or embedded within the young, cross-disciplinary field of financial gerontology.[3] In the "Financial Literacy 2000" project,[4] a national effort assessed public patterns of financial knowledge and consumer confidence regarding issues of age, retirement and health. A representative sample of 1000 adults was surveyed to provide financial literacy profiles of the U.S. population that would inform a responsive educational campaign to improve financial literacy. A designer of the project, N.E. Cutler, found relatively low levels of financial literacy with respect to issues such as mutual funds, especially among baby boomers. For both the boomers and the rest of the public, financial literacy was lowest in the area of health care and long-term care.[5]

In their project, Cutler and Devlin conceived of financial literacy as comprising dimensions of knowledge and confidence. They designed their survey (1) to discover the extent to which respondents were able to distinguish financial myths from financial facts, and (2) to assess respondents' confidence in making choices concerning financial services (e.g., mortgages, mutual funds and life insurance) compared with choices regarding consumer goods (e.g., automobiles, computers and television sets). Their research, however, focused primarily on financial literacy around retirement issues.

The research, furthermore, did not address how effectively people deal with their finances, but implied that financial literacy is essentially a function of access to financial information. Devlin,[6] for instance, stated that:

> *"The simple but critical premise of…applied research is that the key to getting people to improve their financial behavior is to first give them the information which they can then use to confidently engage in the desired behavior."*

With the explosion of finance-related Internet sites, magazines about money and investing, and other media interest, information is now widely available. "*Years ago*," said Arthur Levitt, chairman of the Securities and Exchange Commission,[7] "*the problem* *was a lack of information. Today there is a glut of information. But the irony is: Do people have the foundation in the financial basics that will allow them to use that information?"*

It is easy to lose sight of the broader social and political changes that have contributed to this need for greater financial awareness. Changes in employment and public policy have only recently put substantial financial responsibility on the shoulders of individuals, a condition for which they have not been adequately prepared. Financial literacy is as much a societal concern as it is an issue for individuals, according to Sonnenberg,[8] and policymakers must stay aware of the broader issues. She reminds us, too, that some existing notions about financial literacy are extremely pejorative, as in the following statement:[9]

> *"…most financial problems are a result of underlying mental health problems and should be seen as a symptom of such." (Milligan, 1998)*

While this attitude may be extreme, it is nevertheless all too easy to blame individuals for having little or no financial expertise, when in fact society, by its general lack of concern for many decades, has tacitly discouraged financial facility.

Financial Literacy Education

Bill Arnone's[10] apt definition of financial literacy education is beautifully simple:

> *"…personal financial literacy education…helps people develop the skills required to make informed choices and to take action that improves their financial well-being."*

Like any body of knowledge, financial literacy education is simultaneously basic and complex. We found that it is also multi-layered, overlapping and inconsistently labeled. The personal financial education literature reflects this conflicted identification, sometimes by the authors themselves, who variously refer to their work as financial education,[11] savings education,[12] personal finance employee education,[13] workplace financial education,[14] consumer education,[15] consumer finance protection education,[16] investor or investment education,[17] money management education,[18] retirement savings education[19] and retirement education.[20]

Whatever its name, as Bill Arnone suggests, the bottom line of financial literacy education has to do with equipping individuals and families with the ability to negotiate money issues to make self-enhancing life choices. A program manager told us:

> *"In my 23 years in the field, it is the basics that people don't have. The poor just don't get poor because they don't earn enough, but that they don't manage well enough. This whole area has been overlooked."*

With a mastery of the fundamentals of personal finance, the management of money becomes more purposeful and ordered. It can lead to increased financial security throughout all life stages, especially in later life. Published research results suggest there is much work to be done in the area of financial literacy education to achieve even a modest degree of mastery, and the data we have gathered in this field study confirm such earlier research findings.

Personal finance education literature is available through three sources: (1) research contained in scholarly books and journals; (2) articles and books in the popular press; and (3) the growing body of research and applied work by scholars and practitioners that is often published in conference proceedings.

Recent work, primarily contributed by scholars and practitioners to the National Institute for Personal Finance Employee Education (NIPFEE)[21] and the Association for Financial Counseling and Planning Education (AFCPE)[22] greatly expands the scope of "financial literacy education" and exceeds our ability to review it within this study. For an overview of financial literacy education for lower income families, the reader is referred to *Tools for Survival: An Analysis of Financial Literacy Programs for Lower-Income Families.*[23]

In this study, we refer interchangeably to personal financial education and financial literacy education.

Setting the Stage

Educating and counseling individuals to become competent in personal money management has a history with disparate roots. Home-buyer education and counseling programs—with personal financial management components such as establishing good credit and saving for a down payment—began helping people nearly two decades ago to understand the mortgage financing process. The U.S. Army traces its financial education program to a time 30 years ago, when the debt-collection cases of creditors forced financially troubled enlisted personnel to seek help from their commanding officers. The Cooperative Extension System of land grant universities also has a long history of personal financial education programs, which grew out of home economics courses and programs (now referred to as "family and consumer sciences") that primarily informed rural communities. Some corporations and other employers have established retirement planning education programs for their employees. Many colleges and universities have traditionally offered personal finance as an elective course to undergraduate students.

In the mid-to-late 1990s, a financial literacy education "movement" exploded onto the contemporary scene in the United States, as changes in individual and family finances were influenced by various macroeconomic events and long-term trends. Overall, the general economy enjoyed a period of economic expansion. The civilian unemployment rate fell from 7.6 percent in 1992 to 3.9 percent in April 2000.[24] Inflation was subdued with consumer prices rising at an average annual rate of only 2.7 percent during all of 1999.[25]

Despite this period of sustained economic expansion, however, the future sufficiency of Social Security, Medicare and pensions has remained uncertain. Demographic trends indicate that more than 70 million Americans will start to retire during the next 10 years. Responsibility for retirement preparedness has shifted from government to citizen, and in pension investment, from employer to employee. Individuals and families have become alert to bleak future prospects without adequate savings and investments.

According to Rep. Harris Fawell, R-Ill., and author of the SAVER Act (Savings Are Vital to Everyone's Retirement Act of 1997), America faces "a ticking demographic time bomb that requires increased retirement savings."[26] Educating the public, Fawell urged, is the first step in defusing the time bomb.

How Financial Literacy Education Programs Are Evolving

Welfare-to-work initiatives are spawning financial education programs and asset-building initiatives in which financial literacy education is embedded. A faith-based program start-up was explained this way:

> "*A set of leaders of churches and faith-based organizations…decided to concentrate on…both the inner city welfare to work population and the working poor. We believed then, and believe now, that the churches can deliver the spiritual force to transform lives.*"

In addition, both public- and private-sector organizations and businesses have undertaken significant efforts to help 70 million aging baby boomers enhance their credit and financial preparedness for retirement. According to a recent Federal Reserve data-based economic analysis commissioned by the Consumer Federation of America and DirectAdvice.com, more than half of American households (56%) are behind where they should be in saving for a secure retirement.

In a separate analysis for the Consumer Federation of America (February 2000), Catherine Montalto, economist and professor at Ohio State University, reported that personal savings strongly correlate to household income.[27] According to Prof. Montalto, only 27 percent of households with less than $10,000 in annual income, and a somewhat smaller share (23 percent) of those with incomes between $10,000 and $25,000, will have adequate retirement savings. By contrast, 54 percent of those with incomes between $50,000 and $100,000 will be able to retire with adequate savings.

Expanded funding for Individual Development Accounts (IDAs) and pending Bankruptcy Legislation, both of which mandate financial literacy education, will undoubtedly cause institutional interest in such education to escalate even further.

Campaigns to Save, Invest, and Learn

The American Savings Education Council (ASEC) was organized in July 1995 by the U.S. Department of Labor (DOL), the U.S. Department of the Treasury, and 65 public and private organizations. ASEC initially grew out of discussions between representatives of DOL and the Employee Benefit Research Institute (EBRI.) It now has more than 250 partnering organizations, including corporations, financial trade associations, universities and government agencies. Similarly, the Facts on Saving and Investing Campaign was launched by the Securities and Exchange Commission (SEC) in 1998 to help the American public "get the facts they need to save and invest wisely." The campaign was organized by a coalition of nearly 50 government agencies, financial industry associations, and consumer organizations, and its message was widely publicized in the popular media.

The Jump$tart Coalition for Personal Financial Literacy was organized in 1995 to promote the teaching of personal finance in schools, to improve the personal financial knowledge and abilities of young adults, and to encourage the use of guidelines for grades K-12. The coalition is composed of approximately 90 partners.

In April 2000, Treasury Secretary Lawrence Summers launched the National Partners for Financial Empowerment (NPFE), a public-private partnership to promote the development of personal financial skills for all Americans. This national coalition plans to leverage the many creative and energetic financial literacy efforts by private and nonprofit organizations already underway across the country. To individuals, Secretary Summers said, in part:

> *"Do your homework. Being a savvy personal finance consumer takes time. The average American spends more than four hours per day watching television. Even a small portion of that time diverted into managing one's personal finances could yield big dividends. There are no short-cuts here…"*

To employers, he added:

> *"Employers should work to change the norms of personal financial behavior in their workplaces. When saving is made simple and easy, participation rates surge…"*

Schools, the media and government were also included in his message to increase both personal financial knowledge and national savings:

> *"And government must do its part…A broad array of local, state, and federal agencies are already addressing financial literacy in the population at large. We must pursue and strengthen those efforts."*

The publicity generated by these campaigns, the growth in equity securities during the 1990s, increased investment in 401(k) type retirement programs in the workplace, welfare-to-work mandates, and the willingness of people generally to discuss personal money matters more openly—all have contributed to an increasingly receptive public. Most Americans today are at least acquainted, if not conversant, with the knowledge that they must take more responsibility for their personal finances. Educational initiatives to help them are rapidly spreading in all U.S. social sectors.

Objectives and Limitations of the Study

The purpose of this study was to survey broadly the state of financial literacy education in the United States today. The objectives were to: (1) capture some of the key trends in organized financial literacy education programs, (2) describe the acceleration of various types of programs, (3) identify the needs and wants they aim to satisfy, (4) examine how they are organized, (5) see what policies influence and guide them, (6) learn what institutions and organizations support and nurture them, and (7) predict how teaching technologies may affect their future.

We explore how some participants feel about the programs they attended, and we share these feelings with readers to add a human dimension to our analyses. Throughout the study, we have been alert for evidence of how generations are linked to one another in personal financial patterns and how cultural differences influence people's style of communication. We have looked at participants' views about money, their attitudes toward aging and retirement, and their conceptions of family and community. We have tried to establish what a financially literate person should know and be able to do. Throughout the study, one thing was clear: financial literacy requires a commitment to lifelong learning.

This study cannot possibly do justice to the myriad personal finance courses, programs, publications and learning tools in the marketplace, nor can it be generalized to all available personal finance programs. We did not randomly select the organizations we surveyed, nor were all organizations covered equally. For example, community colleges are not extensively covered, and four-year colleges and universities—except for Cooperative Extension Service (CES) programs—are not covered at all. Instead, we chose a purposive sample of organizations to gain insight into the scope and depth of personal financial offerings across several societal sectors.

There is enormous disparity among numbers of participants reached by program sponsors we interviewed. The mandated U.S. Army program, for example, reaches more than 100,000 young enlisted men and women annually, while some IDA programs can count only 25 participants of all ages per year.

While our program analyses sought to discover what approaches and strategies work best and for whom, comparing programs in any detailed way across categories was not an objective, nor was it possible. Offerings ranged from a one-hour community program that taught banking basics to low-income participants to a two and one-half day program on retirement life planning to employees of a major corporation.

We reviewed many noteworthy programs and were impressed by the knowledge, expertise, commitment and diligence of many program managers. Unfortunately, within the agreed upon constraints of our research, we were able to select only six programs to profile in our case studies.

Organization of the Report

This report is organized into 11 chapters, with ancillary materials forming the Appendices.

Chapter One, "Introduction," sets the stage for the reader by providing an overview of personal financial literacy and financial literacy education. It attempts to show how the need to become informed in personal finance has taken on a sort of social imperative, as reflected in workshops, community and employment settings, and escalating publications and coverage by other media. The chapter articulates the objectives and limitations of this study.

Chapter Two, "Methods, Populations and Program Characteristics," describes the study design, how the data were collected, characteristics of the programs and participants, and the nine stages of development in personal financial education programs as derived from a survey of 90 programs across six types of organizations.

Chapter Three, "Elements of Effective Financial Literacy Education," presents the survey results and ponders the general study findings that link financial literacy programs to homeownership, participant motivation, emerging populations, and programs for women. We review the findings within the context of the seven elements of an effective financial literacy education program—in other words, programs that work for learners.

Chapters Four through Nine follow the same format. First, we consider the study findings unique to the sector under examination: Workplace, Cooperative Extension Service (CES), Community-Based Organization, Faith-Based Organization, U.S. Military, and Community Colleges. We then present a matrix that describes the particulars of each program within the sector. During the limited time frame of our study, we became better acquainted with some programs that we felt incorporated effective and important strategies, and we present these as case studies following the more general descriptions of the sectors themselves. (We had hoped to visit many more program sites, but lack of available time prevented our including other outstanding examples.)

Chapter Ten, "The Internet," presents the findings from a search of financial education offerings via the Information Superhighway.

Finally, Chapter Eleven, "Issues and Ideas for Program Managers, Educators and Policymakers," sets forth ideas for achieving what we call the "life enrichment opportunities" inherent in widespread financial literacy education and ways to get there in the shortest time period.

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CHAPTER TWO
STUDY METHODS, CHARACTERISTICS OF PROGRAMS AND POPULATIONS

Study Purpose and Design

This study was commissioned by the Fannie Mae Foundation to assess the state of financial literacy education in the United States today. The following research was designed to learn which strategies and practices in contemporary financial literacy education are most effective and to inform other organizations now engaged in, or interested in starting, a financial education program.

First, we wanted to select representative personal financial education programs in various community and workplace settings and identify the challenges faced and successes achieved by program organizers and others in the field.

Second, we sought to learn from the experiences of organizers, administrators and educators the most effective strategies for creating and implementing successful programs.

Third, we wanted to know what motivates people to participate in financial literacy education and under what circumstances the education is most likely to make a positive difference in their lives.

The information contained in this study came from the following sources: (1) literature; (2) telephone, in-person and faxed interviews with program directors of a sample of 90 personal financial education programs; (3) site visits at six programs in the sample; (4) focus group or individual interviews with 78 participants who attended courses or seminars at the sites visited; and (5) interviews with industry leaders.

We used a benchmarking process to understand the breadth and depth of financial literacy education nationwide. We investigated what populations were being reached, which types of organizations were involved and why, and in what settings participants were most likely to learn. The benchmarking process we employed was created by the Strategic Planning Institute's (SPI) Council on Benchmarking.[1] Our aim during this aspect of field research was to identify effective strategies of programs that excel in one or more areas. The benchmarking process is synthesized with an educational research model we chose for surveying financial literacy education programs.[2]

Critical Pathways Stages Model

The modified model encompasses the following nine program elements, which we used to construct and analyze a matrix of extant education programs:

1. **Inception—**origin of the program and institutional goals and motivations;

2. **Needs Assessment—**determination of the need and desire for the program, as well as its feasibility;

3. **Planning—**method of planning, and make-up and authority of planning committee, if any;

4. **Purpose and Positioning—**purpose of program, administrative placement in host institution and method by which the program direction is decided;

5. **Funding and Resources—**costs, revenue sources and institutional support;

6. **Scale, Participants and Strategy—**targeted population, goal for size of program, short-term or long-range focus of the program;

7. **Program Content, Pedagogy and Delivery—**curriculum and teaching methods;

8. **By-Products—**publications, exhibits and new programs; and

9. **Evaluation—**criteria of program success.

These stages of program development formed the basis for our questionnaire design and proved helpful in tapping the main features and experiences of program directors in the field. The questionnaire follows logically the patterns that workplace and community-based programs tend to follow in their planning and growth. The model establishes a larger matrix of program traits that informs our analysis of effective strategies. Probing into the elements of key programs in this fashion allowed us maximum comparability and enabled us to highlight special challenges and successes of various programs. From this information, we identified the ways in which a financial literacy education program could be effective.

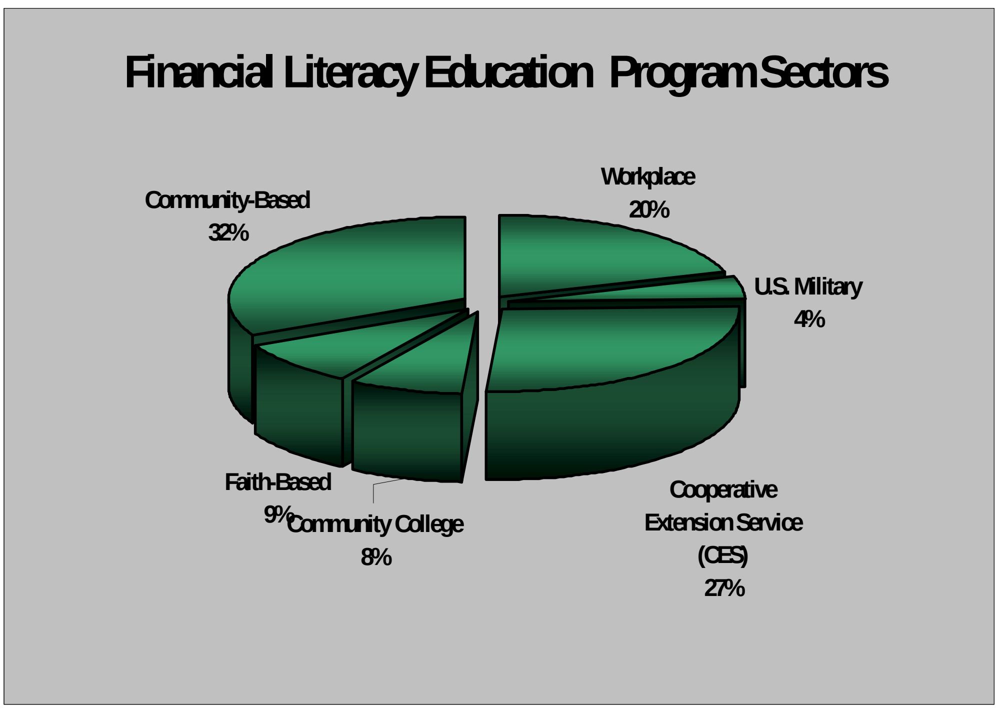
The survey instrument used for data collection is included in Appendix B. An earlier data collection instrument was found to take too long to administer and was not “user-friendly” for those who preferred to self-administer the questionnaire. The survey instrument included in the Appendix was designed to solve these problems, but most interviews still took from one and a half to two hours. Persons electing to self-administer the survey instrument generally augmented the information through telephone discussions about their programs.

Characteristics of the Financial Literacy Sponsoring Organizations

Education Programs and Sponsoring Organizations

The 90 programs in our sample are remarkably diverse. They include: (1) 18 workplace financial education programs; (2) 24 Cooperative Extension Service (CES) programs; (3) four U.S. military programs—the Army, Air Force, Marine Corps and Navy; (4) eight faith-based programs; (5) seven community college programs; and (6) 29 community programs. (See **Figure 2.1 Financial Literacy Education Program Sectors.**) We also looked at more than 150 Internet sites. Program locations included small towns, rural areas and major cities—such as Boston, Chicago and Los Angeles. The large and small workplace financial education programs included multinational corporations, a labor union and two public employee retirement systems.

Figure 2.1



We reviewed programs currently mandated by the U.S. military for all incoming enlisted personnel. In addition, 12 programs across four categories specialize in helping women. Many program sponsors seek out partners, such as educators or instructional designers. Other partnering organizations include employers, banks and other financial institutions. Some community programs help local immigrant populations understand basic banking services. Other programs specialize in preparing renters to become homeowners. Still others help community and faith-based populations find jobs, start small businesses, or finish high school and apply to college. All programs emphasize budgeting, saving and debt reduction.

Survey Results

Surveys were conducted with representatives of each of the 90 financial education programs reviewed for this study. The following summarizes the responses to selected questions and helps illustrate the diversity of characteristics among the programs. In later chapters, we reconsider these same response categories by program sector.

Inception

Of the 90 programs reviewed, only six percent were initiated prior to 1980; 16 percent were initiated between 1980 and 1989. The majority (65 percent), or 60 programs, were started in the 1990s. Of this group, 41 programs were started in the last half of that decade, and seven percent of the programs were started in the first six months of 2000. The remaining six percent of the respondents did not know the year their programs were initiated.

Needs Assessment

Of the 90 program sponsors, 22 percent conducted a formal needs assessment, and 56 percent conducted an informal assessment. Sixteen percent reported “no needs assessment,” with many in this group adding that “the need was obvious.”

Program Planning

Eighty-one percent of the respondents indicated that program planners used a written plan that included goals and objectives. In addition, 70 percent of the program planners investigated other programs for use as models.

Rationale

Organizations gave various reasons for sponsoring a financial education program, but they generally fell into one or more of three categories: (1) to empower participants to take charge of their financial lives; (2) to help participants avoid or get out of difficult financial circumstances; and (3) to comply with regulations or requirements imposed by an outside authority. Sixty-two percent of the survey respondents reported that the rationale for starting their particular program was captured in a written mission statement.

Scale, Participants, and Strategy

Several factors were considered in evaluating the scale of the program, and the range in these factors varied considerably among the 90 programs reviewed. Program length ranged from a half hour to 120 hours. Programs frequency ranged from once a year to “ongoing,” “continuous,” and “unlimited.” The number of locations varied considerably as well: 25 percent of program offerings were limited to one site, whereas 73 percent were offered at multiple sites. (Two percent of the respondents did not answer this question).

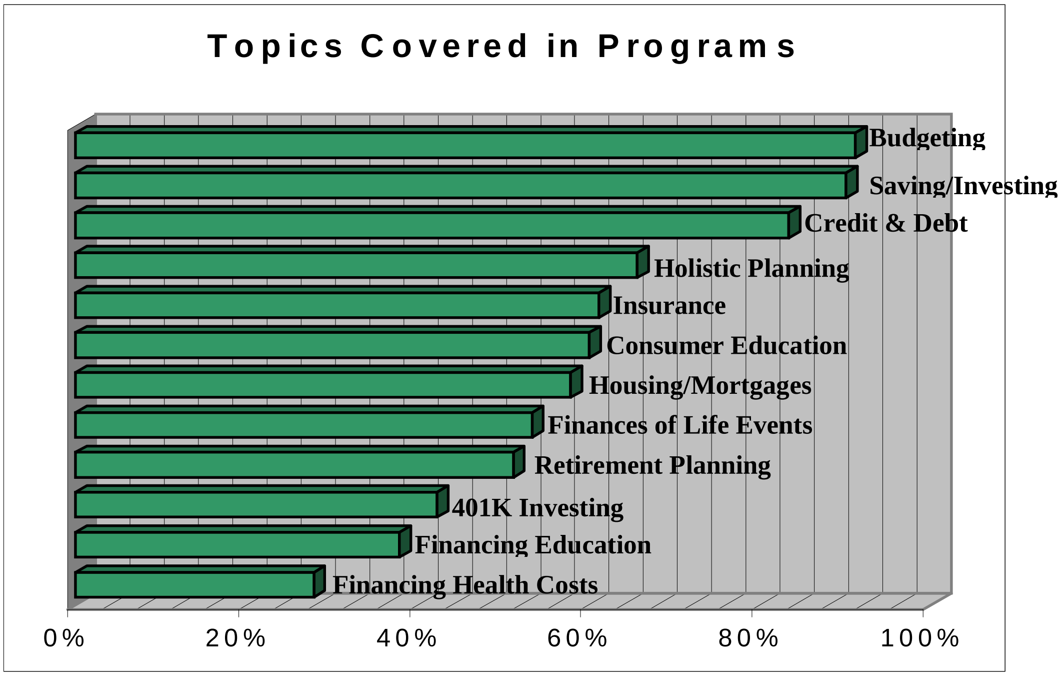
In addition, there was a huge range in the number of people reached per year: 21 programs (23 percent) served one to 50 individuals; 10 programs (11 percent) served 51 to 100 individuals; 14 programs (16 percent) served 101 to 500 individuals; four programs (4 percent) served 501 to 1,000 individuals; 11 programs (12 percent) served 1,001 to 5,000 individuals; three programs (3 percent) served 5,001 to 10,000 individuals; six programs (7 percent) served 10,001 to 50,000 individuals; and three programs (3 percent) served more than 50,000 individuals. The remaining 20 percent of the respondents were unable to give a specific number of participants reached per year, reporting instead “don’t know” or “thousands.”

Of the 90 programs reviewed for this study, the researchers determined that 52 (58 percent) were serving “emerging populations” and 37 (41 percent) were not. It was not possible from the survey response to make a determination for one program (1 percent). By far, the majority of the programs (73 percent) were considered to be long-term projects. Fourteen percent were reported as pilot projects, and only seven percent were considered short-term commitments. The remaining six percent of the respondents did not make clear their projected longevity.

Program Content, Pedagogy, and Delivery

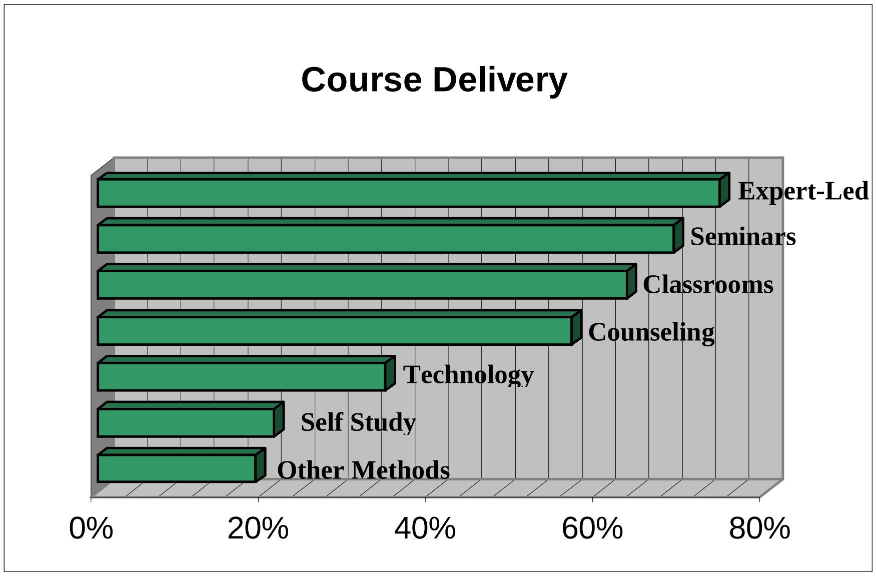
Of the 12 topic areas listed on the survey, the following three were most frequently reported as being included in program content: (1) budgeting and money management—91 percent; (2) saving and investing—90 percent; and (3) credit and debt—83 percent. The three least frequently reported topics were these: (1) financing health care—28 percent; (2) financing education—38 percent; and (3) 401(k) investing—42 percent. More than half of the programs covered the following areas: (1) retirement planning—51 percent; (2) dealing financially with major life events—53 percent; (3) housing decisions and mortgage financing—58 percent; (4) consumer education/protection—60 percent; (5) insurance—61 percent; and (6) holistic or life planning—66 percent. (See **Figure 2.2 – Topics Covered in Programs.**)

Figure 2.2



Most programs reviewed for this research were delivered in a workshop or seminar setting (69 percent) and were" expert led" (75 percent). Fifty-seven percent of the programs were supplemented with one-on-one counseling, and 21 percent offered independent study. In addition, 34 percent of the programs made use of computer technology to enhance and deliver financial education. Only 10 percent of the program sponsors used pre-packaged course materials solely; 39 percent used custom-designed materials, and 51 percent used a combination of pre-packaged and custom-designed materials. (See **Figure 2.3 – Course Delivery.**)

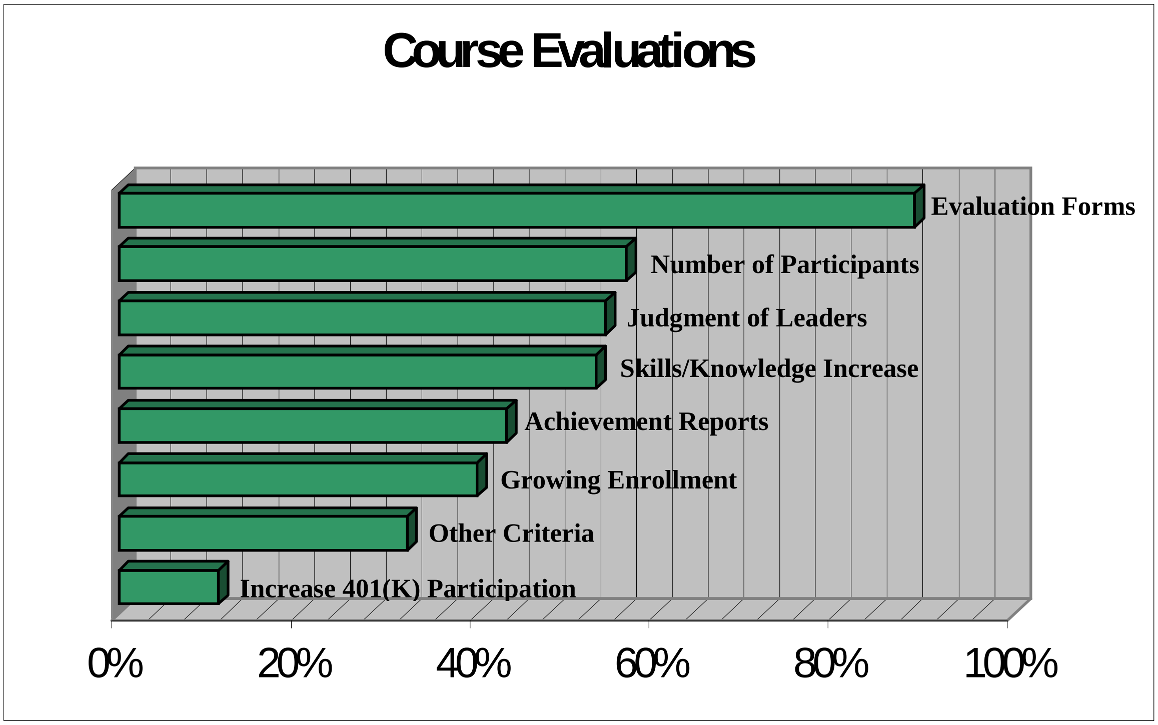
Figure 2.3



Evaluation and Follow-Up

A majority of the respondents reported using selected criteria to assess the successes and benefits of their financial education programs. Participant evaluation forms were cited the most frequently (89 percent), and "increased participation in 401(k) plans" was cited the least frequently (11 percent). More than half of the sponsors cited "growing enrollment in program" (57 percent), "judgment of instructors and/or program leaders" (54 percent), and "increased skills and knowledge" (53 percent). In addition, 64 percent of respondents reported using some form of follow-up after the program delivery. Follow-up strategies varied considerably and ranged from a simple post-program survey or evaluation form to extensive one-on-one contact and counseling. Other forms of follow-up included contacting participants regarding the availability of additional courses, Web sites, publications, and teaching tools to reinforce learning. (See **Figure 2.4 - Course Evaluations**.)

Figure 2.4



Multi-Sector and Special Purpose Programs

We learned early on that the program sectors we selected to study had considerable overlap. Among them were financial education programs designed especially for women, persons with disabilities, immigrant populations, aspiring home buyers from all of these groups, and persons who were enrolled in programs offering Individual Development Accounts (IDAs). In addition, programs often shared multi-sector elements. For example, a workplace program could be utilizing a CES-designed curriculum, or a faith-based program might offer IDAs. (**See Table 2-1. Overview of Multi-Sector Elements in Programs**.**)**

Table 2-1.
Overview of Multi-Sector Elements in Programs

	Community College	Community Program	CES	Faith-Based	Home Ownership	IDA	U.S. Military	Workplace	Women's
Program									
Montgomery College, MD	X								
Community College of Southern NV	X								
Renton Technical, WA	X								
Glendale, CA	X								
Western Piedmont, NC	X								
North East Texas Community College	X								X
Portland, OR	X	X							X
Union Bank of CA		X							
Operation Frontline		X							
INOKA Green Purse		X							X
Amethyst Inc.		X							X
Keeping Track, Inc.		X							
Knoxville Habitat for Humanity		X		X	X				
AHECI		X			X				
VHDA		X			X		X		
WSHFC		X			X				
Brick Capital CDC		X			X				
Home Ownership Center		X			X				
MNHFA		X			X				
Kansas City Neighborhood Alliance		X			X				
The Women's Center		X							X
Ethiopian Community Development Council		X							
Asian Neighborhood Design		X			X	X			
Maine Centers for Women		X				X			X
Women's Resource Center		X							X
International Institute of Boston		X			X				
Nuestra Comunidad CDC, Boston, MA		X			X				
WORD		X				X			X
NOAH		X				X			
DeVaan & Assoc., Inc.		X			X	X			
Cherokee Nation		X			X	X			
NYANA		X			X	X			
Mi Casa Resource Center		X			X				X

	Community College	Community Program	CES	Faith-Based	Home Ownership	IDA	U.S. Military	Workplace	Women's
Central Brooklyn Partnership		X							X
Emporia Initiative		X			X			X	
Port Gamble Housing		X			X				
University of Arkansas			X						
Auburn University, Alabama		X	X						X
University of Arizona			X						
University of Illinois (Chicago)			X			X			
University of Illinois (Manteno Extension)			X			X			
Purdue University, Indiana			X			X			
Iowa State University			X						
Louisiana State University			X		X				
Minnesota CES – DollarWorks		X	X			X			
University of Minnesota – Home Stretch		X	X		X	X			
University of Minnesota – Wilkin Co.			X						
Mississippi State University		X	X		X				
University of Missouri		X	X		X				
Nevada CES			X						
Rutgers University, New Jersey			X						
North Carolina CES – IDA			X		X	X			
North Carolina State University - MI/MO			X						
Texas A&M University		X	X						X
Virginia CES		X	X						
Oregon State University			X						
University of Rhode Island		X	X					X	
Fort Berthold, ND CES			X						
Oklahoma State University			X			X			
Wisconsin CES		X	X						X
Gospel Rescue Ministries		X		X		X			
Christian Financial Concepts				X					
Catholic Charities				X	X				
Crown Ministries				X					
National Council of Jewish Women		X		X		X			X
Salem Baptist Church of Chicago				X					
Mid America Leadership Foundation		X		X		X			
Seventh-Day Adventist Church				X					
Blue Shield of California								X	
UAW-GM								X	
EMC Insurance Companies								X	

	Community College	Community Program	CES	Faith-Based	Home Ownership	IDA	U.S. Military	Workplace	Women's
Shell Oil Company								X	
Weyerhaeuser Company								X	
Medical Foundation (Anon.)								X	
Dow Agro-Sciences								X	X
PERA of Colorado								X	
Kemper Insurance Company								X	
ITT Canon								X	
The University of Tennessee								X	
US Postal Service								X	
VA Retirement System								X	
Graduate Schools, USSA								X	
United Parcel Service								X	
Insurance Co. (Anon.)								X	
Southwest Chemical Co.								X	
Financial Education, Inc.								X	
US Air Force Air Combat Command							X		
Navy Family Services							X		
USMC – California CES			X				X		
Army Community Service Center							X		

We were especially alert to finding examples of financial education programs that target and help emerging populations. Such populations are those in transition and those rising from disadvantaged financial or social circumstances. The increasingly popular Individual Development Accounts have proved promising in reaching some emerging populations because financial literacy education is embedded in these programs as a requirement for all account holders.

Individual Development Accounts (IDAs)

IDAs are special, restricted savings accounts that are designed to help people build assets for increased self-sufficiency and long-term financial security. Account holders receive matching funds as they save for homeownership and home remodeling, education, small business capitalization or, in some cases, retirement investment financial products. Funding for IDAs can come from public, nonprofit, and/or private sources.

"I've been in the program for a year, and I took the financial literacy course, and I also took the matched fund where you can save up to $600 a year and be matched by $600 a year for the next three years."

Some community- and faith-based IDA programs have been organized to help emerging populations understand basic banking services in the U.S. We talked to sponsors of IDA programs that specialize in preparing renters to become future homeowners.

"…I also joined the financial literacy program and matched funds, and I'm here hoping I can get me a home, a prefab home in the future."

Others help community and emerging populations find jobs, start small businesses, or finish high school and apply to college. All IDA programs emphasize basic budgeting, reducing debt, accumulating savings, and setting and achieving financial goals.

"…when you start seeing [your savings] grow, that's when you get the joy out of it, you know, knowing that you're not touching it but it's growing…"

"…they showed me, I will call it, the other side of the world."

Sherraden[3] suggests that savings and asset accumulation can be structured with built-in incentives for low-income people and that ownership of assets may have a wide range of positive psychological, social and economic impacts (in addition to deferred consumption). Previous results of empirical research proved these speculations to be true for people who were able to become homeowners. Homeownership bestows promised rewards, as homeowners have a significantly enhanced sense of personal and social status and an improved sense of well-being.[4]

IDAs have grown from three programs in 1996 to more than 200, and these programs are spreading. The Corporation for Enterprise Development (CFED) and the Center for Social Development (CSD) have partnered to implement a $16 million foundation-driven IDA program that combines a 14-site, 2000-account demonstration. CSD, which monitors the programs, has collected data that shows positive, if early, results of the IDA initiative.

"…they're enabling others to benefit themselves, you know, more financially. And I hope it stays around for a while because it has helped me a lot."

Other financial resources are emerging for IDA-matched funds. In October 1998, the Assets for Independence Act (AFIA)—a five-year, $125 million, federal IDA demonstration—was signed into law. The Savings for Working Families Act is presently under consideration in Congress. According to sponsor Sen. Joseph Lieberman of Connecticut, the act "will allow IDAs to be established at any interested federally insured financial institution in the nation by providing government subsidized matching funds."

States are beginning to allocate resources as part of their welfare-to-work activities, and financial institutions, particularly commercial banks and credit unions, are becoming active in IDA initiatives as well.

Confidence, Gender, and Age

The ability to assess accurately one's own decision-making performance is an important financial literacy skill—but one not yet addressed in financial literacy education programs. Researchers have argued that individuals tend to make performance estimates that are systematically biased in their own favor.[5] It is estimated that overconfidence in financial decision-making costs consumers millions of dollars each year. The difficulty individuals encounter in accurately assessing the quality of their decision-making performance has been referred to in psychological literature as the *overconfidence effect*.[6]

Such overconfidence in financial decision-making may account, say these researchers, for the financial problems some people experience in being unable (or unwilling) to set realistic credit limitations and financial goals for themselves. Some participants in a workplace financial education program learned how much they didn't know and how unprepared they were for the comfortable future retirement they envisioned.

> *"My background is an MBA in finance, so of course, I thought I knew quite a bit prior to walking in there."*

> *"…I thought I was very knowledgeable and I actually thought the workshop would add very little, but I decided to go… just to see if it would help out."*

Our workplace interviews, however, revealed only a few instances of overconfidence. Some participants told us they were relieved to learn they "had been on the right track in planning their finances." One worker put it this way:

> *"You find out you're okay, or you're not okay. If you're okay, you feel better and you're a productive employee and you're focused, and you're focused on getting your job done. If you're not okay, you know why…and you've got the plan and you can do something about it."*

Recent research suggests an important disparity between the confidence and knowledge levels of men and women on financial topics. Webster and Ellis[7] examined self-confidence toward financial analysis on the part of both men and women, and on all measures used, women expressed lower self-confidence in their ability to perform the analysis. In financial knowledge, too, a 1997 study of sex differences found that men report more subjective and real financial knowledge than women, affirming earlier research results reporting such differences.[8]

A personal investment literacy survey conducted by Volpe, et al,[9] among college students assessed their knowledge of personal investment and the relationship between the level of investment literacy and gender, academic discipline, and experience. Consistent with other studies, the researchers found statistically significant evidence that female students are less knowledgeable about investing than are male students, and they called for the issue to be addressed. Goldsmith and Goldsmith[10] also compared men and women on two concepts, self-perceived knowledge (what one thinks one knows about some topic) and actual knowledge of a topic. A survey of 457 students showed that the men claimed to know more about financial investments than the women, and they also scored higher than women on a test of real investment knowledge. Given the increasing attention to financial education for women, we predict this gap will soon close.

Women's Programs

We explored 15 programs that began to target women specifically in the mid- to late-1990s. Three began in the 1980s, with the earliest known beginning date being 1985. Half of the programs are run by women-oriented organizations, such as a center for women, while the remaining ones are other community-based programs, the Cooperative Extension Service, and a workplace program. In addition, we talked with the organizers of women's financial literacy conferences, ranging from one-day programs to those running for several days. Several program sponsors noted a need to have a separate program for women to create a more comfortable or safe environment.

> *"…women's workshop was one of the most open forums, because it was 'all girls'…"*

One sponsor stated that men are in "positions of power," and women are more hesitant to ask questions and less likely to learn effectively when men are present. When organizing investment clubs, she found that women were more likely to remain or take an active role if the club included only women. One participant in the Women's Financial Information Program out of Rutger's Cooperative Extension wanted to attend the program because it was "*geared towards women*."

Other reasons for targeting women separately from men revolved around the vulnerability of women facing welfare-to-work legislative changes, divorce, retirement, and child-care responsibilities.

> *"Most married women are kind of taken care of, although it's a different world now. Women don't know about the financial world…"*

Women live longer, on average, than men, have more sporadic full-time work histories because of child-bearing and rearing responsibilities, and still earn less on the dollar compared to men. Only 58 percent of baby-boom women, born between 1946 and 1964, have full-time, year-round jobs, compared with 77 percent of baby-boom men.[11] Child-care responsibilities decrease the number of hours women work per year and increase the likelihood of working part-time, thus limiting returns in Social Security and increasing the likelihood of being dependent on one's spouse.

Age

In measuring confidence, researchers did not discover differences between a sample of older and younger decision-makers. However, a measure to validate the overall efficacy of training sessions related to financial planning for retirement revealed that trainees were significantly more knowledgeable about the subject than individuals who had not received training. This also provided empirical support for the effectiveness of the training program.[12]

Pre-retirement financial education programs have traditionally been offered at many companies for employees 60 years and older, or those within a few years of retirement. With the growing popularity of 401(k) type retirement savings programs—and the recognized need to start early to achieve a financially secure retirement—many program planners are designing specific courses to attract younger employees. The programs address the financial concerns of an employee's current stage of life and emphasize the need to be proactive in accumulating savings and planning for future life stages.

One company in our sample offers three programs to employees, roughly by age group: one to employees under age 40; another to those 40-50; and a third to employees 50 years and older. In general, people who have access to education are more likely to be productive in later life. So many studies have found this to be true that the concept is beyond question. As personal financial knowledge and skill levels increase, people are also more likely to enter later life in better health and with greater potential for late-life productivity.

Home-Buyer Education and Financial Literacy

First among the goals of most American renters is that of homeownership, and we also found this to be the number one goal of people seeking community-based financial literacy education courses.

> *"I'm really concentrated on being a first-time homebuyer, because my immediate family never owned their home, and I want to take the initiative and buy me a home and put my family into that. That's basically what I'm really focusing on."*

Sixteen of the programs surveyed were developed as home-buyer education programs. Many of the longest running home-buyer programs were developed by state housing agencies concerned about levels of home-buying and mortgage financing knowledge, as well as the general money management savvy of families participating in state-subsidized mortgage loan programs.

Commercial lenders, realtors and others in the industry, as well as nonprofit affordable housing organizations, view home-buyer education programs as an important tool for preparing the public, especially lower income individuals and families, for attaining their dream of homeownership. Most programs include a completion certificate, which provides a discount or down-payment assistance allowance for the graduating participant. Many programs are well established and educate thousands of prospective home buyers each year. (One program reported reaching approximately 17,000 individuals during 1999.) The programs offer consistency both in curriculum as well as in training, as volunteers and staff alike are certified by the program sponsor.

The motivation to own a home is so strong that the home-buyer education format offers the opportunity to reach many individuals and families with important information about their financial habits—the importance of saving, maintaining good credit records, budgeting and planning for the future. The information has implications for long-term financial and personal well-being beyond the single issue of homeownership. Many home-buyer programs offer one-on-one counseling services, which reinforce learning and provide extra support to persons in crisis.

Home-buyer education is also embedded in asset-building programs such as IDAs and programs for new Americans and emerging populations. Twenty-two of the financial literacy education programs surveyed had a homeownership link. Such linkages between financial literacy and homeownership are critical to the financial well-being of most Americans.

The first link is an awareness, supported by research, that financial self-sufficiency for individuals and families includes homeownership. *When homeownership is not present as the cornerstone of financial preparedness for life in retirement, the chance of poverty in later life, particularly for women, increases significantly.*[13]

The second link, and related imperative, between financial literacy and homeownership occurs when the home-buying process is seen as unfamiliar, even formidable, or when homeownership is seen as unattainable among renting populations. *Financial literacy education is the only remedy available to those populations.*

The third link between financial literacy and homeownership holds the promise of both increased homeownership and increased quality of life. The conventional wisdom about homeownership and increased well-being is supported by empirical research.[14] Homeowners feel “more middle class” than do renters, and they experience significantly higher feelings of family satisfaction. They are more satisfied with leisure activities, their financial circumstances, and their social status. Homeowners, in general, are significantly happier than renters.

Several interviews, however, revealed how difficult buying an affordable home can be, despite having attended a home-buyer’s education program:

"Yes, the class helps us to understand what to do to buy a house. Before that we did not have all the pertaining information. When you go to class you learn what to do…"

"But one thing, finding a house is not easy. Taking the class is one thing, but finding a home [you can afford] is another."

Characteristics of Program Participants Interviewed

We spoke with 78 program participants from across the nation, people who had attended courses ranging from a one-hour banking basics seminar to a one-year personal financial management course sponsored by a faith-based organization. The programs were delivered in varied settings and ranged in size from a group of only five to a class of 80. Fifty-seven of those interviewed were women and 21 were men. Approximately 40 percent were under age 45, and 60 percent were 45 and older. Thirty-three participants were Caucasian, 29 were Black or African American, 12 were Latino, and four were Asian. Ten had no high school diploma, 18 were high school graduates, and 50 had attended college or had earned college degrees. Six held postgraduate degrees.

The participants were reached through mailed surveys, telephone interviews, and focus groups conducted in-person and over the phone. The focus groups each ran approximately one hour, while the individual telephone interviews lasted 20-30 minutes. The questions focused on participants' motivations for attending and completing the financial education program, their experiences with the program and sponsoring organization, and their financial behaviors and attitudes toward money since taking the program. Most of the participants had completed the course within the past few months to a year. One group had completed a home-buyer education program on the day of the interview.

In each case, the sample of participants was provided by the sponsoring organization. Time constraints prevented multiple interviews with random samples from each of the programs in the case study. Consequently, the 78 individuals interviewed should not be considered representative of the overall population of program participants, nor should their attitudes, behaviors and opinions be considered typical of all such programs. Their responses to our questions, their evaluations and their contributions to the discussion are nevertheless valuable because they provide insights into the thoughts and opinions of personal financial education participants. One participant revealed how an effective program reached out:

"It [the course] eliminated a lot of fear, the dread, in that it's not a real rosy picture, your imagination is always worse than the reality of what you imagine how bad it's going to be."

Participants also describe the challenges they face as they attempt to put into practice the knowledge gained:

> *"I have put aside some money…[My] kid is growing up, so we cannot be sharing the same room…I must get my own place. If the market continues to climb, I will not be able to buy. I have no help. The class was good, but after the class you are on the road by yourself."*

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CHAPTER THREE
EFFECTIVE PERSONAL FINANCIAL LITERACY EDUCATION

Godwin[1] notes that when families and individuals fail to manage their finances effectively, it is because they lack the knowledge or skills to do so. Devlin also asserts that there is a direct association between financial information or knowledge and financial behavior. These researchers assume that money is devoid of any "feeling content" that could interfere with or mediate the translation of financial knowledge into financial action.[2]

Other research indicates that *attitudes*, in addition to knowledge or skills, have a substantial influence on financial management practices.[3] We have seen strong evidence in this study that effective personal financial literacy education, while transferring financial knowledge and skills, can also change attitudes—*if it can succeed in raising the level of the learner's feeling of self-efficacy*.

When Is an Individual Financially Literate?

A financially literate individual understands his or her relationship to money (e.g., the need for financial security, tolerance for risk) and can read about, discuss and communicate regarding personal financial issues. She possesses knowledge of banking and credit, practices money management, understands the need for protection against unforeseen emergencies, plans for major life events, and saves and invests for the future. A financially literate individual is a lifelong learner who applies that learning to new financial situations. He knows how and where to find information to make effective personal financial choices. The distinguishing characteristic of such a person is *self-efficacy*—the sense that "I can do this!" and "I want to do this!"—in pursuit of what he or she believes are *attainable goals*.

What Motivates People to Participate in Financial Literacy Education?

The problem with most motivation theories is that they are already biased toward the ideological commitment of a sponsoring organization or predisposed toward certain socioeconomic groups. Since there is no empirical study of what motivates people to attend financial literacy education offerings, it is only possible to speculate about their motives from listening to participants themselves.

During our interviews with participants, we wanted to discover if, like most adult learners, they exhibit a diversity of attitudes, values, needs, interests and desires—and, if so, whether these attributes had been conditioned by socioeconomic and educational background, the availability of opportunity, and the setting in which the program was offered. In community and faith-based locations, we spoke with predominately low-income persons whose desire for homeownership readiness was the leading motivator for financial education. In two workplace settings, participants were more affluent, and the desire for retirement readiness was the chief reason given for having enrolled in courses.

Participants reported that they were motivated to undertake financial education for a number of other reasons as well. Most had experienced a life event for which they felt unprepared—divorce, career change, or education expense. Others reported a desire to become financially aware and empowered, and still others indicated that credit problems or a financial crisis had prompted them to take advantage of the education.

When asked why their friends, co-workers, family members or others might not have taken similar courses, participants suggested multiple reasons:

- Women they know feel financially taken care of by their husbands.
- Other people think they are too busy.
- Classes are not offered at a convenient place and time.
- Finance is too complicated a topic.
- Some people they know just procrastinate.

In the *Inner American*,[4] a study of primary values, the authors report that security was found to be the second most frequently selected primary value. The 20.6 percent of the sample that selected security tended to have jobs that gave them little complexity, prestige or pay—or they were retired. People who value security are generally those who earn low incomes. They live with a constant awareness of economic and existential uncertainty and worry about what the future may bring. They are concerned about life's potential for catastrophe.[5]

Do people who value security seek to become financially literate to allay such concerns? Although our inquiry was limited with respect to the number of participants with whom we talked and the time spent with each individual or group, we found little evidence that participants in general had been motivated to attend financial education offerings because of fear or worry about the future.

The exception occurred in one group of pre-retirees, some of whom felt unprepared to embark upon a new life stage without sufficient financial resources. But it is by no means certain that lack of money alone caused the greatest concern for these participants. The pre-retirees who felt most uncertain reported feeling greatly relieved and reassured when late-life employment or other enterprising ideas were presented to them. They were clearly just as concerned about having something productive to do as they were about having enough money to last throughout later life.

Education, Self-Efficacy, and Attainable Goals

Education determines access to occupation and income. Income, in turn, shapes access to one's residence, community, social contacts and activities. Financial education shapes the life course in other, extended ways by enhancing access to health care, credit, investment income, asset accumulation and asset protection.

In addition to education, the second predictor of productive activity is self-efficacy, or a person's belief in his or her ability to deal with different situations in a competent manner. Confidence in one's ability to do a thing successfully increases both the likelihood of undertaking it and the probability of success.[6]

Money attitudes are also related to the perception that money management is difficult. Eccles and Wigfield[7] assessed the relationship between achievement and self-perception, focusing on how people value achievement. Task value and perception of ability were positively related—but negatively correlated to perceptions of task difficulty. While these researchers studied adolescents, their results nevertheless supported earlier research findings that people generally value undertaking the tasks they feel most competent to accomplish.

Many experiments have shown that a positive sense of self-efficacy can be created in those who lack it. Three factors are important in making the shift, generally, to greater self-reliance[8]—and in the personal finance classroom, seminar or counseling program, these same factors can build or enhance self-efficacy in financial matters:

1. The opportunity to undertake a specific action that challenges one's sense of self-sufficiency *without* overwhelming it;

2. The presence of supportive and reassuring others; and

3. The experience of succeeding at something, with confirming feedback from others.

With respect to the first factor, having the *opportunity* to attend a financial education offering is primary. Next, it is important to heighten public awareness of the availability of financial literacy programs and to target outreach efforts during program planning.

Similarly we attach special significance to items two and three, which require the presence and confirming feedback of others during the course offerings themselves. These, we believe, are key to understanding the shortcomings of personal financial educational programs that impart information only.

"A main challenge has been how to best utilize time in actual classes. We need to be concrete but also spend time hand holding, constantly reinforcing and giving support…behavior change comes slowly."

Money Meanings, Culture, and Values in Financial Education

Money has an important subjective dimension. It is not merely a convenient medium of exchange, a psychologically neutral or empty object, but a highly complex symbol, having both concrete and abstract meanings. In her exploration of the psychology of money, Stefanie Sonnenberg asserts:

> *It [money] is associated with feelings of reverence, disgust, security, contentment, happiness, envy, guilt, anger, power, independence; and in fact, it is associated with just about every emotion that humans are capable of experiencing. Money may be used to bolster self-esteem, to manipulate others, or to impress and dominate.*[9]

The meanings attributed to money and cultural differences regarding money, monetary attitudes and money usage have an immense impact on people's feelings, and these feelings are too prevalent to be neglected in discussions of financial literacy.[10] They must be considered in creating and delivering personal financial education.

Money usage is value-laden. Budgeting decisions, daily money choices, savings behavior and attitudes toward money are at least partly informed by values that stem from one's ethnic group, educational level, class background, income status, and gender.

Low-income women have been criticized for making poor choices in their spending decisions, such as subscribing to cable television. These mothers, however, may view cable television as an effective way to keep children off the street and out of harm's way. In such situations, judgments may be formed about spending decisions or credit experiences without an understanding of the reasons behind the choices.

> *"I'm paying a debt for my daughter…they have ruined my credit… I'm learning, you know, to stop helping people and help myself."*
>
> *"I've raised three of my sister's kids, because they just wasn't doing the right thing that they was supposed to have been doing…"*

Financial educators can create classroom experiences that build feelings of self-efficacy by encouraging open discussion of values and how cultural values, in particular, underlie money choices. Such discussions challenge participants to confront money decisions within their own cultural framework, which may differ from the educator's.

Family and community systems also vary where money is concerned. Some systems incorporate open communication and pooled resources, while others are hierarchically ordered or individualistic. One sponsor felt that the financial education program had not been successful and gave this as the reason:

> *"There are cultural differences with this Native American population, which has a different understanding of money…it is not 'yours,' but belongs to the family and the extended family. Saving money for personal needs is a difficult concept to teach."*

The definition of family may range from the nuclear unit to extended family members, and definitions of wealth do not hold across cultures. These and other differences alter financial goals and the way in which they are pursued.

DollarWorks, a University of Minnesota CES program, and *Making Your Money Work,* by Purdue University's Extension Service, are two curricula that incorporated, during design and implementation stages, participants' experiences and their community's cultural perspectives. The Extension Planning Committee in Minnesota worked with a 20-member advisory team, while Purdue's Extension wrote multiple revisions of the program based on participants' comments and evaluations. As a result, the programs are designed to discuss and analyze the value systems of both the participant and instructor.

The process was neither simple nor expedient, but the resulting curricula are flexible enough to accommodate differences among cultures, family structures and locale. Both programs are designed for lower income participants and are not applicable to all audiences. As one program sponsor observed:

> *"What works for college-educated white women will not work for subsistence level immigrants."*

All immigrant populations are initially unfamiliar with the financial system in the United States, but the kind of financial information they need may differ across ethnic communities and geographic locations. Some populations deal with cash and lack access to and knowledge about banking and credit, while others have support systems that teach basic banking. It is clear that the challenges and strengths that characterize one immigrant community will not necessarily characterize another.

Our interviews with Vietnamese participants revealed that in their native culture, money is saved readily and a down payment of 20 percent to 40 percent is not unusual when one purchases a home:

> *"Saving and having a home are the concepts [already] most valuable in our culture."*

The experiences of participants from other cultures can reflect altogether different priorities. We learned from Haitian participants, for example, that within their community, rather than saving individually, it was customary to pool money in a "su-su," or a community fund.

> *"The class…gave me an idea of how terrible it can be when you don't have the right information…you don't pay attention to how you manage your [own] credit."*

One Asian community-based sponsor in California told us that members of some ethnic groups simply refuse to discuss their money affairs. Other groups are more open about their financial successes and troubles. Overall, cultural sensitivity requires more than including ethnic groups in illustrations or believing that financial literacy terms are "culturally neutral" because ethnicity is not mentioned. It requires an exploration of values that may otherwise pass unnoticed; a continuous discussion with participants, organizers and community members; and a willingness to remain open to and creative in teaching methods and approaches to personal financial education.

Life Choices for Emerging Populations

Emerging populations are those in transition or those rising from disadvantaged financial or social circumstances. Our interviews included program participants from low-income African American, Latino, disabled and new American (immigrant) populations. We spoke with young, first-time home buyers and persons in transition through various life disruptions. We talked with grandmothers struggling to raise their children's children. We learned about elderly people in need of personal financial education that underscores sustainable homeownership and resource management skills in later life. Participants told us of some of their life-changing classroom experiences:

> *" . . . just listening to the lady from consumer credit counseling talk, that gave me the courage to face the creditors on Monday."*

> *"That's what I got, that budgeting . . . looking at what I spend and what I should do, what I could live with and what I could live without. And you'd be real surprised what you can live without."*

> *"I'm going to go one step further, though, at the age of 53. I'm going to go to college, which is something I've always wanted to do . . . and I would like to get at least a two-year degree."*

Attitude Changes and Action Steps

Learning can establish internal states that influence the learner's choice of personal action. In financial literacy education, learning is geared toward influencing action that, it is hoped, will improve the material well-being of the learner. Unless a person actually saves and invests following a course in savings and investment, for example, it can be argued that little or no learning has occurred. Furthermore, some researchers suggest that in financial education, the learning process must change attitudes before action can be expected to follow. From interviews of participants in this study, we learned that financial literacy education does indeed change attitudes:

> *". . . My thoughts on money are so different now. I have to invest my dollars. You know, I have to use them wisely. I used to think . . . that if you went to work and made money you could buy the things that you wanted. Today I don't."*

Virtually all participants interviewed reported that financial education changed their views about how much time and effort must be spent in learning, and they felt that courses, seminars and counseling—of whatever length—were "not long enough." If a course had been offered for one year, participants thought it should continue for two, even three years. If a seminar lasted a day, participants wanted it to last for two days.

> *"You have to invest in financial literacy . . . I call it a journey."*

> *"You know, a lot of people learn about financial literacy. You see, when you know better, you do better, and if you don't know, then you can't do any better."*

There is, perhaps, no better illustration of action taken through financial education than the results reported by Dr. Barbara O'Neill for New Jersey CES program participants in Money 2000. According to progress reports that tracked personal savings and debt reduction through June 2000, New Jersey participants saved $3,654,121 and reduced personal debt by $2,155,914 for a combined improvement in their financial well-being of $5,810,035. (More information on Money 2000 follows in the case study at the end of Chapter Five.)

Effective Strategies and Notable Practices in U.S. Financial Literacy Education Programs

There has been no prior systematic effort to study the emergence and evolution of financial literacy education nationwide, although personal financial educators have devoted increasing research attention and resources to the *effectiveness* of such programs. Their evaluative research has focused particularly on workplace financial education. We are unaware of any comparative research devoted to the organizational phases undertaken by financial literacy educators. Most new program planners either contact existing programs or create new ones, without the benefit of an outside point of reference.

Because the field lacks cohesively researched information, new program planners are often unaware of their options and choices. Many make uninformed choices that commit them to a certain philosophy or pedagogical structure. With no standardized criteria and language, it is difficult to compare and choose among model programs. At conferences and workshops, moreover, program representatives may not present a balanced view of their experiences, emphasizing only the positive aspects of the institutional growth process without identifying the difficulties and obstacles.

Program Challenges

We asked program leaders and managers to identify challenges they faced during the design, implementation and operations stages of their programs. The majority of serious challenges reported fell into one or more of three categories:

1. having inadequate resources to design, evaluate, revise, or expand programs;
2. inexperience in socio-cultural aspects of program design, marketing and evaluation;
3. the need to attract or expand programs to reach many more participants than they presently do.

What emerged from these discussions, and our analyses, were solutions found by certain program managers to many of the challenges articulated by those who reported having difficulties.

Building on the literature and our analyses of information obtained from program managers and participants, we offer what we believe to be the most effective strategies and practices in the field to date.

Seven Elements of an Effective Financial Literacy Education Program

These seven dimensions have been present in the financial literacy education programs we found most effective: (1) unambiguous mission and purpose; (2) targeted outreach; (3) adequate staffing and administration; (4) successful evaluation and follow-up; (5) program accessibility; (6) relevant curriculum; and (7) dynamic partnering.

1. Unambiguous Mission and Purpose

An organization's mission shapes its identity and gives the organization its direction. First and foremost, a well-defined mission serves as a unifying force—a touchstone. Within successful financial education programs, a clearly articulated mission identifies the program's scope of operations and reflects its values and priorities. The mission serves as a guide in making consistent decisions and helps determine and integrate short- and long-term program goals. An unambiguous statement of mission helps program planners and managers target their audience and sets both the tone and format of their operations. The more focused and explicit the mission, the more effective the program is likely to be.

Clearly defined mission statements helped many of the surveyed programs plan and succeed. In the military programs, missions are clear and two-fold: to improve the financial well-being of service members and to improve the effectiveness of the organization. This compelling purpose has led several branches of the military to develop mandatory education programs with evaluation systems to monitor how well the mission is being fulfilled. The mission statements of many of the faith-based organizations we studied incorporate a spiritual commitment that is embraced by program planners. They, in turn, integrate faith-oriented values into their curricula. In each case, the statement of mission informs the planning and development of the program and reflects the organization's motivation in creating and offering financial literacy education.

Of the programs we studied, motivations for an organization to begin financial literacy education programs fell into four categories. Some programs, illustrated especially by home-buyer education, IDA and workplace financial programs, encompassed all three:

a. **The empowerment of others**.
Educators in faith-based organizations whose main purpose involves helping people acquire tangible assets—saving for a home, a business or education—often cited empowerment as a motivation for their financial literacy programs. Empowerment was also the overarching motivation for IDA programs and women's programs.

b. **The need or desire to help people get (and stay) out of financial trouble**.
Military programs exemplify those started to help people—in this case, enlisted personnel and their families—avoid or get out of financial difficulty. Family financial problems and household debt are listed as top causes of soldier stress.[11] According to one program manager, the typical soldier lacks the basic financial management skills to make the informed decisions required in today's complex world. U.S. Army and Navy financial literacy education offerings are now mandatory for all enlisted persons and are a regular feature of "boot camp" training.

c. **The requirement from an outside authority or program to comply with a regulation or rule.**
Financial literacy education is frequently a requirement of another program or authority—for example, home-buyer education, IDA programs, and the Employee Retirement Income Security Act (ERISA) require employers to assume some fiduciary responsibility to their employees. Likewise, the Community Reinvestment Act (CRA) requires banks to reinvest in the communities in which they operate.

d. **The desire to meet an organizational goal.**
Organizations may embark on financial education programs, because in doing so, some internal goal is satisfied. For the Military, providing personal financial management education increased military readiness by addressing financial difficulties experienced by service members. Likewise, employers may be motivated to offer financial education, because it has the potential to increase employee satisfaction and/or productivity, and therefore, ultimately benefits the firm. Faith-based organizations too, may have an interest in offering financial education insofar as it can improve members' stewardship.

Whatever the motivation for undertaking a financial literacy education program, we found that most program managers perceive financial education as *both* an end in itself and a means to other ends. They believe that benefits of understanding personal finance are so numerous and the lack of understanding so potentially anxiety-laden that personal financial savvy should be the first goal of their program. It can then serve as a means to pursue successfully those other goals that often underlie the purpose of the program itself—successful retirement, homeownership, even the ownership of one's own business. We found that program managers design the most effective financial education programs when they keep all of the following objectives in mind:

1. To impart clear financial information—not in the abstract, but within real-life contexts.
2. To teach introspection about making financial choices: Are they consistent with personal goals and values?
3. To strengthen decision-making ability and teach students how to set priorities.
4. To strengthen resourcefulness—how and where to find needed information, people and organizations on one's own.
5. To provide support and affirmation to students throughout the education process.

2. Targeted Outreach

Organizations that use creative recruitment techniques tend to be flexible, market driven and knowledgeable about their target audience. Because the need for financial literacy training is apparent in many underserved settings, formal needs assessments are seldom conducted. The characteristics of the target population must be well known, however, for education or counseling to be effective.

Targeted populations in our study ranged from young workers to middle-age workers whose employers aimed to increase 401(k) participation to groups responding to home-buyer education and counseling. Special populations included women, Native Americans, and new Americans, among others. One CES educator commented that the culture of poverty and Native American culture are not the same:

> *"When you live around low-income people, you want to blame poverty on culture rather than lack of financial literacy…but when people have had little, if any, financial education, it is a learning failure, not a cultural failure."*

Few respondents to our interviews reported any need to justify their programs because program benefits appeared to be obvious. Financial education programs were generally organized as a response to a widely perceived community need based on direct experience with community members—those with poor credit, women seeking advice about divorce, immigrants needing help with banking or learning how to buy a home.

With the exception of the U.S. military, where financial literacy education is now mandated, program participants must be recruited to attend financial literacy educational programs and offerings. This dimension illuminates people's readiness and motivation to respond to program outreach initiatives.

3. Adequate Staffing and Administration

Many organizations we interviewed experience difficulty with staffing and administration because of inadequately funded budgets. Administrative staff, overhead, curriculum development and teaching costs make up the largest portions of program expenditures. The key for many programs lies in the utilization of trained community volunteers. Effective financial literacy education programs have the following traits:

- The ability to recruit and train qualified teachers;
- Adequate funding or contributed resources for operations, not just materials or marketing;
- The availability of qualified staff and/or teaching volunteers, when and as needed;
- The ability to recruit staff with the necessary language and cultural know-how; and
- Skills that match the mission.

4. Successful Evaluation and Follow-Up

Historically, evaluation stops when educators discover how participants feel about the program presented and what they have learned. In most organizations today, however, financial education is being scrutinized to determine its worth. Successful evaluation, in fact, involves not just the extent to which program managers and educators believe participants benefit from programs—or even the opinions of participants themselves—but evidence that value is added to the sponsoring organization by virtue of having offered the educational program. Furthermore, many sponsors want hard evidence (return on invested capital) rather than soft evidence (appreciation and good will).

This is a tall order, but one that creativity, determination, time and resources can fill. Having evaluation tools is important and necessary as a first step. Using them to improve and upgrade course offerings is vital to the program's long-term success, since effective programs are flexible enough to be able to change direction, even curriculum, when evaluations signal that such changes will add to the value of a course or program.

In addition, effective programs contain the following evaluation procedural components:

- Evaluation and measurement begins even before education starts, since baseline information is needed to determine learning impact.
- Measurement objectives are commensurate with program philosophy—the program sponsor knows why and to what extent it is worthwhile to commit program resources to scrutinize and evaluate learning impact.
- From the outset, research and education principles are combined to ensure that the measurement system correctly identifies what issues are being evaluated and why.
- Within six months after program completion, a formal survey or other follow-up inquiry further assesses learning impact and informs continued program effectiveness.
- A database has been created and is being maintained to contact participants and track their progress.
- A program evaluation model has been constructed to provide a framework in which educational outcomes can be measured and, when desired, the results can be translated into dollars.
- A method of communication is in place that can be used to: (1) demonstrate the value of the financial education program to superiors or colleagues, (2) compete effectively for resources, or (3) make improvements and changes to the program.

As with a financial education offering itself, there is no one framework that can be used to measure educational outcomes for all organizations across all social sectors. What is measured depends on an organization's philosophy, needs, and program scope. In general, however, the most effective programs we surveyed are participant-centered and driven by the desire of a sponsoring organization to empower learners—or to comply with a financial literacy requirement of a larger program that is designed to empower participants. They generally measure the criteria listed below:

***Immediate Program Response* – reaction to the education itself**

1. Were learning materials and program design appropriate, interesting and immediately useful?
2. Was the instructor knowledgeable, helpful and motivating?

***Follow-Up Action* – application of what was taught**

1. Are participants applying newly learned skills or implementing learning objectives? Are they saving, investing, budgeting, and planning for retirement?
2. Are their new practices helpful and having a positive impact in their lives?
3. Are they experiencing new challenges that signal a need for more financial education?

Many organizations—primarily workplace financial educators—seek business-centered results of personal financial education, in addition to participant-centered results. Appropriate pre- and post-educational measurements can be designed to demonstrate links between increased employee well-being, positive financial impact for the organization, and impact on broader organizational goals.

***Follow-Up Measures* – assessment of organizational impact**

1. Are external and internal variables that could affect results factored out of measures?
2. Are program managers and supervisors willing to rely to a large extent on the collection and analyses of subjective (self-reported) data?
3. Have participants agreed to supply information about their finances to the organization? Do they think the organization's interest in their pre- and post-financial educational affairs is an invasion of their privacy?

5. Program Accessibility

Decisions regarding the scale of a program relate directly to time frame, scope of curriculum, geographic and community program delivery locations, and program duration. When scheduling courses or counseling, effective programs take these factors into consideration because program accessibility is vital in targeting and recruiting appropriate populations and encouraging course attendance. Program administrators are also aware of the need to make special accommodations for the following:

- Child care
- Transportation
- Fees, if any
- Scheduling of courses
  - Days, times and frequency of offerings
  - Length and number of sessions
- Location of course offerings

These requirements are often resolved by virtue of the type of financial literacy program offered. Of the programs we examined, workplace financial education offerings are usually the most accommodating because accessibility has already been determined when an employer permits time off or arranges lunchtime programs for employees. Effective faith-based and community program managers are more likely to need to be imaginative when planning program accessibility.

One particularly effective bank program in Los Angeles sponsors and teaches lunchtime classes at the site of a community adult education center. Adult Latino students—who are already enrolled in English, job training and high school equivalency programs at the center—are recruited to learn basic banking principles as well.

6. Relevant Curriculum

As financial literacy educators understand, the successful transfer of basic personal financial knowledge is a critical first step, but knowledge alone does motivate action. These educators know they must also influence the learner to take personal action. It can be argued that little or no learning has occurred unless a person actually saves and invests following a course that teaches savings and investment. To ascertain whether learners have been influenced to take action, educators must follow up after completion of a course to learn what, if any, action was taken—or programs must have embedded activities (e.g., open a bank account, begin to accumulate funds for a down payment on a home, solve a case study that teaches life-enhancing financial skills to be used at home).

Effective financial literacy education programs and instructors, therefore, seek to transfer relevant knowledge and skills, train learners to solve problems, use knowledge effectively, and motivate and track action. Adapted from Knowles,[12] the most effective financial education programs are organized around the following observed learning principles:

1. *Program participants must know "what's in it for me?"* They want to know why they need to learn something before they undertake a course of study to learn it. Consequently, in financial literacy education as well as in adult education, program managers and learning facilitators must help participants become aware of their "need to know."

2. *Program participants have to feel in charge of their decisions and their lives.* As people mature, they move from dependency toward self-direction. In financial literacy education, participants must be helped to see that the program is not being imposed on them. If they think it is, they may resist the learning opportunity or drop out of programs and courses altogether.

3. *Program participants look for life relevance.* Adult learners tend to be goal-oriented. They are usually more interested in practical application than theoretical discourse. They want to apply what they learn.

4. *Program participants will use past experiences, including negative experiences as a platform for new learning*. As people mature, they gain a good deal of experience by which they identify themselves. Since their self-esteem is on the line when they participate in financial literacy programs, new information must fit into their frame of reference.

5. *Program participants learn by being actively engaged in financial literacy learning programs, not by passive receipt of information.* They learn best by participating in activities, discussion, reading, experimentation, reflection and discovery.

6. *The "how to" approach to learning is most successful with program participants.* Financial literacy learning is most effective when organized around real-life tasks, such as (a) how much in savings you will need to retire; (b) how to buy a home; or (c) how to reconcile your bank account.

Effective financial education programs employ these, or a variation of these principles, in creating curriculum and planning courses. In addition, the curriculum must:

- Be culturally correct, relevant, and attractive;
- Meet the literacy needs of participants;
- Be sensitive and relevant to socioeconomic constraints of participants;
- Be responsive to women's particular needs, if appropriate; and
- Be age savvy.

7. Dynamic Partnering

Effective programs do not hesitate to enlist the help of partners to accomplish whatever is required. Dynamic partnering refers to the practice of two-way service and sharing. For example, a commercial bank or mortgage banker can be a good community partner, provide help with curriculum design, find committed teachers, and post notices of financial literacy courses.

In return, as a result of having participated in financial literacy educational offerings, course participants may look to the bank or mortgage banker to provide banking or mortgage financing services. Many of the organizations in our study partner with the Cooperative Extension Service (CES), community-based financial institutions, third-party educators, community colleges, and other compatible organizations.

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CHAPTER FOUR
WORKPLACE FINANCIAL EDUCATION

The trend of business and other organizations to provide personal finance employee education is encouraged by the U.S. Department of Labor and, more recently, by the U.S. Treasury Department's National Partners for Financial Empowerment (NPFE). NPFE aims to provide a forum for private-sector companies to come together with federal participation to bolster and greatly expand financial education in the workforce. In addition, workplace financial education offers a robust and growing literature, much to the credit of the National Institute for Personal Finance Employee Education (NIPFEE), located at Virginia Polytechnic Institute and State University (Virginia Tech).

Jacqueline M. Quinn wrote, "There's a trend afoot in the corporate benefit arena. Financial education, once a benefit afforded only those in plum executive levels, is moving mainstream."[1] For employers, the main motivating factors have been related to their 401(k) plans: increase participation, increase contribution levels as a percentage of salary, comply with the regulations defined under Section 404(c) of ERISA (the Employee Retirement Income Security Act), and avoid potential liability for any losses.

Employers who provide workplace financial education are realizing other advantages as well. Virginia Tech professor and executive director of the NIPFEE, Tom Garman, has noted that a company's best workers are typically those who feel in control of their personal finances, and this translates into increased employee productivity.[2]

Employers also are finding that financial education may be an effective tool for attracting and retaining valued workers in today's tight labor market. In light of the growing competition for quality workers, David Wray, president of the Profit Sharing/401(k) Council of America (PSCA), points to "an emerging awareness" in corporate America that employee financial planning education can be a cost-effective way for employers to differentiate themselves in the workplace.[3]

There now exists an array of specialized vendors and financial professionals—accounting firms, brokerage firms, banks, insurance companies, 401(k) providers, and third-party education companies—that offer educational programs in personal finance to corporations. Education providers, many with products and/or services to sell, have identified a new market, and financial literacy education is beginning to play a significant role within the American workplace.

Overview of Participating Workplace Programs

We interviewed the program managers of 18 workplace financial education programs. The organizations and companies represent a wide variety of industries and services: insurance, high-tech, oil, timber and forest products, chemical manufacturing, education, mail and parcel delivery, and medical research and training. Four of the organizations (a labor union, two public-employee retirement associations, and a graduate school for government employees) serve large populations of employees.

All 18 organizations offer some form of financial education, and a majority of the respondents reported that these programs were "successful" and "viewed positively." However, the opinions of respondents were diverse regarding "reasons for success." For example, one respondent replied, *"high standards of leadership*" while another replied, "*people interaction."* Respondents spoke of how employee perceptions, even when inaccurate, affected program success:

- At one company, employees believed before actually taking the courses that if they attended the financial preparedness program, they were in line to be laid off.

- At another company, employees viewed the program less favorably when the course agenda was trimmed and "soft issues" were eliminated.

Most of the surveyed programs are positioned within benefits and/or human resources departments. They were designed to facilitate retirement preparation and to provide a greater understanding of company retirement benefits. Despite these similarities, the financial education programs vary significantly. In our sample, the number of employees participating annually ranged from 25 to 30,000; some organizations offer programs on a continual basis while others offer programs only once or twice a year.

With regard to program funding, most respondents reported receiving good support, while a few ran impressive programs on virtually no budget. One respondent was pleased to report—in view of the current budget-slashing environment within her company—that her recent request for a larger budget had been approved. As a result, she will be able to add a monthly, four-hour financial education program targeting younger employees, and will also be able to increase offerings to field locations. In contrast, those receiving little or no financial support (other than their own salaries) reported heavy reliance on their personal commitment, creativity and networking abilities to develop and implement their financial education programs.

Most organizations reported using guest speakers to augment their programs. All cover the topic of retirement planning, and 17 of the 18 programs cover 401(k) investing and personal saving and investing. Interestingly, 13 respondents consider their programs to be holistic in nature in that they discuss financial goals and financial planning in the context of plans and goals in other areas of life. Eight of the 18 programs surveyed address housing decisions and mortgage financing; 12 programs discuss health-care financing, and nine programs cover debt reduction and the use of credit.

Most respondents use a variety of methods for evaluating the benefits of their programs. All program managers reported using participation evaluation forms. All but two programs use enrollment numbers as a gauge of their program's success, while 12 utilize reports or measures of increased skills and knowledge.

When asked about "main challenges," most respondents cited some aspect of resource management:

- For some, the challenge was "time"—having enough time to cover all the material, time to reach all the employees, or time to keep content up-to-date.
- For others, the main challenge was finding good speakers who were not only content experts and skilled, engaging presenters but also willing to *volunteer* their time.
- Two of the respondents said that employee interest in attending courses was a challenge.

Workplace Program Study Findings

Inception

Eighteen workplace financial education programs were reviewed. The organizations we examined represented a variety of industries and services: insurance, hi-tech, oil, forest products, chemicals, education, medical research and training, and public service. One program was run by a union for its members in the automotive industry. Eight of the programs were initiated prior to 1990, and another eight were initiated in 1990 or later. Two respondents did not know when their programs were started, other than "years ago."

In accordance with this gradual emergence, there were a variety of conditions under which these programs were created. In about equal shares, programs are run under the umbrellas of benefits or human resources departments. In some situations, the programs were started in response to employee needs or requests. In other cases, reasons given were ERISA guidelines and direction by management. One program vendor we interviewed explained that, as a CPA, he recognized the need as well as a good business opportunity.

Needs Assessment

Only two workplace financial education programs emerged from a formal needs assessment. Nine were the result of an informal assessment process, and there is good evidence that experts in 401(k) investment and retirement planning were often breaking ground for a wider curriculum, sometimes assisted by outside vendors of training modules. Employees were consulted about the desirability of financial education programs, and two respondents specifically mentioned the solicitation of employee feedback.

Planning

In contrast with the needs assessment situation, workplace education planning efforts looked more organized. Sixteen companies described an internal planning process for structuring their financial education ventures. In two cases, a team planning approach was taken. In half of the cases studied, planners looked at programs and/or instructional materials used elsewhere as models for creating their programs. In some cases, outside nonprofit organizations knowledgeable in the field of retirement issues were consulted. The planning process involved employee surveys and pilot programs in two of the companies that we examined.

Purpose and Positioning

Retirement preparation remains the main purpose of workplace-based financial education, but these programs have evolved to acknowledge the impact of financial decisions made throughout adult life. Therefore, these programs are increasingly being made available to younger employees as well as those nearing retirement years. Four programs explicitly emphasize the inclusion of younger employees in “life planning.” This concept often embraces the notion of a more holistic approach to retirement planning—a consideration of needs and goals in all areas of life, not just financial security. In another case, the special interests of female employees formed part of the company’s agenda.

Financial education programs tend to be positioned within human resources or benefits departments. Some variations, of course, can be observed. For example, one program is under the jurisdiction of union leadership. In another instance, where a vendor provides training within the company, responsibility is shared between the organizations. Respondents indicated that, regardless of program positioning, a great deal of autonomy exists with respect to planning and implementing financial education programs.

Funding and Resources

Most financial education programs are funded through the departments in which they are located. One respondent operated her program on virtually no budget other than her own salary. Another respondent explained that the increased investment prompted by financially educated employees saved the company FICA contributions, which more than helped pay for the courses. In another example, employees contributed five cents from hourly wages for their training. While financial education sessions are generally free to employees, fees may be charged for follow-up counseling.

Speakers engaged for financial education seminars are often drawn from among experts in the community, and many do not charge for their services. Seven respondents mentioned the contributions of volunteers specifically. In the majority of cases, the programs meet no challenges from management and are seen as positive additions to human resources policies. Program leaders indicated in only two cases that their programs are strapped financially and lack upper-management support.

Scale, Participants, and Strategy

Workplace financial education programs come in many sizes. Three of those studied serve 25 to 50 participants annually, and three range from 200 to 300. However, a majority of programs are intended to reach many more employees. One program expects to reach 42,000 within two years. Within that reach, a large program may typically bring seminar sessions to about 1,000 participants each year. Most sessions will accommodate 25 to 40 employees, and more than half of all programs involve multisite operations.

Program Content, Pedagogy, and Delivery

Traditionally, workplace programs have focused mainly or even exclusively on retirement preparation, and this tradition is still central to most workplace financial education offerings. Course content, however, has been considerably expanded in many programs, and topics include a solid foundation in money management as well as insurance, credit, and financial goal setting. A growing number of programs incorporate whole life or holistic planning—including the financial aspects that surround major career and life events.

Instructors are often drawn from experts in financial planning, and partnering occurs with finance companies and seminar vendors. Apart from the traditional classroom or seminar setting, we found up-to-date technological tools in operation: instruction at computer workstations, videos, self-paced study, and e-mail follow-up. Routine or optional follow-up strategies include one-on-one counseling or subscriptions to financial planning newsletters.

Most workplace program content is thorough, and the time allocated to these programs is impressive. Only four programs studied are short, from two to six hours of instruction. Another four are 6 to 12 hours long, and eight programs extend 14 to 23 hours. Many of the companies reviewed allow their employees to attend programs on company time.

By-Products

By-products generated by workplace programs include a separate course for retirees; spin-off programs for employees; and videos, publications, and exhibits which have received numerous awards and acknowledgments. Two program leaders for one company have frequently received invitations to talk about their program in other venues.

Evaluation

In every organization, employees viewed the financial education programs they attended as very successful. A few criticisms dealt with the program manager's need to trim down course content, and some seminars were criticized for not being available on company time. Workplace programs used evaluation forms, and many reported assessments that showed an increase in skill and knowledge on the part of employees. Despite an emphasis on retirement issues, only half of the program managers used an increase in 401(k) participation as a criterion for measuring the success of their programs.

General Observations

Workplace financial education programs have a relatively long tradition, and their scope is broadening beyond retirement preparation. They have also positively demonstrated that financial education can be "profitable," bringing returns in productivity and in the attraction and retention of employees. Furthermore, the reach of workplace programs is impressive, as is the length, which offers sufficient exposure to the subjects studied.

There exists the likelihood that some workplace programs are not fully independent of corporate management, that they reach full-time employees primarily in prosperous workplace locations, and that they do not reach hourly or part-time members of emerging populations who work in marginal jobs.

> *"Back to your question on why they don't take the course. I know this older lady…she was in a minority group and she washed glasses in the labs…She did not feel that she was qualified to take the classes, that they weren't available to her. But I did get her into one of the classes, and she just glowed… She had been a very faithful, devoted employee for 28 years, but somehow or another, the managers or something had not conveyed to her that she was eligible."*

CASE STUDY

Weyerhaeuser Company

Characteristics of the Program Sponsor

Weyerhaeuser is an international forest products company with corporate headquarters in Federal Way, Washington. The principal businesses of the company are the growing and harvesting of trees; the manufacture, distribution, and sale of forest products; and the development and construction of real estate. The company is one of North America's largest producers of forest products and a leading recycler of office wastepaper, newspaper and corrugated boxes. In addition, Weyerhaeuser is the world's largest private owner of marketable softwood timber and the world's largest producer of softwood lumber and softwood market pulp. It is also the top forest products exporter in the United States. In 1999, total sales were $12.3 billion.

Weyerhaeuser Company was started in 1900 by a group of investors led by Frederick Weyerhaeuser. Offices were opened in Tacoma, Washington, following the purchase of 900,000 acres of forestland. The company purchased its first sawmill in 1902 and its first pulp mill in 1931. It established the nation's first tree farm in 1941 and now owns 13 seed orchards and 18 tree farms. Weyerhaeuser also initiated the Intensive Forest Management (High Yield Forestry) program in 1967 and currently supports the world's largest private silvicultural and environmental research staff.

Acquisitions of properties have continued throughout Weyerhaeuser's 100-year history. In North America, primary timberland holdings are located in nine of the United States and in five Canadian provinces. Internationally, Weyerhaeuser has a presence in Australia, Uruguay, New Zealand, Mexico and China. A recent acquisition (November 1999) was MacMillan Bloedel Ltd., which added 6.9 million acres of timberland in the United States and Canada and 19 manufacturing or converting plants.

Along with its vision to be the best forest products company in the world, Weyerhaeuser has embraced a commitment to its employees, customers and shareholders, as well as to the communities where it conducts business. In 1997, Weyerhaeuser was awarded the American Business Ethics Award in the "Public Company" category. In the same year, *Fortune* magazine ranked Weyerhaeuser number one in "responsibility to the community and the environment." In addition, Weyerhaeuser was named in both the 1990 and 1993 editions of *The 100 Best Companies to Work for in America.*

Characteristics of Program Participants

In 1998, Weyerhaeuser Company had 38,000 employees in the United States and Canada. Of this number, 15,000 were salaried and 23,000 were hourly production and maintenance employees. The average age of these employees was 42 years, and the average tenure with the company was 13 years. The acquisition of MacMillan Bloedel Ltd. in late 1999 increased the employee population by 9,500.

As of year-end 1998, the composition of Weyerhaeuser's full-time U.S. employees included 19.4 percent minorities, 20 percent women, and 64 percent Caucasian men. Among managers, 16.3 percent were women and eight percent were minorities; among professionals, 32.2 percent were women and 9.2 percent were minorities. Weyerhaeuser is committed to equal employment opportunity and to increasing the diversity of its workforce.

Description of the Program

Through the Corporate Employee Relations department, Weyerhaeuser Company has offered pre-retirement planning education to both salaried and hourly employees since 1984. Weyerhaeuser currently offers four retirement and life planning programs that feature financial literacy and financial planning education:

> *Life-Planning 101*—a series of three, half-day sessions covering the topics of financial, retirement and estate planning. These sessions are designed for employees under 40 years old and are conducted at company headquarters.
>
> *Investing in Your Future*—a one-day program designed for employees 40 to 50 years old. In addition to the topics included in Life Planning 101, this program also addresses health and wellness, Social Security and long-term care. These sessions are conducted at company headquarters.
>
> *Healthy, Wealthy, Wise*—a two-and-a-half-day program conducted at headquarters and designed for employees 50 years and older. This program covers the same topics listed above, but in more depth and primarily in the context of planning for life in retirement. In addition, program leaders have consistently made a commitment to including discussion of nonfinancial issues—"*We want our employees to know that retirement is more than just money in the bank.*"
>
> *Investing in Your Future* (field location version)—a one-day program modified for presentation at field locations throughout the United States. Content is similar to the Healthy, Wealthy, Wise program, but breadth and depth of coverage are reduced because of time constraints. It is not age specific, but if capacity is an issue, older employees are given a preference. When possible, more than one program is offered at a site, with participants grouped by age and emphasis on topics most relevant for the group.

History of the Program

Pre-retirement education at Weyerhaeuser Company was initiated in 1984 by Pat Goelzer, who was the Retiree Relations Coordinator at that time. She saw the need to better prepare Weyerhaeuser employees for retirement and wrote a persuasive proposal to management that included this introductory paragraph:

> *"… Individuals need to prepare in advance for their retirement years rather than just letting retirement happen to them. With the improvements in medical technology, more people are living longer…As a result, a quarter or more of one's life could be spent in retirement…We should be seeking ways to help employees to do the all-important planning necessary to help make those retirement years meaningful and happy at the same time accomplishing our objectives."*

At Weyerhaeuser, pre-retirement education programs were originally offered to employees 60 years and older and/or within a few years of retirement. However, with growing recognition of the need for employees to start early to build the rewards of a financially secure retirement, program planners have worked to design specific programs that will attract employees at younger ages. The goal is to make the programs relevant to the financial concerns of the employee's current stage of life, yet make him or her aware of, and proactive in, the financial planning steps necessary to prepare for future life stages.

Current Program Performance

The Weyerhaeuser pre-retirement education workshops are positioned with the Employee Benefits Group within the Employee Relations Department. Financial literacy and financial planning education are embedded within these programs and are considered a major component. Kathryn Garnett is the Weyerhaeuser Retirement and Life Planning Program Coordinator, which is a full-time position. Garnett schedules all the programs conducted at headquarters and field locations and coordinates all details, including scheduling, promotion, registration, speakers, room arrangements, refreshments and duplication of program materials. She also facilitates most of the programs and presents the portions of the material not covered by guest speakers.

Garnett's immediate supervisor is Sally Hass, who devotes approximately 20 percent of her work time to her role as Retirement and Life Planning Program Manager. Hass and Garnett work closely in program planning and in discussing and implementing program revisions. In addition, Hass facilitates programs conducted at Weyerhaeuser when Garnett is traveling and conducting programs at field locations.

Weyerhaeuser currently offers four retirement and life planning programs that feature financial literacy and financial planning education:

Life Planning 101

"Life Planning 101" is designed for employees under 40 years old. It features three half-day programs—Financial Planning, Retirement Planning and Estate Planning—that are offered on a rotating basis every month. Thus, each topic is offered four times a year. Employees can register for all three programs or any subset, and they do not have to be taken in any particular sequence.

The programs are presented at Weyerhaeuser by local professionals. Teaching methods include lecture and group discussion. Presenters are not compensated and are not allowed to solicit business from the program participants. However, employees who attend the programs are free to contact the speakers if they so desire. These programs are available to all employees, and those who choose to attend are usually given release time with pay.

Investing in Your Future

"Investing in Your Future" is a one-day program designed for employees 40 to 50 years old. In addition to the topics included in Life Planning 101, this program addresses the topics of health and wellness, Social Security and long-term care. Some of the topics are covered by local professionals, while others are covered by the program facilitator.

This program is offered to all employees every other month (six times a year) at Weyerhaeuser headquarters. As with Life Planning 101, lecture and group discussion are the main teaching methods. Guest speakers are not compensated and are not free to solicit. Employees who choose to attend this class are given release time with pay.

Healthy, Wealthy, Wise

"Healthy, Wealthy, Wise" is considered the premier program in the retirement and life planning program lineup. This is a two-and-a-half-day program conducted at headquarters and designed for employees 50 years of age and older. It is also open to those who are employed at field locations. Off-site employees who choose to attend are often given time off with pay and reimbursement for the cost of transportation to headquarters.

Program materials are placed in a large, three-ring binder with dividers and distributed to participants. In addition to some supplemental materials, there is a section for each financial topic presented in the program: Weyerhaeuser Benefits, Financial Planning, Estate Planning and Social Security.

Ms. Garnett stated, however, "*We want our employees to know that retirement is more than just money in the bank*." Therefore, Healthy, Wealthy, Wise also emphasizes the importance of nonfinancial issues in preparing for retirement. Each program begins on a Wednesday evening with a light dinner catered by Weyerhaeuser food service. Garnett or

Hass starts the program by asking participants to introduce themselves and state what they most and least look forward to about retirement. Comments are recorded on flip charts and referred to frequently by participants and presenters throughout the course of the program. This period of interaction—setting the stage and "breaking the ice"—is followed by a guest speaker who discusses the concepts of aging, change, transitions, attitudes, role identity and a successful retirement experience.

Program facilitators present other nonfinancial topics, such as health and wellness, housing and location, and life satisfaction. Hass and Garnett believe that inclusion of these topics brings personal relevancy to financial topics and provides a context for setting meaningful financial goals. Demonstrating their commitment to a holistic approach, they recently contracted a consultant to enhance and expand this portion of the Healthy, Wealthy, Wise program.

As a result, a 90-page section titled "Designing Your Life in Retirement: A Guide to Future Planning" was added to the workbook in late 1999. The new material includes information and exercises divided into six learning modules: Pilot Chance, Produce Balance, Probe Assets, Pursue Meaning, Prosper in Living and Plan with Purpose. Selected pages and exercises from each module are sent to the participants a few weeks prior to the program as "pre-work." During the program, the pre-work is discussed and portions of the other material are integrated into the schedule. This portion of the program is facilitated by either Garnett or Hass.

Financial topics are usually presented by guest speakers. All program speakers are carefully screened, but the standards are especially high for the Healthy, Wealthy, Wise program. To ensure top-quality presentations and the availability of favorite presenters, some speakers receive compensation. "Weyerhaeuser Benefits" is usually presented by a representative from the Pension and Benefits Department. Garnett can also present this topic and, depending on the needs of the situation, may also present information about Social Security.

In addition to lecture and small group discussion, the Healthy, Wealthy, Wise program employs a wide variety of teaching methods. The workbook is utilized throughout the program and referred to often. Some exercises are conducted in small groups using such techniques as role playing and scenario planning. Several of the other exercises prompt introspection and are completed individually.

Investing in Your Future (field location program)

Alhough it shares the same name as the headquarters program for 40 to 50 year olds, this version is presented in field locations throughout the United States and Canada. The content is similar to the Healthy, Wealthy, Wise program, but breadth and depth of coverage are reduced because of time constraints. The course is open to all ages, but if capacity is an issue, older employees are given preference. When possible, more than one program is offered at a site, with attendees grouped by age and program content customized for relevance to each group.

Whenever possible, these field locations programs are offered during workday hours, as are those conducted at headquarters. However, the special circumstances of each site are taken into consideration, and programs are scheduled for evenings and/or weekends if necessary. If meeting space is not available on-site, it is arranged at an off-site location, such as a hotel or community center. In addition, local professionals are utilized as guest speakers when possible, though the screening and selection process is more difficult when programs are conducted in remote locations.

Factors Associated with Program Performance

The retirement and life planning programs benefit from strong support from management. Even in a downsizing environment, these programs have survived and grown. In addition, the program coordinator and program manager appreciate considerable independence in determining the program budget, scope and content. Few resource challenges were noted.

Programs are offered frequently at headquarters and in at least 12 field locations every year. At their current staffing level, the program coordinator and program manager can reach approximately 1,000 employees on an annual basis. Recently, however, with the acquisition of Bloedel MacMillan Ltd., the employee population has grown to 45,000. Garnett and Hass are currently looking at ways to increase their outreach. Besides program delivery, they are considering the use of technology and printed materials to educate more employees and to reinforce learning.

Employees who attended Weyerhaeuser programs commented on the ease with which they were able to take time off from work to attend the retirement and life planning classes. In general, most managers are very supportive of their employees' taking these courses. Managers at field locations, however, are sometimes concerned about "lost productivity" and apply subtle to not-so-subtle pressure on employees not to take time away from their work.

Participant Satisfaction

Kathryn Garnett, the program coordinator, believes that Weyerhaeuser employees have a high regard for the pre-retirement education opportunities and that many choose to attend because of the program's good reputation. Ratings on participant evaluation forms are consistently high, and Garnett noted that some participants even send notes of appreciation to the senior vice president.

In addition, two focus groups were conducted at Weyerhaeuser with employees who had participated in financial education workshops. Several focus-group members reported that the courses increased their level of confidence. On the one hand, they learned that the financial planning steps they had already taken were "*on track*," and on the other hand, they had a clearer idea of the financial planning steps yet to be taken. Some individuals also stated that the Weyerhaeuser programs were far superior to programs offered by other companies. Other comments included: "*It's a major benefit to me*" and "*It was just top notch*."

Several focus-group participants commented on the quality of the guest speakers and appreciated the fact that many had donated their time. They acknowledged that the speakers hoped to gain business through this professional courtesy, but all agreed "*it was a darn good tradeoff*." Another employee commented about the speakers, "*They talked in our language instead of hype*."

In addition, many reported that they valued the program workbook and were still referring to it several weeks or months after attending the workshops. One participant said that she made copies of pertinent information for her safety deposit box. Another stated that the workbook was "*wonderful*": "*I'm still using it, and I'm sure I'll be continuing to use it.*" Yet another called it "*a great resource*." Interestingly, a few of the participants reported using the program materials to help co-workers or family members with their financial planning and decision making.

In addition, many who attended the Healthy, Wealthy, Wise program specifically expressed appreciation for the nonfinancial issues that were discussed, especially in terms of "possibility thinking." This information seemed to increase awareness regarding the opportunities available in the retirement years. In addition, this new "vision" and renewed enthusiasm for the future seemed to heighten interest and a proactive attitude for the financial strategies that could bring those dreams to reality. The following are representative comments from the focus-group participants:

> *"I guess when I thought about retirement, I thought, 'I'm just going to have fun. You know, I'm going to do some fun things.' But then after taking the class and seeing all of those places where I can go to volunteer, or take a trip and get something educational out it, or be a missionary—it just opened a whole new door. Walking out of a work environment, but going into this whole new world that is just waiting for me—I was excited to see that."*

> *"I've got a bunch of nice little facts and confirmations with respect to the financial part of it [retirement], but the really interesting part for me was to consider some new ideas—and the scope of change that was to come, the kind of things that I really could consider doing. Why not go back to school? I mean there were some very big things that all of a sudden got on the table that I hadn't considered before. For me, that was the most valuable take-away."*

> *"Well, what I really hadn't thought too much about was that this [retirement] is an opportunity for me to do what would be really*

meaningful to me. I'm not thinking of 'retiring,' I'm thinking of choosing a new career path. And it's going to be something that I just truly love to do. It [the program] just opened up and put me in touch with part of who I really am but have never been able to really get to know better. To me, that is going to really add to the quality of my life, and the decision-making process that goes along with it."

Effective Strategies

The Weyerhaeuser financial education program demonstrates many strategies that motivate and enable employees to become proactive in personal financial planning. The following is a discussion of how the program leaders successfully implement the seven dimensions of an effective financial literacy education program.

Unambiguous Mission and Purpose—Current program leaders, Kathryn Garnett and Sally Hass, exemplify a passion for retirement planning education that also characterized the program's founder, Pat Goelzer. They wholeheartedly believe in its importance and are committed to continually improving program offerings and reaching more Weyerhaeuser employees.

Concerted effort is made to meet employee needs and expectations and maintain high standards. Garnett and Hass are frequently buoyed by reports from past participants as to how these programs have empowered them to take retirement planning action steps and also inspired them to help friends and family members to do the same.

Targeted Outreach—Garnett and Hass recognize the importance of relevancy of program content. They also recognize the importance of laying the foundation for financial security as young adults, and they wanted to offer additional programs that would attract this age group. They knew traditional retirement planning programs would not fit the needs or interests of younger employees. Therefore, they custom-designed programs to reach specific age groups: 30 to 40 years, 40 to 50 years, and 50-plus years. Courses are offered to all employees, salaried and hourly.

Adequate Staffing and Administration—The retirement and life planning programs benefit from strong support from management. Even in a downsizing environment, these programs have survived and grown. In addition, the program coordinator and program manager appreciate considerable independence in determining the program's budget, scope and content. Nonetheless, Garnett and Hass strongly desire to provide more employees with financial and retirement planning education opportunities. They have come to the conclusion that, although one-on-one contact is the preferable teaching method, future plans will include a multi-pronged approach incorporating the use of technology, publications and forms of distance learning.

Successful Evaluation and Follow-Up—Garnett and Hass thoroughly review participant evaluation forms to assess participant satisfaction and effectiveness in reaching program objectives. In addition, they foster an atmosphere of openness and solicit informal critiques from participants, guest speakers, consultants and observers.

Last year, they experimented with another form of evaluation they found to be very successful, and they plan to repeat the methodology. They scheduled a “reunion” for Healthy, Wealthy, Wise “graduates.” This event was used to provide the employees with additional information and also to solicit post-program insights as to what teaching methods were particularly effective and what topics were most informative and empowering.

Program Accessibility—Weyerhaeuser management generously allows employees to attend these courses during working hours with pay. In most cases, employees reported that their supervisors were very supportive in allowing time off to attend the programs. In addition, spouses are allowed and encouraged to attend the programs. At headquarters, the programs are offered in nice meeting facilities and on a continuing basis.

Programs offered at field locations are more challenging. Hass and Garnett must wait for an invitation from the plant personnel manager before scheduling a program. Some locations are less supportive of employees attending the courses on company time, as there is concern about loss of productivity. In addition, meeting facilities often have to be obtained off-site. Nonetheless, Hass and Garnett are able to present off-site programs about once a month.

Relevant Curriculum—Garnett and Hass recognize the importance of relevancy of program content and have custom-designed programs to reach specific age groups: 30 to 40 years, 40 to 50 years, and 50-plus years. They use a variety of teaching methods to keep the programs lively and to appeal to various learning preferences. A holistic approach personalizes the content and provides a “whole life” context for motivating financial education, setting financial goals, evaluating financial options, and making financial decisions.

Guest speakers are carefully screened, not only regarding the accuracy of information they present, but also for their effectiveness as communicators. Speakers for this program are notably personable, engaging, and entertaining as well as being experts in their fields. Their sessions are remarkably interactive.

Dynamic Partnering—The obvious success of the Weyerhaeuser program can be credited to the ability of Garnett and Hass not only to work well with one another, but also to develop successful partnerships outside of their department. They have fostered good relationships with Benefits Administration personnel and frequently collaborate regarding program content. The high standards Garnett and Hass maintain and their efficiency in administrative details go a long way in attracting and retaining a loyal cadre of high-quality speakers. Last but not least, these programs foster good employee relations that benefit Weyerhaeuser management and, in turn, win their continued support.

In addition, both Hass and Garnett are active in the study and promotion of financial education outside of Weyerhaeuser. Because of their personal reputations and that of the Weyerhaeuser program, they are frequently asked to participate in events sponsored by organizations such as American Savings and Education Council, National Institute for Personal Finance Employee Education (NIPFEE), National Endowment for Financial Education (NEFE) and the International Society for Retirement and Life Planning (ISRLP).

CASE STUDY

United Parcel Service

Characteristics of the Program Sponsor

United Parcel Service (UPS) was founded in 1907 in Seattle, Washington, by 19-year-old James E. Casey. The company was originally named American Messenger Company and focused on private messenger and delivery services. In 1913, the company merged with a competitor and was renamed Merchants Parcel Delivery. The company expanded to Oakland and Los Angeles and, in 1919, adopted the name United Parcel Service. In 1929, UPS opened United Air Express and began offering package delivery via air to major West Coast cities and as far inland as El Paso, Texas. Although delivery service continued to expand, it was not until 1975 that UPS obtained authorization to deliver in all 48 contiguous states. Some years later, in the 1980s, UPS entered the international shipping market.

Today the company is headquartered in Atlanta, Georgia, and operates a small package and document network in more than 200 countries and territories. In addition, UPS focuses on many expanded services, such as UPS Online Tools, UPS Worldwide Logistics, UPS e-Ventures, and UPS e-Logistics. In 1999, delivery volume was 3.28 billion packages and documents, and revenues were $27.1 billion. In November 1999, UPS sold 10 percent of its stock on the New York Stock Exchange, making it the second largest initial public offering by an American company in history.

UPS has received numerous awards and considerable recognition. For 17 consecutive years, UPS has been rated “America’s most admired mail, package, and freight delivery company” in surveys conducted by *Fortune* magazine. In the January 2000 issue of *Forbes* magazine, UPS was named “Company of the Year.” The article stated, “UPS used to be a trucking company with technology. Now it’s a technology company with trucks.” On January 10, 2000, *Business Week* named UPS Chairman and CEO Jim Kelly to its 1999 list of “The Top 25 Managers of the Year.” *Money* magazine[4] ranked UPS as one of “America’s Best Companies” regarding benefits offered to non-union employees in four key areas: retirement plans, health care, stock options, life insurance and long-term disability insurance.

Characteristics of the Participants

UPS has 308,000 employees in the United States and 36,000 employees internationally. This company invests more than $300 million a year in employee learning programs. Managers can take advantage of full-tuition reimbursement for advanced degree programs that apply to their careers. Drivers go through extensive training, both in the classroom and on the road, to ensure efficiency and to guarantee customer service and satisfaction. Because of the belief that you can't manage a business unless you know how it operates, every member of the senior management team began their careers at the front lines of the company as package sorters, drivers and administrative assistants.

Description of the Program

Expanding its commitment to employee learning programs, UPS launched a financial education program in January 2000. Those eligible for this opportunity include 42,000 full-time managers, specialists and non-union administrative employees. The program will deliver more than 1,500 workshops over a period of two years, and employees will be allowed to attend on company time. The current program goals are to improve 401(k) participation, improve Employee Relations Index, and promote UPS as a great employer.

The main focus of the program content is education regarding company benefits and basic personal finance fundamentals. The program consists of two workshops: the UPS Total Compensation Education Workshop and the UPS Pre-Retirement Workshop. The workbooks used in the workshops contain more than 400 pages of material and integrate UPS's benefit plans throughout. All workshop slides are included in the employee workbooks, creating a useful resource both during and following the program. In addition, the workbooks include a comprehensive reference guide and an appendix of more than 100 pages, covering topics such as retirement planning, investment strategies, taxes, insurance, estate planning, and education funding.

Employees also have access to the "Financial Campus," an Internet-based service available 24 hours a day that allows them to develop a personal financial action plan. It gives them access to courses, worksheets, a library of articles and calculators needed to address their financial planning issues. Another feature of the UPS financial education program is "Financial Education Software" that helps employees budget money, reduce debt, calculate benefits from the UPS Retirement Plan, plan for specific goals, and learn about topics such as saving, investing, insurance and wills.

In short, the program utilizes a mix of communication methodologies and media, but all reinforce the same messages. Throughout the program, detailed benefits information is integrated with financial planning principles to demonstrate how UPS benefits fit into each employee's personal financial future. Employees are encouraged to save more, to invest appropriately, and to better understand and appreciate company benefits.

History of the Program

In the past several years, employees have experienced many changes at UPS, including the public offering in November 1999. Historically, UPS provided, on an ad hoc basis, pre-retirement planning assistance to employees approaching retirement. UPS recognized the need for employees of all ages to receive financial education, to understand how best to utilize their benefits, and to be motivated to save and invest. UPS wanted to provide meaningful financial education to employees of all ages and to demonstrate that the company cares about their financial well-being.

Steve McLamar, compensation manager and project director, said the reason for establishing the program was because "*it was the right thing to do*." He also related that the biggest challenge to determining the feasibility of the program was developing topics and materials that were understandable to all employees—young and old, newly hired to senior management. He worked with PricewaterhouseCoopers (PwC) to design the program, develop materials, and train instructors. Pilots were conducted to finalize the design and materials.

McLamar was instrumental in promoting internally the concept of an expanded financial education program and in procuring the necessary funding. In addition, he was personally involved in every step of the design, development, and implementation process. He is credited with ensuring that the program included topics of greatest interest to UPS employees and that each component is delivered in a way that is consistent with the UPS culture. This included his personal involvement in the training of PwC people involved in the project. He coordinated benefit information that came from six different areas/providers as well as extensive information regarding the UPS culture and businesses.

Current Program Performance

The financial education program is positioned in the Human Resources Department and funded under the Corporate Benefits budget. The program began in January 2000 and the plan is to complete more than 1,500 workshops within two years. By June 2000, 40 percent of the targeted 42,000 employees had attended workshops. The workshops are presented at multiple locations, based on employee population, throughout the United States. Both the advertising and recruiting of participants are coordinated through the local training manager at the program sites.

The UPS Total Compensation and Financial Education Workshop is a one-day, eight-hour program. It is offered to full-time management and non-union administrative employees of all ages, and its objectives are:

> "*…to enhance the understanding of the UPS compensation and benefits and stock ownership programs, and to educate employees in basic financial fundamentals in such a way as to significantly enhance their well-being and strengthen the financial success of UPS.*"

Topics covered include:

- Financial Planning Process
- UPS 401(k) Plan and IRA Plans
    - UPS Class A Stock Ownership
    - Investment Planning
    - Taxes
    - Insurance
    - Retirement Planning
    - Estate Planning
    - Life Events
    - UPS Financial Education Tools

The UPS Pre-Retirement Workshop is a two-day (15-16 hour) program. It is offered to full-time management and union-free administrative employees who are over 50 years old and to their spouses or life partners. The objective is

> "*…to enhance the employee's understanding of the UPS Financial Education Program and to assist the employee in developing a long-term personal retirement strategy while continuing to grow and promote the financial success of UPS*."

Topics covered include:

- Retirement Planning Process
- UPS Retirement Resources
- Other Retirement Resources
- Insurance (UPS & Medicare)
- Estate Planning
- Investment Planning
- Other Considerations

McLamar considers this program a success, and he credits its success to expert presenters, the software, help line, and on-line campus and telephone counseling.

Participant Satisfaction

To evaluate the results of the workshops and the satisfaction level of the participants, UPS conducted a survey, and a total of 846 employees responded. Of this number, 56 percent rated the program as "outstanding," and 65.5 percent replied that the workshop they attended "exceeded my expectations." Eighty percent agreed that the educational level of the program was "just right." In addition, 81 percent of the respondents agreed that their instructor explained the material in an understandable way, and nearly 75 percent felt the instructor held their interest.

As a result of attending the course, 70.5 percent of the respondents said they planned to prepare a budget; 57.3 percent planned to increase the deferral amount in their UPS Savings Advantage accounts; and 64.8 percent planned to prepare a will. In addition, 83.7 percent indicated that they were "very likely" to use the UPS Financial Education Software.

ISFS also assessed employee satisfaction by conducting a focus group of workshop participants. Nine UPS employees took part in the focus-group session. Of this group, one had a high school diploma, two had college degrees, and four had graduate degrees. Six participants were men, three were women, all were managerial, and all had an annual household income of more than $50,000.

Several of the focus-group members said they felt knowledgeable about finances and UPS benefits before attending the workshops and were very surprised at how much new information they gleaned. One member said,

> *"I think a lot of us probably didn't realize exactly how much more there was to learn until we went to this workshop."*

Others stated that it was not a hard decision to attend because the company made it so easy for them—the workshops were conducted on company time and at company facilities. In addition, multiple classes were scheduled at each site, and employees could choose the one that worked best for them.

As two employees said,

> "*I think it was just a no-brainer to attend something like this.*"

> "*If you try to schedule something for after work, it often doesn't get done. The fact that we were able to take it on company time here at the office was a great benefit, and I really appreciated that."*

All focus-group participants appreciated how relevant the subject matter was to their needs. Here are representative comments:

> *"I had more notes at the end of the day than I thought possible. And usually at workshops you are trying to stay awake. It was interesting. It was just geared to UPSers and how everything worked regarding health care, life insurance, supplemental insurance, accidental death—there was nothing untouched."*

> *"I've got some people fresh out of college who are attending this workshop, and right away the response I got from them was, 'this is great' and 'there are things I can do right now that I can fit into my budget that will help me 25 years down the road.'"*

Focus-group members who had attended the retirement planning workshop also appreciated that their spouses could attend with them.

> *"I thought it was very beneficial for my wife, who really seems to get overwhelmed when we start talking about finance and preparing for retirement or estate planning and just doesn't like it. After the workshop, it was a lot easier to sit down and just talk about some of the things we may want, some of the concepts, and what it all means. So I found it quite a big benefit to have her there. It made it a lot easier to talk about money issues at home."*

> *"Well, in my case, I have a wife that enjoys doing the financial part of our relationship and so this workshop encouraged me to start taking more of an interest in this instead of putting the burden on her. As a result of this financial workshop, I'm trying to take more responsibility to know more about our finances."*

The focus-group members also spoke very positively about PwC instructors with regard to how knowledgeable they were and how well they presented the material:

> *"There's been a lot of workshops, but this guy was so knowledgeable and he kept everybody involved. He drew everybody into the conversation—you'd see people who probably wouldn't have commented before start saying things."*

> *"That was the most beneficial workshop in that respect that I've ever attended in 22 years at UPS."*

Effective Strategies

The UPS financial education program demonstrates many strategies that motivate and enable employees to become proactive in personal financial planning. The following is a discussion of how this program successfully implements the seven dimensions of an effective financial literacy education program.

Unambiguous Mission and Purpose—Steve McLamar, compensation manager and project director, said the reason for establishing the program was because "it was the right thing to do." UPS recognized the need for employees of all ages to receive financial education, to understand how best to utilize their benefits, and to be motivated to save and invest. UPS wanted to provide meaningful financial education to employees of all ages and to demonstrate that the company cares about their financial well-being.

McLamar was instrumental in promoting internally the concept of an expanded financial education program and in procuring the necessary funding. In addition, he was personally involved in every step of the design, development, and implementation process.

Targeted Outreach— Expanding its commitment to employee learning programs, UPS launched the new financial education program in January 2000. Those eligible for this opportunity include 42,000 full-time managers, specialists and union-free administrative employees.

Adequate Staffing and Administration— McLamar worked with PricewaterhouseCoopers (PwC) to design the program, develop materials, and train instructors. From the beginning, the program had UPS's full support. Funding for the program comes from the corporate benefits budget under the Human Resources-Compensation Department. The HR and training managers are points of contact for the course scheduling and outreach at each location**.** By partnering with PwC, the UPS program can offer professional presenters and enhance its offerings through access to PwC's Financial Counseling Help Line, the PwC on-line Financial campus and customized software. Because the effort is fully funded and supported by UPS, the workshops are offered often enough to meet demand, and follow-up help is available to reinforce the learning.

Successful Evaluation and Follow-Up— To evaluate the results of the workshops and the satisfaction level of participants, UPS conducted a survey. A total of 846 employees responded. Of this number, 56 percent rated the program as "outstanding," and 65.5 percent replied that the workshop they attended "exceeded my expectations." Eighty percent found the program's educational level "just right." Eighty-one percent of the respondents agreed that their instructor explained the material in an understandable way.

As a result of attending the course, 70.5 percent of the respondents replied that they planned to prepare a budget, 57.3 percent planned to increase the deferral amount in their UPS Savings Advantage accounts, and 64.8 percent planned to prepare a will. In addition, 83.7 percent indicated that they were "very likely" to use the UPS Financial Education Software. For follow-up to the course, UPS employees have access to the "Financial Campus," an Internet-based service, "Financial Education Software," a help line, and telephone counseling.

Program Accessibility—Employees report that the company makes it easy to attend financial education programs—the workshops are conducted on company time and at company facilities. Multiple classes are scheduled at each site, and employees can choose the one that works best for them.

Relevant Curriculum—Steve McLamar related that the biggest challenge to the feasibility of the program was developing topics and materials that were understandable to all employees—young to old, and newly hired to senior management. To ensure relevancy, he was personally involved in every step of the design, development, and implementation process. He is credited with ensuring that the program included topics of greatest interest to UPS employees and that each component is delivered in a way that is consistent with the UPS culture. This included his personal involvement in the training of PwC people for the project. In addition, he coordinated benefit information that came from six different areas/providers as well as extensive information regarding the UPS culture and businesses.

Dynamic Partnering—UPS Human Resources, Accounting, Tax, Training, and Legal departments were all involved in planning the program. Partnering with PricewaterhouseCoopers (PwC) to design the program, develop the materials, and train the instructors enabled UPS to bring professional expertise to the program and add benefits for the employees.

The UPS program demonstrates that financial education is a truly valued employee benefit. This quality program and massive campaign indicates that UPS cares about its employees. The UPS example also underscores the principle that financial education benefits employees and benefits the company as well through increased employee productivity, morale, and understanding of company benefits.

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[1] Quinn, Jacqueline. May 2000. "Mainstreaming Financial Education as an Employee Benefit," *Journal of Financial Planning*, 70-79.
[2] Ibid.
[3] Ibid.
[4] *Money Magazine*, October 1999.

CHAPTER FIVE
COOPERATIVE EXTENSION SERVICE (CES) FINANCIAL EDUCATION

The Cooperative Extension System is an educational outreach system housed in land-grant universities. Established in 1862 by the Morrill Act, land-grant universities were designed to make higher education more accessible. The Hatch Act of 1887 furthered this aim by creating a system of agricultural experiment stations in the land-grant universities devoted to mission-oriented research. The Cooperative Extension System is a partnership between the U.S. Department of Agriculture's Cooperative State Research, Education, and Extension Service and land-grant universities. In 1914, the Smith-Lever Act created the Cooperative Extension Service and outlined its three primary missions: to educate at the graduate and undergraduate levels, to conduct research that is fundamental to the university's goals and mission, and to provide outreach programs that promote the knowledge of the university beyond its walls and into the surrounding community. The initial subjects addressed by CES included agriculture and home economics.

This educational system ties together each of the 1862 land-grant universities found in the 50 States, Puerto Rico, the Virgin Islands, Guam, Northern Marianas, American Samoa, Micronesia, and the District of Columbia, as well as Tuskegee University and the sixteen 1890 land-grant universities. In 1994, the Extension Service expanded to include Native American colleges and universities. Consequently, the Extension Service can be found in all 104 land-grant universities, with offices in nearly all of the nation's 3,150 counties.

Each state has the freedom to design and implement programs of its choosing. Subsequently, program offerings are not uniform across the country, but reflect the needs expressed by the community and the abilities of state Extension Services. CES offers a broad array of services and programs in such areas as agriculture, family and youth, nutrition, business, and community resource development. While the work of financial literacy varies from state to state, each one offers information and/or education on the subject.

Programs that have proven to be popular and effective—such as "Who Gets Grandma's Yellow Pie Plate?" out of Minnesota or "Money on the Bookshelf" out of Nevada—are shared or sometimes sold to other state Extension Services. This sharing of curricula is common, but many programs are a blend of several existing programs or new creations. Programs are often not delivered uniformly across states or even between counties, because Extension agents have great flexibility in tailoring programs to meet the audience's needs and interests.

While all programs offered through CES are open to any interested community member, many programs target specific populations—such as women, limited-resource households, elderly populations and their adult children. Because of the diversity embraced, CES faces many challenges, including designing appropriate materials, attracting participants, evaluating programs, and balancing the time required to prepare for and teach the numerous programs being offered with a limited staff.

CES Programs Study Findings

Inception

In the Cooperative Extension Service (CES), we meet carriers of financial literacy programs that are well established institutionally and both versatile and resourceful in their teaching functions. While CES has offered personal financial education since 1914, the programs we examined entered the field fairly recently, with only two programs having originated in the 1980s. Of the 24 programs we reviewed, two were established prior to 1990, 14 were established between 1994 and 1998, and eight were established in 1999 and 2000.

The inception process of CES programs is diverse. Approximately one-third were initiated by the state Extension Services themselves, as they saw a need for the program to be widely taught at the community level. In six cases, the state or a state public agency either requested the educational expertise of CES to launch a program or passed new mandates that gave shape to the program. Nine programs were initiated through the development of partnerships, including community action and housing coalitions that involved CES from the beginning or later enlisted its aid.

While the Cooperative Extension frequently utilizes the Consumer Credit Counseling Service (CCCS) to meet one-on-one counseling needs, two cases indicated direct partnerships with CCCS in the initiation and development of a program. Overall, seven cases (six separate programs) involved partnerships that resulted in CES offering the financial literacy training that is required as part of an Individual Development Account (IDA) venture.

Needs Assessment

CES is in close touch with the areas and communities it serves and has been well able to determine need regarding financial literacy training. In eight cases, a formal needs assessment was conducted, three of which utilized focus groups while five were piloted. Another one-third of the programs (eight cases) were begun with an informal needs assessment. Of these programs, three were at least partially based on an examination of a variety of indicators, including poverty statistics and bankruptcy rates that suggested prevailing needs. Other methods of informal needs assessment included discussions with county agents, leaders and experts, and case-workers. Three programs were initiated by a push from the mortgage lending and home-buying industry, which recognized the need for financial literacy education but was unable to provide it. Seven respondents reported that the program was initiated without any needs assessment.

Planning

On average, it took one year to plan a financial education program. The process was normally thorough and multifaceted, and involved many organizations. In a majority of the cases, a planning group, planning committee or task force undertook the development. Most groups were small, but a few were so large that strong leadership was required to get the task accomplished. A total of 19 CES financial literacy education programs looked at other models before they started their own; a few were directly emulated, but many needed additional refinement. CES has apparently worked very hard to customize its program to meet the needs of the communities it serves.

As part of the curriculum planning process, four state Extension Services either hired experts or consulted with them, and about 25 percent piloted their programs (or are currently in this phase) and evaluated the results after the trial period. In addition, leaders for three programs reported attending conferences to obtain the latest information relative to financial education.

Purpose and Positioning

The positioning of CES programs is quite complex. The Cooperative Extension Service (CES) is an educational outreach component of agricultural and family and consumer science departments of land-grant universities. Most of the financial literacy education programs we reviewed were initiated as a part of these outreach activities in the mid-1990s and are primarily community-based. State-level faculty are responsible for training county staff and inspiring them to take on new programs. Although many programs are shared across states, only a few programs are coordinated at the national level.

Typically, CES financial education programs are associated with a team of organizations or contracted by housing authorities, counties or state agencies. Supervision is thus shared, and the lines of authority may be complex. Still, these programs are usually creative and effective in their instruction.

Funding and Resources

Almost half of the programs we examined are funded from their own budgets. However, as already indicated, more than half are partnership-based ventures, for which the financing is more complicated. Seven programs specifically mentioned receiving funding through grants. Nearly as many rely on support from banks, which comes in many forms, including volunteer speakers, advertisement, and special banking options for participants. However, foundations and banks are less permanent sources for financial support because they are subject to time limitations, and their funding priorities change frequently. Five CES educators indicated either that they lack sufficient funds or that they are concerned about ensuring continuous funding. In contrast, two program leaders specifically stated that money for their program was not an issue.

A little less than half of the programs reviewed charge participants a modest fee, and four reported selling their curriculum in order to recoup some expenses. In addition, 12 programs depend on volunteers, primarily as presenters but also as site coordinators and mentors.

Scale, Participants, and Strategy

In almost all CES examples, the financial literacy training takes place at many sites. Therefore, most programs serve relatively large audiences—from 60 to several hundred participants. Three programs serve 50 or fewer participants a year, and another four programs reach 51 to 100 participants. Four programs reach between 101 and 500 participants. Four larger programs serve 1,000 to 1,800 per year, and one program serves 3,500, albeit through multiple partners who also offer education. Eight programs did not or were unable to report the number of participants reached per year.

CES is often one partner in a larger group of organizations, and within such a team, it mainly develops and/or teaches general financial literacy education. Approximately one-fifth of the programs we reviewed are focused on home-buying knowledge and skills. Most often, CES efforts are geared to the needs of specific populations. Low-income audiences are most frequently mentioned, but some programs assist single parents, recent divorcees, or those transitioning from welfare to work.

Low-income families represent a relatively large category, but the range also encompasses African-American, Latino and Native-American families, as well as single mothers and mid-life to older women. Fully one-half of the programs we surveyed targeted an emerging population. Several of the programs are geared for a low-literacy audience, while one program specifically combines reading fiction books as a means to introduce discussions of money in the family. In addition, there are programs geared to people getting ready for homeownership. In a typical IDA-linked program, one CES educator found that one-fourth of the participants were aiming at educational improvement, one-fourth at a small business, and one-half at homeownership.

Program Content, Pedagogy, and Delivery

Nearly all CES programs cover saving, budgeting and money management, as well as debt reduction and use of credit. Housing decisions and mortgage financing are included in the curricula of eight of the 24 programs we reviewed. Seven of the programs discuss retirement planning, and five address dealing financially with major life events. More than one-half teach holistic or life planning.

Most of the CES programs appear to be pedagogically innovative. In addition to lectures, group learning is emphasized, and one-on-one counseling is available in many venues. Some CES programs make good use of audiovisual materials, introduce interactive TV in financial education instruction, and use Web sites developed to reinforce what was taught in the program. Newsletters and conferences are frequently implemented, which also serve as an effective follow-up measure that brings graduates back together.

Of our sample of CES programs, fully one-third have expandable formats regarding length of instruction. Three are designed to be short programs of no more than two hours, and an additional eight programs are taught for up to eight hours. Six programs are designed with a limit of 12 instructional hours. The remaining seven programs offer substantial learning time, ranging from 15 hours to an unlimited amount of instruction made possible through mentoring relationships and an investment club. Some programs work with participants for one-half to three years, during which time counseling is available.

By-Products

Among the accomplishments of CES-based financial education efforts are replication in other states, production of at least five substantial publications that are used within and beyond the program, conference presentations, testimony before a U.S. Senate committee, and the conveyance of 16 awards.

Evaluation

Almost all CES programs use participant evaluation forms supplemented with assessments by program leaders. One-half of the programs reviewed use new skills and knowledge as an evaluation criterion. These programs take evaluation seriously by sending out follow-up evaluation surveys, for example, or conducting pre- and post-tests regarding financial knowledge. Seven programs reported conducting follow up with participants through mailed surveys or phone interviews at three months, six months, or one year after course completion. Program leaders acknowledge that "*evaluation is a great challenge*," yet there are at least five programs that are specifically designed to track participants' debt and/or savings (Money 2000 and the IDA programs). One Extension Office has established two statewide databases of participants' successes in reducing debt and increasing savings.

General Observations

CES programs distinguish themselves by understanding community needs and by solid program planning. State Extension Services are very capable of engaging in flexible partnering with other sponsors and organizations. Their outreach to special populations is impressive. Most programs enjoy solid funding and are institutionally well anchored. However, respondents did indicate that many field agents are overwhelmed with teaching requirements and that funds are not available to hire additional staff. Evaluation methods were also hampered at times by an inability to secure funds required to dedicate additional staff time to tracking participants' progress and behavioral changes after program completion. Nevertheless, the length of program offerings is good, and CES is especially well prepared to serve large enrollments at multiple sites.

CASE STUDY

Money 2000
Rutgers Cooperative Extension

Characteristics of the Program Sponsor

Rutgers Cooperative Extension is a community-based, educational arm of Rutgers University, which is the state university of New Jersey. All county personnel are faculty members of Cook College, Rutgers University. Cook College is the professional college of life, environmental, food, marine, natural resource, and agricultural sciences at Rutgers. Nationally, Extension educators may be either university faculty members or county employees. According to Dr. Barbara O'Neill, Rutgers' family and consumer sciences educator and interim extension specialist in financial resource management, educators with faculty status tend to have higher salaries, more prestige and more career opportunities available to them. However, when educators are denied tenure after six years, it leads to higher turnover rates. In addition, educators may face conflicts between what the college believes to be important and what the county needs, and vice versa. Having faculty rank does require publishing academically, which may enhance the development and evaluation of curricula.

The three departments within Rutgers Cooperative Extension include Agriculture and Resource Management, Family and Consumer Sciences (FCS), and 4-H Youth Development. Through these areas, the Rutgers Cooperative Extension focuses on agriculture and the environment, management of natural resources, food safety, nutrition and health, family stability, economic security, and youth development. Classes are open to all residents for a nominal fee, if any. Each of New Jersey's 21 counties contains an Extension office that provides programming based on specific county needs and requests.

For this report, Dr. Barbara O'Neill from Sussex County was interviewed over the phone and visited in person. This case study focuses on Money 2000, which was developed by Rutgers Cooperative Extension for the state of New Jersey, but quickly adopted by several states across the nation. Sussex County's mission is "to provide research-based information to help county residents acquire knowledge and make informed decisions to maintain or improve their quality of life." One of the county's main priorities is developing financial competence for individuals, families, agricultural producers and small business owners.

In 1999, Dr. O'Neill held 48 classes and speaking engagements and organized three bus trips for nearly 800 Sussex County residents. An additional 1,000 telephone and office consultations were conducted, and 2,000 county residents received at least one of the three newsletters developed by the FCS department: *Visions, Money Matters,* and *Money 2000 News*. Dr. O'Neill can teach from more than 60 available courses on such topics as investing, retirement planning, debt reduction, home buying and selling, basic money management, women and financial success, and teaching children about money.

Characteristics of the Program Participants

Initially, demographic information was collected upon enrollment for Money 2000, but the number of participants rose so sluggishly that the practice was discontinued. Although the request for demographic data may not have been the culprit, removing any potential obstacle was more important than insisting upon detailed data.

Several studies have been conducted on Money 2000 participants, and it is through these that a general picture emerges. The largest sample included 520 enrollees from both New Jersey and New York, of which 303 surveys were from the former. Participants completed a mailed survey in the fall of 1998 that was included in the *Money 2000 News* newsletter. The combined sample had a return rate of 22.7 percent, which does require caution in making interpretations. With such a low return rate, non-respondents may differ significantly from respondents.

The sample revealed participants with higher income and education levels than the general population. Fully 53.7 percent had a four-year college or advanced degree (compared to the 1998 national percentage of 24.4), and 54.8 percent had a household income over $45,000. (Median household income in 1997 was about $48,000 in New Jersey and $35,100 in New York.) Forty-five percent were single, of which 11.8 percent had dependent children. Of the 55 percent who were married, 30.5 percent had dependent children. Women were over-represented and comprised 76.6 percent of the sample. About 83 percent of the respondents were Caucasian, 11.2 percent African American, 3.3 percent Latino, 1.8 percent Native American, and 1.8 percent Asian American. Compared to the national averages in 1998, Asian Americans and Latinos are greatly under-represented, while Native Americans are over-represented. The sample of Caucasians and African Americans falls close to the national averages of 82.5 percent and 12.7 percent, respectively.[1]

Description of the Program

In January 1996, Money 2000 made its debut, with the purpose of reducing debt or increasing the savings of New Jersey participants by $2,000 by the end of December 2000. Often referred to as a marketing tool or an informal adult education provider, the program does not require participants to attend financial education classes. Once enrolled (there is no fee in New Jersey), participants receive a quarterly newsletter and are encouraged to attend the bi-annual conferences and financial education classes, including a home study course. They are also encouraged to use the computerized debt reduction analysis program called PowerPay (produced by Utah Extension Service). Participants are required only to provide a savings and/or debt reduction goal upon enrollment and to consent to being contacted every six months to track their progress toward that goal.

Eight courses were developed for the program: “Managing Your Money,” “Saving for the Holidays,” “How to Save $1,000 or More a Year,” “Saving on a Shoestring,” “Making Ends Meet,” “How Does Your Cash Flow,” “Dealing With Debt,” and “Credit and Your

Financial Future." Each is a two-hour optional course, which may be used in its entirety or tailored down to 30 minutes or an hour. While the topics revolve primarily around debt, savings, investing, and financial management, the newsletters may also touch on insurance, homeownership, financing higher education and health care.

History of the Program

Money 2000 was initiated through a request in 1995 from the director of Rutger's Cooperative Extension that a high-impact program be created using existing resources. Seven Extension educators formed an implementation team and began to discuss the needs of the state, pouring over articles and available information. County advisory councils, including community members, held strategic meetings to determine existing needs and interests. An informal environmental scan revealed high debt, low savings levels, and a rising bankruptcy rate. The seeds for the new program revolved around an interest in improving the financial well-being of the residents of New Jersey, and the Slim Fast diet program gave form to that idea. Like Slim Fast, which tracks actual pounds lost by each participant, Money 2000 would track the amount of dollars saved, or the amount of debt reduced, for the life of the program. Participants would be urged to improve their financial picture by $2,000 by the end of the year 2000.

About 90 percent of the funds for Money 2000 are covered by its budget, and the remaining ten percent is paid by corporate sponsors. Counties have developed relationships with local real estate agents, supermarkets, and lenders to provide brochures and speakers. The Institute for Certified Financial Planners provides donations to the Extension Service to cover speaker fees; participants pay fees for conferences and for home-study courses to cover printing costs. No advertising budget exists, so consistently getting the message out has posed a challenge. Participants have been recruited through newsletters, brochures, Rutgers' and county Web sites, and referrals from other agencies.

Current Program Performance

The program has put stress on county agents, many of whom were already stretched too thin trying to cover existing programs. Further complicating their task was the initial goal of recruiting 2,000 participants per county. Smaller counties were unable to provide the time and energy this goal demanded, so it was modified.

As of June 2000, 1,842 people were enrolled in New Jersey, of which 107 were enrolled in Sussex County. Two counties had not provided data. According to progress reports, $3,654,121 had been saved, and $2,155,914 of debt had been reduced. Combined, the financial well-being of New Jersey residents had improved by $5,810,035. A cost-benefit analysis of the program conducted by Rutgers determined that for every $1 spent on implementing the program, there was a return of nearly $30 in economic impact.

Money 2000 has grown to a nearly nationwide program that includes more than 30 states. Each state implements the program differently. Some states charge participant fees, while others restrict classes or enrollment to one year. As of June 2000, however, about 13,093 participants were enrolled nationwide, and a total of $15.2 million of increased savings and decreased debt had been reported. This is one of the first programs in the Extension to become a national initiative, but because the program was designed specifically for New Jersey, the transition to a larger scale brought challenges:

1. Each state needed to design its own state-specific logo for materials.
2. Some states lacked the materials to implement such a broad-based program.
3. County agents were overworked and/or lacked familiarity with teaching financial literacy.
4. County agents had to be convinced to "buy into" the program and urged to promote it.

Participant Satisfaction

Nine women who had taken the Women's Financial Information Program (WFIP) through Rutgers Cooperative Extension were interviewed. All of the women had taken multiple courses in financial education. The primary follow-up questions involved the women's motivation for attending financial education courses, their changes in attitudes and behaviors since attending the courses, and their evaluation of the educational experience overall.

Eight of the women had attended WFIP, which is an AARP-sponsored program. It involves a series of six or seven sessions geared specifically to middle-aged and older women. Many states reported excellent success with the program. The program is soon to be replaced by "Women! It's Time…" a four-session series targeting women over the age of 40 to help them secure their financial futures and make decisions regarding investing, legal and financial affairs, and health care. The newer program is currently being piloted in several states.

All nine women interviewed were Caucasian and ranged from 54 to 60 years of age. Four reported that they were motivated to take financial education because they had been recently divorced, and four women reported a desire to become financially aware and empowered. One woman revealed that she had received poor financial advice resulting in monetary loss, and another woman was drawn to the all-woman setting. The final interviewee was motivated to attend because she had experienced a family financial crisis.

When asked why their friends, co-workers, family members or others might not have taken similar courses, the women provided multiple answers. The most frequently cited reason was that their friends feel they are "*financially taken care of*," followed by "*being too busy*" and "*not making it a priority*." Other answers included "*a lack of awareness of available classes*" and "*they view the topic as being too complicated*."

Regarding why the women completed the WFIP series and even continued to take classes through Rutgers Extension, seven of the nine women explained that the courses have been successful in providing information and raising their awareness. Four women referred specifically to the abilities of a county agent and the knowledge of the speakers as reasons to continue, and three more stressed the program's affordability, accessibility or safe environment.

When questioned about whether the women had changed their personal financial behavior after the course, eight responded that they had, while one said that no additional changes had been made but that the course had made her more confident in what she was already doing. Six women either began to invest or changed their investment patterns; five had begun to identify their financial goals and budget; four were researching their choices and not being impulsive; two had worked on increasing savings, and two had opened a 401(k) at work. The three most frequently identified financial changes that were easiest to make included making investment decisions (5 respondents), researching choices and not being impulsive (3), and saving and reducing debt (2). Difficult changes were budgeting but maintaining one's lifestyle (4), making investment decisions (2), planning for retirement (1), buying versus renting (1), and teaching children to save (1).

Everyone reported being able to talk openly about money issues in the workshop, and several mentioned the ability to approach the speakers after class about specific, personal questions. With regard to their current attitudes toward money, four feel more confident, three feel more informed and knowledgeable, and one exercises more care when handling finances. All of the women felt that the course had addressed their personal issues and had done so with well-defined and thoroughly explained vocabulary. Repetition was the key for many women—not only with terms during sessions but also by taking multiple courses.

The preferred methods for delivery were widely dispersed, but the most favored methods were lectures by expert speakers, discussion groups, and hands-on activities. Four of the women would make no changes to WFIP or any of the other programs they had taken. The remainder suggested various means of personalizing classes and making them less intimidating by having smaller classes, presenting case studies to solve specific problems during sessions, and putting individual questions on anonymous cards for the presenter to address. The remaining two suggestions included transmitting classes onto a cable channel for access at home and having a computer in class to learn about on-line services.

Effective Strategies

Rutgers Cooperative Extension has excelled in living its mission by working to meet the widespread need for financial literacy education, planning and targeting successfully, developing appropriate and effective curricula, and including strong program and participant evaluation measures. Despite difficulties in securing high return rates on surveys and participants' progress reports, Rutgers has succeeded in creating a program that is able to assess the monetary impact at the county, state and national levels.

According to Dr. O'Neill, Money 2000 was the first savings education program in the United States to monitor behavioral changes over an extended period of time. Rutgers Extension has compiled data on savings and debt reduction across its 21 counties and has even collected compiled data from other participating states. Unfortunately, what we do not know is how much impact attending the optional financial education classes has on participants' financial well-being. Because the classes are optional, the Extension does not ask which attendees are also enrolled in Money 2000.

Several studies have been conducted and published by New Jersey, often in conjunction with other states, about the impact of Money 2000. A previously mentioned sample, collected in the fall of 1998,[2] examined preferred teaching delivery methods and financial literacy topics. The study found that this sample preferred delivery of financial education through newsletters (65 percent), classes/seminars (46.7 percent), fact sheets (40.6 percent), and one-on-one financial counseling (29.2 percent). Women were more likely than men to prefer one-on-one counseling, while men tended to prefer self-study methods, like videos and home-study courses.

When asked about which financial topics were of greatest interest, the most preferred topic was learning the best day-to-day financial practices (43.5 percent), followed by reducing expenses/living on less income (42.1 percent), general investing (36.7 percent), and retirement planning (31.3 percent). Men showed more interest in learning about general investing, and participants who were 45 to 65 years of age were more likely to want retirement education. African-American participants and all respondents 54 years of age or younger expressed a preference for education in credit and debt management.

The results indicate that age, marital status, presence of children, gender, and race affect the type of financial education that is most needed and the effectiveness of delivery methods. Such information reinforces Rutgers Extension's focus—and that of the Cooperative Extension Service as a whole—on providing a wide variety of courses in a broad array of formats, including newsletters, seminars, conferences, one-on-one counseling, Internet-based classes, video and audio tapes, interactive television, and more.

Another study[3] conducted by Barbara O'Neill, Barbara Bristow, and Patricia Brennan examined the financial behaviors of individuals seven months after they had attended one of three all-day conferences on personal finance in the New York metropolitan area. The sample of 99 was categorized into those who were enrolled in the Money 2000 program and those who were not. Sixty percent of the survey respondents were Money 2000 participants. As with the previous sample, this one also tapped into an audience that was affluent and highly educated. Eighty-one percent of the respondents reported an increase in savings since participating in the conference, and 72 percent had decreased their household debt. Respondents who were enrolled in Money 2000 were more likely to report increased savings, while non-participants were more likely to state that they sometimes feel that "Regular savings is a bore; I'd rather live for today." Money 2000 participants were more likely than non-participants to report having taken an action within the past six months to address reducing their credit-card debt.

In addition to these larger studies, case studies have been compiled and are published separately in *The New Jersey Herald*. These short descriptions of financial assets and liabilities within the context of immediate and future goals are based on data from a household financial questionnaire. Individuals who volunteer to participate in these studies can read their free financial analysis in the newspaper. The feedback often advises the household members to track their expenses better and to determine what "unaccounted for" money can be applied to debt reduction, savings and investment. Specific investment and saving advice is provided based on the availability of funds and the level of risk tolerance. Participants may opt for a private, free of charge, financial consultation with a qualified Extension agent. This information provides a valuable look into the financial behaviors of households, revealing saving patterns, difficulties with debt, and life-cycle obstacles.

In addition to the information gleaned from the studies, participants have the opportunity to provide feedback on classes and conferences through evaluation forms at the end of the session(s). The course/conference evaluation form asks about the value of the class, whether the information presented was new or already known, anticipated behavioral changes, and open-ended comments about the program. Usually six months later, participants receive a follow-up evaluation form that explores actual changes in behavior, the dollar amount of savings and debt reduction, and plans for future action. This provides the Extension with information on behavioral changes and helps direct future class offerings to reflect changing county needs and interests.

Because of the low return rate of Money 2000 program follow-up evaluations, Rutgers is holding an amnesty and incentive program. When progress reports are returned on June 30 and December 31, the participant's name is entered into a drawing for free prizes, such as books and videos on financial topics, gift certificates, etc. All participants are eligible, regardless of whether or not past progress reports were returned.

Spin-Off Program

Already in its pilot phase, "Investing For Your Future" is the spin-off program for Money 2000, which will end in December 2000. The new course is a six-session series designed to teach basic investing concepts to an audience with limited investment experience and few dollars to invest. The goal is to motivate learners to increase their investments to successfully fund future plans. The course is also available as an 11-unit, home-study course that may be purchased in the print version or taken on-line for no charge. The on-line version, www.investing.rutgers.edu includes a forum to ask experts various investing questions and an evaluation form.

Funded by a grant from the Northeast Regional Center for Rural Development, the curriculum will be distributed to all states in the Northeast. Learning from the pitfalls of moving Money 2000 to the national level, this program's package includes marketing materials, evaluation forms, PowerPoint slides, and speakers' notes. The instructor's materials are on CD, which eases distribution and implementation. Unlike Money 2000, "Investing For Your Future" was developed by a multi-state consortium that included Rutgers University, Cornell University, Clemson University, Virginia Tech, Michigan State and the University of Idaho.

CASE STUDY

Home-Buyer Education: The Path to Homeownership
Mississippi Housing Initiative

Characteristics of the Program Sponsor

The Mississippi Housing Initiative (MHI) is a collaborative comprised of the Mississippi Home Corp. (HMC), Mississippi Cooperative Extension Service, mortgage lenders, real estate professionals, FannieMae, and nonprofit housing organizations. The purpose of the Initiative is to ensure that quality homeownership counseling is available in the state. Its main goals include: (1) establishing a state-wide standard curriculum; (2) increasing the number of organizations that provide counseling, making it available everywhere in the state; (3) increasing partnerships between mortgage lenders and nonprofit agencies to improve access to lending; and (4) creating a model financing structure to cover agencies' costs in providing housing services. Agencies that have joined the Initiative offer first-time home buyers pre-purchase, post-purchase and follow-up consultations, workshops and classes.

While the Initiative has its own functioning Board of Directors, it is not a separate entity. Instead, the Initiative is closely tied to the Mississippi Home Corp (MHC). MHI has its own identity and unique logos, but funding for it flows through MHC. In the future, MHI may become a separate entity, perhaps with 501(c)(3) status. FannieMae was identified as one of the funders covering curriculum and development costs, as well as salaries of half the educators in MHC and Mississippi Cooperative Extension Service.

MHC is a quasi-governmental agency formed by the Mississippi Home Corporation Act of 1989. The agency's purpose is to increase the affordability and quality of housing for moderate and low-income residents. By working with the governor, Mississippi Legislature, Congress, and other agencies, MHC works to build national and state partnerships to increase awareness of Mississippi's great need for affordable housing. MHC offers several programs to potential home buyers, including down-payment assistance, housing assistance to teachers, and reduction in federal income tax. Programs also exist for multifamily dwellings, including a housing tax credit and a revolving loan fund for the creation and improvement of affordable housing.

Characteristics of the Program Participants

The program is open to all residents of Mississippi who wish to purchase a home but find obtaining homeownership difficult. The program seeks to increase access for low- to moderate-income households, and it has been used with many audiences—including the disabled, hearing impaired, sight impaired, and mentally challenged. It is tailored specifically to meet the needs and concerns posed by these groups.

Description of the Program

The curriculum was designed by an 11-member curriculum committee. The members represent banks, MS Cooperative Extension, HUD, a civic league, and nonprofit housing agencies. The broad cross-section of members aided in the creation of a more culturally sensitive program. The program consists of four components, and each can be turned into its own two- to three-hour workshop. The curriculum covers the advantages and disadvantages of homeownership, steps in the home-buying process, identification of financial goals, evaluation of housing needs, finding and working with real estate agents, and obtaining a mortgage. With regard to financial literacy education, the training covers general saving strategies, identification of fixed and flexible expenses, calculation of debt payments, credit history, and holistic planning. Should participants be unable to attend all of the sessions in one continuous series, they may complete the missed sessions in the next offering.

In addition to the workshop, participants may receive one-on-one counseling through the Consumer Credit Counseling Service. A newsletter is also distributed to all participants. It covers new topics and issues, discusses home repair, identifies resources for homeowners, and points to changes in the curriculum.

"Home Buyer Education: The Path to Homeownership" has been determined to be the equivalent of the HUD curriculum, "Homebuyer Education Learning Program." Consequently, graduates of the Home Buyer Education course are eligible for a 0.5 percent discount on the Up Front Mortgage Insurance Premium, which reduces the requirement from 2.25 percent to 1.75 percent of the mortgaged amount. To take advantage of the benefits, a HUD or FHA insured mortgage must be obtained within one year of completing the course.

History of the Program

Planning for the Mississippi Housing Initiative began in 1995, spurred by the suggestion of FannieMae to join forces with multiple groups that were offering home-buying education. The idea for the collaboration grew out of a grant received in 1991 by Rural Development to address home-buying issues and offer counseling. Rural Development offered funds for six states and six counties to create a model program, increase homeownership, and aid homeowners in maintaining their homes. Mississippi wrote six proposals and received funding for three counties. With this grant, training seminars were put together, and one-on-one counseling was offered.

As the various partners in the home-buying process gathered together, four committees were formed for curriculum, development, marketing and funding. After several meetings, a loose advisory group was formed, which provided each of the four committees with specific objectives. Despite having multiple partners, authority is centralized to avoid confusion. MHC supervises the program, but a Board of Directors makes decisions about possible changes. The Board meets on a monthly basis and receives status reports about the Initiative's progress. Members discuss how to improve the Initiative, what other agencies should be involved, and what resources are available. Any changes to the curriculum—such as the recent decision to add foreclosure training—must be approved by the Board.

When determining curriculum content, the committee spent extensive time listing what topics and terms needed to be covered, then considered how to combine the information. The workbook from FannieMae was reviewed, but the program was modeled strongly after the American Homeowner Education and Counseling Institute's (AHECI) curriculum. The first program was piloted with the help of 15 agents, who then provided feedback. An additional six months passed during which the program was finalized; then train-the-trainer sessions began. The program was implemented in June 1999.

Current Program Performance

Programs are offered every four to six weeks in a 30- to 40-mile radius. About 32 nonprofits, churches, organizations and civic leagues have become funded affiliates, offering free home-buyer training and counseling. Some agencies offer services on a weekly basis, while others offer the series every month or so.

During the first six months of operation (from June to December 1999), the Housing Initiative reached 1,705 participants through the education series, and 1,668 attended individual counseling sessions. From January to March 2000, 390 individuals attended classes, and 192 underwent individual counseling. Approximately 60 percent of those enrolled completed the series and received a certificate.

The program is also offered on the Internet as a home-study course through the Mississippi Cooperative Extension Service's Web site. Interested individuals can review the material at their own pace, but they will not receive a certificate or be eligible for the down-payment assistance.

Participant Satisfaction

A group interview was conducted in Hattiesburg with 16 participants attending an MHI affiliate's workshop titled, "Mississippi Home of Your Own," a program of The Institute for Disability Studies: Mississippi's University Affiliated Program at The University of Southern Mississippi. The participants were attending a day-long workshop that lasted from 9 a.m. to 4 p.m. Although the instruction time was lengthy, it was difficult for many of the people to attend even one session because of their disability or that of a family member. The majority were either disabled themselves or were caring for disabled spouses or children. Twelve of the 16 were women, 14 were African American, one was Caucasian, and one identified herself as both White and Latino. Twelve of the participants reported that their household income was under $20,000; two more reported a household income of $20,000 to $29,999, and the last participant's household earned more than $50,000. Ages ranged from 14 to 60, with a median age of 42.

The sheer desire to own a home—to have a piece of the American Dream—spurred many of the participants in the group interview to attend the home-buying series. Freedom, independence, a sense of control over one's own environment and a financial legacy were other reasons given for wanting to buy a home rather than rent.

> *"Independence. It gives you a certain amount of independence. But of course it's a big responsibility, but it's yours."*
>
> *"I want something that when I pay for it, I know it's mine."*
>
> *"I'd say I'd feel free - that I can do what I want in my own home."*
>
> *"… I want [my kids] to have something of their own, something that I can leave them that I paid for, you know, that I can leave them."*

Family needs played a big part in many of their comments. One person needed a home that would be handicap-accessible for her two disabled children because her current living environment did not meet their needs. Others talked about complicated situations faced by family members who had nowhere to go:

> *"I'm 60 years old, and months before, my daughter got put out. She has nine children, and she had to come live in the house with me, which I rent. But if I could get me a home, a house, then maybe if something should happen to me, maybe she would finish paying for it and have her somewhere to stay. It's mostly for my grandchildren."*

This sense of responsibility for the well-being of family members has often resulted in financial strain. Money that had been saved for buying a home was given to a brother to meet his immediate needs, and a daughter's debt was being paid to the detriment of the mother's own credit. Several times, people made similar comments or agreed with the respondent who said, "*Well, I have really went under helping people*." Now beginning to recognize that they cannot neglect their own finances and goals in an effort to help others, they have focused on homeownership as the next step.

Although a few had attempted to purchase a home in the past, none had successfully bought and maintained homeownership. Many of them reported feeling intimidated by the process, particularly approaching mortgage lenders, not knowing how to go about finding and purchasing a home. None had taken a class on managing one's personal finances prior to this, and this lack of information had created a stumbling block for them. Many of them lived on their own and handled their own money, while others had multiple family responsibilities, including children and parents. A few stated that they were aware of other offerings of financial education in their communities or advertisements on the radio or television.

Their experience with “Mississippi Home of Your Own” was a strongly positive one that succeeded in making homeownership appear tangible.

> *“…Today it didn’t seem like my goal was so far and it was, you know, unreachable. It doesn’t now, whereas just thinking about it, sitting down talking to my husband, and we used to always say we’ll never own a home, we’ll never own.”*

Many fears surrounding the power of banks to accept or deny loan applications were subdued as people became clear about the documents needed. Having knowledge about the process demystified homeownership and turned it into a real possibility.

> *“I’ve always been afraid to walk up into the bank and just say can I borrow some money if I want to buy me a house. Now I know what to walk into a bank with.”*

> *“So, you know, I would feel so negative about going [to the bank], so I never would even try.”*

Living primarily on disability, several of the participants talked about the immediate issues of reducing debt to buy a home. There was no mention of increasing savings. Including financial education in the workshop prepared them for financial pitfalls, explained fixed and flexible expenses, and underscored the importance of credit. The participants reported feeling more confident about handling their current finances and improving them over the next year.

> *“I never thought about budgeting or planning or nothing like that. You know I just live day to day. But it really opened up my eyes to learn how to budget and to save and whatever - you know, take care of my financial business and all.”*

All of the participants appreciated having the opportunity to attend the program, which presented information on assistance available specifically for the disabled. They were not aware of grants and other forms of assistance before participation in this program, and these offerings were much needed tools. Having the opportunity to learn changed the way they viewed their finances, banks, creditors and their possibilities.

While all of the participants wanted to own a home, and a few had even attempted the process previously, none had taken a financial education course, and very few felt confident in handling their finances. Most of them had been swept up in meeting the financial needs of family members without recognizing the impact on their own finances and their ability to achieve goals like homeownership. Taking this course showed them how to put their home-buying goal within the context of their current financial picture and how to improve their finances through planning and action. Furthermore, their experience with the workshop and the knowledge they gained interested them in receiving more information. They requested more financial education courses.

Effective Strategies

The Mississippi Housing Initiative (MHI) stands out in its sense of purpose and mission, targeted outreach, relevant curriculum, program accessibility, dynamic partnering and extensive use of networking. This networking exists at multiple levels and at various stages of development and implementation, from the initial formation of MHI to the connection with agencies that provide education to grassroots-oriented marketing techniques. Such extensive partnering, with its accompanying array of perspectives and roles within the home-buying process, is a source of strength as well as a continuing challenge.

Initially, there was a lack of understanding of the Initiative's purpose and the role of other partners. Agencies and institutions were unfamiliar with each other's work in the housing field and were unsure about how their resources could best be used. Over time, people from these institutions became more comfortable and familiar with one another and began to understand what the others did on a daily basis. Working together has increased communication and understanding both across and within lending systems, finance agencies, and educational settings.

Representatives from partnering agencies were divided into four committees—curriculum, development, marketing and funding—which increased their exposure to one another and their input into the design and functioning of MHI. The formation of these committees allowed for an inclusion of multiple viewpoints and techniques and has likely helped with the program's expansion and adaptability to various audiences. Contributing to this process are more than 32 agencies and the county Extension offices that receive funding to offer home-buying training to their clientele and communities.

Outreach methods have been based on networking rather than solely on traditional means, such as radio, newspapers and fliers. The approach has been grassroots oriented, reaching into the communities and bringing together local agencies and leaders. For example, Dr. Frances Graham, MS Cooperative Extension housing specialist, has brought together mayors, NAACP chairmen, community college representatives, members of Community Action Programs, and the chair of the Ministerial Association to discuss housing needs in their communities and options for action. County networking is particularly important in rural areas, where potential participants are more difficult to reach through advertisements in newspapers and on radio.

These agencies and organizations reach out to encourage their constituents. The Institute for Disability Studies, for example, sends invitation letters to clients, informing them about the Mississippi Home of Your Own program. During the group interview, several of the participants mentioned that they had received such letters and that the letters had given them the added encouragement to commit to attending the program. As one participant said, "*I read the letter… and it picked me up just reading the letter you know. And I feel so bad and I say Lord, I said, I'm good and going*…" While word of mouth and newspaper blurbs were the most common forms of advertisement, only the letter received additional comment.

Recently, the Mississippi State Office of the U.S. Department of Housing and Urban Development named MHI's affiliate, the Institute for Disability Studies: Mississippi's University Affiliated Program at The University of Southern Mississippi, a "Local Best Practice Winner." The U.S. Department of Housing and Urban Development also awarded them the "National Best Practice Award Winner in Fair Housing and Equal Opportunity."

MHI has succeeded in creating a single, statewide home-buyer education program by building a fairly extensive system of networks. Although still in its early stages of implementation, the networks are proving to be successful. The evaluation procedures in place will, in time, provide a better picture of how well areas within the state are being reached. Currently, certificates are numbered according to the client's county, so when a lender returns the certificate to MHI, the coordinator can determine if a person has applied for a loan and has been successful in purchasing a home.

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[1] 1999 Statistical Abstract of the United States.

[2] O'Neill, Barbara, Jing Xiao, Barbara Bristow, Patricia Brennan, and Claudia Kerbel. 2000. "Personal Finance Education: Preferred Delivery Methods and Program Topics," *The Forum for Family & Consumer Issues*, vol. 5, no. 1.

[3] O'Neill, Barbara, et al. 2000. "Money 2000: Does It Change Financial Behavior," *Journal of Family and Consumer Sciences: From Research to Practice*, vol. 92, no. 1.

CHAPTER SIX
COMMUNITY-BASED FINANCIAL EDUCATION

The community-based organizations we interviewed had interwoven financial literacy education with multiple related programs, including housing, job training, life skills, youth outreach, IDAs and more. For these organizations, financial literacy is an essential step in achieving the broader goals that make up the organizations' mission statements. Their goals revolve around providing economic empowerment for individuals, families and communities; increasing self-sufficiency; building community networks; and revitalizing and stabilizing neighborhoods.

The community-based category includes nonprofit organizations that are well-rooted in the communities they serve. Rather than solely focusing on the individual or household, their concerns and programs often focus on community and neighborhood well-being. These organizations may target residents of specific neighborhoods, particular ethnic groups, or women. Nevertheless, the vast majority are available to all interested community members, family and friends. Nuestra Comunidad and Mi Casa Resource Center, for instance, welcome both English- and Spanish-speaking individuals regardless of ethnicity. All of the community-based programs seem to have a deep sense of commitment to the people and communities with which they work.

On occasion, we encountered a commercial business that stood out within the community and sponsored a community-based financial literacy program that especially met the needs of community residents that were not served by other organizations. One in particular was the Union Bank of California in Los Angeles, which serves the immigrant Latino community by offering Spanish language seminars in basic banking, savings and credit principles at community locations. Branch managers of the bank conduct the lessons, which are very well attended by students eager to learn how to navigate the U.S. banking system.

Financial literacy education offerings in community organizations include stand-alone programs designed to improve economic self-sufficiency and those embedded within other programs. Financial literacy is often connected to first-time home-buyer training, personal business courses, welfare-to-work initiatives or general life skills workshops. The programs reach individuals in a variety of situations or life stages, including divorce and separation, welfare-to-work, career changes, rehabilitation, etc.

Financial literacy education courses are required by sponsoring organizations that offer Individual Development Accounts (IDAs). These are restricted savings accounts specifically designed to build assets for buying or renovating a home, post-secondary education, small business capitalization or, occasionally, for a home computer, automobile or retirement. Matched funds gathered from public, nonprofit, and/or private sources aid in the account holder's savings goal. Nearly all of the community-based organizations interviewed either have existing IDA programs or have plans to establish one in the future.

The community-based organizations supply a unique depth and breadth of programs and initiatives. Although a few of the organizations are based primarily around a single issue, such as housing, most provide an array of services to the community. This breadth permits them to become involved in a single community member's life for several continuous years. Asian Neighborhood Design (AND), for instance, typically works with its clients for two to four years as their self-sufficiency stabilizes. Much of this extended contact is possible because AND offers an IDA, employment training, Jobs Plus Club, Life Skills training, and housing, among others. As community members progress and different challenges arise, AND will most likely be able to address their new issues.

Because community-based organizations are identified with a neighborhood or ethnic community, they can transfer the focus of financial education programs from the individual or family to the community. Rather than having individuals work to improve their finances and aggregating their success into communities or counties, the communities themselves can work to empower themselves as an entity, not an aggregate. Central Brooklyn Partnership's Sisters' Lending Circle is geared toward community saving through the creation of a su-su. For nine months, the women work together, create a pooled fund from which they can borrow, learn about financial literacy, and become empowered to organize as a community. The organization's community-oriented identity puts them in a strong position to use that identity as a means to deliver financial education.

Community-Based Program Study Findings

Inception

We studied 29 financial literacy education programs that are run by community-based organizations. They are supported in a variety of ways, but they all share the characteristic of being anchored at the grassroots level, close to the population segments they serve. They are also quite recent creations, with a majority of them having originated since 1998 (15). Another 12 emerged in the early and mid-1990s; two were creations of the 1980s.

These community-based programs are generally originated when one particular group takes the initiative and seeks support from other community agents. Interestingly, in five cases, governmental entities (and in one case, a business) were the initiators of programs, with the clear intent to make them community-based efforts. That meant, for example, enlisting the support of other, nonprofit groups to carry out the task. In an even more broadly based approach, a cluster of community groups may jointly carry the responsibility for financial literacy training from the start. We can generalize that, in practice, community-based programs have as their base a coalition of organizations. Often, financial literacy training is embedded in those coalitions' overall purpose and functions.

Needs Assessment

A little more than half of the community-based programs were founded upon an informal needs assessment. The remaining programs were nearly equally split between having conducted either a formal needs assessment or none at all. Such variety is characteristic of these programs. Informal assessments were often conducted by community activists or leadership groups whose history and experience with the target group had already identified financial literacy needs. Similarly, needs have been ascertained through means other than assessment procedures. For example, a mandate from a government program or requirements of a public-private partnership may have established need. Across all the ventures we studied in this sector, the program had responded to a sense of urgent need, despite different assessment approaches.

Planning

Community-based programs are characterized by systematic planning. Of the 29 cases studied, nine had used an individual director and/or small staff to set up the venture, and 20 employed a planning group. In seven cases, representatives of government agencies were on such teams, and six included representatives from the target population in the community. In only a few instances did staff members have specific prior experience in financial education. Thus, a broad-based approach was necessary, and the inclusive planning appeared to be an asset to these programs.

For nearly all programs (24), other models were examined and/or incorporated to varying degrees, with some materials borrowed in their entirety and others used only in part or simply reviewed as background. There was only one program for which the plan was written as an independent effort. Another planning process explicitly included a business plan. Finally, we encountered one program in which planning had been a "textbook" process, including a team from five nonprofits, input from in-house divisions, focus groups with families in need, examination of several models, gathering of teaching materials, and participation of future instructors in a national training course.

Purpose and Positioning

Of the 29 community-based financial literacy programs, 13 focus specifically on home-buyer education. Their training and education purposes tend to be among the best defined. Eleven respondents specifically identified the purpose of the programs as a means to empower and/or aid their participants in achieving financial self-sufficiency. A few programs find it especially useful to bring in a counseling and networking element. There is no way to determine the merits of a program on purpose statements alone. However, it is remarkable that, in the community-based category, the number and range of special target populations is very distinct. Apart from targeting home-buyers with special needs, we found that seven programs directed their efforts at women specifically, three at immigrants, and several each at Latino and Native-American groups, as well as non-English-speaking community residents. In many programs, the target perspective is somewhat wider but always aim to meet community members' needs that are not being met by traditional opportunities for financial education.

It should be noted that virtually all programs indicated that they have sufficient autonomy, sometimes subject to final authority of a board or higher-level director. About half of the programs operate within one of several departments, being part of larger organizations. But this may be neither advantage nor disadvantage vis-à-vis entirely free-standing programs; a larger organization may impose strictures but may also have stronger resources.

Funding and Resources

Community-based financial education programs have complex funding arrangements, as multiple sponsors in a coalition contribute to the total effort—or as government, private and nonprofit partners jointly finance a program. Several programs are entirely publicly funded; approximately half are publicly funded in part or in whole. Community development corporations, credit counseling organizations, and IDAs are quite often part of the mix.

Seventeen cases we studied mention that volunteers are an important element in their resources. This figure no doubt somewhat underestimates the extent to which volunteer efforts are prevalent in community-based ventures; multiple skills and good will tend to energize these community financial education coalitions.

Given the complexity and usual scarcity of resources, many program sponsors mentioned to us the constant challenge of finding new funds and resources for the program. Sponsors often specify what part of the program they will or will not fund, thus necessitating a search for additional support. In a few cases, we heard about conflicting requirements by funders.

Scale, Participants, and Strategy

Programs vary a great deal in size. Ten we studied were quite small, with 11-75 participants a year; on the opposite end, eight programs were large, serving more than 1,000 a year. In between are efforts that serve in the hundreds. It should be noted that the largest program, with about 17,000 participants in 1999, covers multiple communities statewide. About half of the ventures operate at multiple sites, which is true also for some smaller local programs that make it a point to teach financial literacy very close to where people live.

Community-based programs are open to all. Even efforts that are targeted to specific emerging populations state that they invite all members of the community, family, friends and neighbors—in the interest of integrating all those who desire financial self-sufficiency. Advertising is done proactively via several media.

Program Content, Pedagogy, and Delivery

According to the mission of most programs, they teach a fairly full range of topics in their courses and workshops. Thirteen ventures cover almost all subjects. The areas less well represented are health costs, retirement preparation and 401(k)s. This is not unexpected, given the typical audiences. In a few cases, program content is affected by preferences of sponsors or availability of particular expert instructors, which is not necessarily a weakness. About half of the programs mentioned specifically that course content takes into account feedback from the community and experiences with previous instruction. The goal is to respond precisely to what community members need.

The primary delivery methods are, in order of preference: expert-led presentations, seminars or workshops, and more traditional classroom settings. Almost all community-based programs contain a portion of one-on-one instruction and/or counseling, parallel or often subsequent to the workshops. On the other hand, independent study or the use of high-tech learning tools is not that well represented because personal interaction is highly valued. Fully half of the programs stress that their instruction and learning materials are culturally sensitive to target groups or the composition of classes.

There is range in the length of offerings, but only seven programs are on the short side, with 1 to 5 hours of instruction. The model length is 9 to 12 hours, with nine ventures falling in this bracket. An additional three programs range between 16 and 28 hours of instruction. Five programs are very intensive, asking participants to meet for 40, 52, or even 72 hours, with some of these being offered continuously through the year. One 120-hour course is located at a community college and runs for a full term.

By-Products

Community-based financial education programs have achieved accomplishments beyond the teaching of basics. In five of the cases we examined, the original program was being deployed elsewhere, on a wider basis, having been recognized as an effective approach. At least seven ventures have earned awards in the community. The following is a list of further successes that have enhanced the missions of several high-quality programs: own publications (i.e., curricula, workbooks, etc.); on-line versions of learning tools; broadcasting programs on financial literacy; a training program for instructors; a plan for creating a membership organization; and rendering translation services for participants.

Evaluation

In evaluating their efforts, more than three-quarters of the community-based programs mentioned that they employ evaluation forms that participants completed. Twenty-three programs reported pursuing follow-ups, from six months to more than three years, in some cases including monthly contacts or phone calls. In many programs, success is measured more qualitatively or intuitively. Participants make clear that they liked what they learned, and instructors and directors feel they have sought out community needs and have been able to meet them. A variation of this kind of evaluation is the observation of a set of indicators of success, like growing enrollment, accumulated savings, or requests to bring the program elsewhere, all of which, in combination, tell a story of achievement. A few respondents told us that they would like to conduct even more evaluation, but it would require more funds, time or an extra team for the task.

General Observations

The cooperative effort mounted by a coalition of groups gives community-based programs considerable strength and the capacity for substantial systematic planning. These programs have been able to reach targeted populations and still remain open to all. They typically practice solid evaluation, have follow-up mechanisms in place (often with counseling), and offer instruction of good length and depth. We found a tendency for two weaknesses in community programs: organizational complexity as a result of operating a coalition of diverse groups, each with its own agenda; and the problem of securing enough financing to maintain a solid financial base for long-term education efforts.

CASE STUDY

Homebuying 101
International Institute of Boston

Characteristics of the Program Sponsor

The International Institute of Boston (IIB) is a nonprofit agency founded in 1924 to serve the needs of refugees and immigrants. The IIB provides a wide array of services, including English and literacy classes, job counseling and placement, and legal and social services. The services especially target non-English- and non-Spanish-speaking populations, which are underserved in the city of Boston.

During the past year, nearly 7,000 immigrants and refugees received assistance by the IIB's 60 staff members—who collectively speak more than 26 languages—and by 250 trained volunteers. Approximately 500 refugees from troubled regions around the world are resettled every year. The IIB helps them find their first living quarters, enroll in schools, receive health screenings, and identify other service providers. Newcomers are placed into jobs within six months of arrival, with help from the employment resource center, employer outreach, on-the-job training, structured job searches, and their hotel industry training program. Post-placement services are also available to assist with job advancements, child care and transportation, and individualized job counseling.

Upon arrival to the IIB, immigrants and refugees are given a community orientation, which includes an introduction to the financial system in the United States. Through an agreement with Fleet Bank, clients set up accounts, become acquainted with ATM cards, learn how to write checks, and learn when to expect bills and how to pay them. These issues are addressed upon entrance into IIB and continue as an ongoing activity, depending on an individual's situation and needs. By the time IIB's clients are ready to take Homebuying 101, they have become fairly well versed with the financial system.

Homebuying 101 is housed in the Citizenship Center, which was opened on July 4, 1998. In addition to home buying, the Center provides classes on U.S. history and government and tutoring for speaking, reading, and writing English in preparation for the citizenship exam and interview. The Center's Immigration Legal Clinic provides confidential, free or low-fee legal services to IIB's clients for issues surrounding citizenship, deportation, green cards and asylum. The Low-Income Legal Assistance Program offers legal representation for complicated family immigration cases, battered immigrant women, deportation defenses, and humanitarian cases. The walk-in clinic is open every Thursday and two Saturdays per month.

The IIB has a revenue base of more than $3,000,000 and is funded by the United Way of Massachusetts Bay, the City of Boston, various government offices, private foundations, individual donations, corporations, program fees, and fundraising events. The Homebuying 101 program is funded solely by the city of Boston.

Characteristics of the Program Participants

The Citizenship Center, which houses Homebuying 101, is usually the final destination point for immigrants and refugees who have lived in the United States. Consequently, most of the immigrants using the services of the Citizenship Center have resided in the country for nine to ten years. Because IIB has contracted with the cty to provide homeownership training for underserved immigrants, classes are offered in Vietnamese, Haitian-Creole, Portuguese, and Chinese. English- or Spanish-speaking communities may choose from a wide array of other service providers to receive the same education.

The instructors of the Vietnamese and Haitian-Creole communities were asked about how long they thought community members tended to live in the United States before buying a home. They estimated that Vietnamese households buy a home after residing in the country for three to five years, while the Haitians average five years. Vietnamese households are excellent savers and will often put 20 to 40 percent down on their first home. Their tendency to pay by cash, however, prevents them from developing a credit history, which results in higher mortgage rates. Haitians, on the other hand, tend initially to have more credit problems, primarily because of community sharing and lending arrangements back home. That, in effect, culturally discounts the need to practice greater self-reliance in the U.S.

Description of the Program

The curriculum for the program was designed by the city of Boston and is used city-wide. The International Institute of Boston offers the program through two consecutive workshops, each lasting five hours. Primarily, the workshops are on Saturdays, but some are offered on weekday evenings, mainly in the spring and fall. All of the classes are held in the community of the targeted audience, and none are offered in the Institute itself. As specified by the city, class size is restricted to no more than 20 participants.

There are five sections to Homebuying 101 that cover the following topics: determining whether homeownership is the best choice, the loan process, savings and debt, budgeting, credit, mortgages, finding a house, negotiating, contract of sale, insurance, and a short post-script on avoiding foreclosure. The program is tailored specifically to Boston and its housing market and outlines various programs developed by the city to provide new affordable housing or to renovate existing buildings. For instance, two programs are geared toward the construction of new affordable housing, one on large tracts of land and the other on smaller city-owned parcels. The Real Estate Disposition

Initiative Program auctions abandoned city-owned buildings to individuals, and the Residential

Development Program sells properties that need renovation at a low price. These types of programs increase homeownership opportunities that may be unknown to Boston residents prior to the workshop.

Graduates of the home-buying program are eligible for closing cost grants from $500 to $1,000 or down-payment grants that range from 2 to 5 percent of the purchase price. Participating lenders also offer $300 discounts on closing costs for the buyer. All buyers must purchase within the city of Boston to be eligible for the grants.

History of the Program

After assessing the home-buying services available in Boston, the Social Services Department of IIB recognized that there were no programs offered to non-English, non-Spanish speakers. With that knowledge, the Institute conducted an informal needs assessment of the Vietnamese community to determine interest in the program. The assessment revealed that a strong interest was, indeed, present. The Institute wrote a proposal and approached Boston's Department of Neighborhood Development for funding, which was granted.

The Department of Neighborhood Development (DND) is Boston's full-service neighborhood development agency, which builds new housing, new schools and community centers. The DND also aids in home renovations and in the revitalization of local businesses. Offering a wide variety of programs for homeowners, neighborhoods and businesses, the DND is the creator of Homebuying 101.

In 1996, headed by Mayor Thomas M. Menino, The Boston Home Center was founded. Coordinated by the DND, The Home Center is located in downtown Boston, only a few short blocks away from IIB. Interested home buyers can visit The Home Center to collect information on the array of city, state, federal, nonprofit and private products and programs.

The city of Boston, Department of Neighborhood Design, supplied the curriculum to the Institute, which then translated it into Vietnamese and Haitian-Creole. The director of programs and the coordinator of social services within the IIB handled the initial planning of the program. The strength of the process lay in the fact that IIB was providing a necessary service to a Boston population that lacked access. When the classes were first offered in March 1998, their success in reaching out to non-Spanish-speaking immigrants was evident by the program's popularity and high rates of attendance. However, a long-range plan had not been designed, which put the Institute at a disadvantage when faced with the surge of interest. Nevertheless, over the past two years, translations have expanded to include Cape Verdean Creole, Portuguese and Chinese.

Initially housed and coordinated by the Social Services Division of IIB, the program was moved to the Citizenship Center in January 1999. Although the program is supervised by the director of programs, the city of Boston has final authority over any changes made to the curriculum. At the completion of the course, all graduates' names are sent to the city, which then sends the graduate a certificate with which to redeem grants and tracks their progress. However, the city does not report its findings to IIB.

Current Program Performance

Although the service and the Institute are viewed favorably by their clientele, many potential home buyers are discouraged by their actual experience in the Boston housing market. According to Kimberly Zimmerman, IIB's citizenship coordinator, Boston housing prices have been increasing 10 percent per year, and the vacancy rate is less than one percent. Because of this environment, many people feel that homeownership is an unattainable goal. IIB is working on outreach methods to counter myths surrounding home buying, but recruiting participants has become increasingly difficult. Further complicating the issue is the funder's stipulation that money is only allocated to outreach methods targeting those who wish to buy within Boston.

In 1998, each class was attracting 20 to 30 enrollees, but as the housing market grows less favorable, class size has dwindled to about 12 per class. With six series offered per year, the program now reaches about 72 per year rather than the original 120. One current goal is to add an additional series by the end of the year.

On July 1, 2000, IIB completed its first home-buying series in Chinese. The class filled to its maximum size of 20, of which 19 graduated from the series. A second series began on Monday, July 10, and was scheduled to conclude on Thursday, July 13. This offering included four consecutive sessions, each lasting two and a half hours. Again, the class was registered to capacity. An additional 40 or more people have placed themselves on a waiting list for future classes, which may produce two series in September and October.

Participant Satisfaction

To assess the experience of program graduates, a survey was distributed within the Vietnamese community, and a focus group was conducted with Haitian-Creole speakers. Both of these communities were the original recipients of IIB's outreach efforts in offering Homebuying 101.

Twenty surveys were hand-distributed by the Vietnamese instructor to individuals in the community who had completed Homebuying 101. Despite follow-up contact, only three surveys were returned. Two of the respondents were men, and one was a woman. None had purchased a home. Two of the respondents reported that their reason for taking the course was based on wanting to increase their knowledge of the home-buying process.

The third respondent stated that he took the course because of the opportunity to receive assistance with closing costs upon completion. When asked why others in their community did not take the course, they mentioned a lack of information about the course itself, misinformation about whether the benefits from the certificate expired after a year, and a view that the process of buying a house is too difficult.

All of the respondents appreciated the services offered by IIB to the immigrant community. When asked whether they had changed the way they handled their finances after taking the course, all three stated that they had. Each responded that he or she now saves more money and budgets more carefully. All three found saving to be the easiest financial change to make. The most difficult financial changes to make were listing necessary expenses and budgeting on a limited income. Finding a job (making money in a new country) was the overriding priority.

Two of the respondents felt that they were able to openly discuss money issues in the workshop because the instructor's knowledge and opinion as well as that of the group's was seen as useful in personal decision-making. The male respondent who was unable to openly discuss money issues cited privacy as the cause. This same man also preferred one-on-one counseling as the method for financial education delivery, while the other two preferred discussion groups, videos and expert presenters.

All three stated that the program adequately addressed personal financial issues they experienced and answered their questions about home buying. Two of the three thought the vocabulary was easy to understand because it was translated into their native language, while the third respondent still found the terms "*not so easy*" to understand. All three believed that the program matched their cultural values because both saving and buying a home are strong values in the Vietnamese community.

The second method of collecting information from participants involved conducting a focus group at Hyde Park Community Center in Boston. Involving seven Haitian-Creole speakers, the discussion revolved around their experiences with the Homebuying course, the impact it had on their financial behavior, and their motivations for taking and completing the series. Because the focus group was conducted in Creole, the moderator's questions were translated for the group by an individual provided by the IIB. The translator was the participants' instructor for the series and also transcribed the tape from the discussion into English. Using the participants' instructor as both the translator and transcriber does open the data up to question, because the instructor's presence might cause participants to be unwilling to criticize the program, and the instructor may write a more positive translation than the discussion indicated. Despite these drawbacks, the data provide snapshots of experiences and opinions following Homebuying 101.

There were five women and two men in attendance. Five had attended the series six months prior to attending the focus group, and one had attended a full year earlier. None had yet purchased a home. Ages ranged from 33 years to 70 years. Three of the participants were married and four were not. Three of the four unmarried respondents reported a household income of less than $30,000 a year, while three reported a household income of $40,000 or more a year. One person did not respond to the question about income.

Many of the focus-group attendees stated that, prior to the course, they had lacked information on home buying and its connection to personal finances. One participant said:

> *"… When I took the class, that gave me an idea of how terrible it can be when you don't have the right information. And it made you aware of the need to know what you're doing, the problem it can be if you don't pay attention to how you manage your credit."*

Information on credit issues appeared to be most needed, as well as on the process of obtaining a mortgage. No mention was made of reducing debt, although problems with credit are likely to have arisen because of debt. Making the connection between their household's financial picture and achieving the goal of homeownership was an eye-opening experience for most. While the participants walked away from the program with a more complete understanding of what it takes to purchase a home, the process itself no longer seemed to overwhelm them.

> "*Well, the most important thing for me was to realize that buying a house was not so easy…When you sit in a class where you're learning to do the processes, the calculations to arrive at what you would like, what you want to buy, then you realize that you have a lot to do to be ready, to be able to afford what you want."*

> *"What was important was the explanation about how to save and use the money you have to buy a house. It all depends on what you have as a job and savings…You have to realize that you must have enough for a down payment and closing and reserve."*

> *"The class did help, so now we know the steps to take. We don't have to listen to others. We have the information, the materials, other documents that we can read in order to follow the process."*

> *"Yes, the class did help us to understand what to do to buy a house. Before that we did not have all the pertaining information. When you go to a class you learn what to do, like, you have to contact a bank, how to contact a lawyer, real estate, how to find money to add to what you have in order to buy a house."*

Although information on saving, managing credit and calculating affordable housing payments was absorbed from the program, most expressed reticence in discussing money issues in the classroom. While simply asking questions about the process did not seem to pose any difficulties, entering into discussions about private issues that may have revealed levels of savings were thought to be more appropriate in the home than in the classroom.

All of the participants noted the effort required just to attend the program, since its format involved two to five classes. All seemed to feel, however, that the home-buying process is important and requires gaining the necessary knowledge. Two individuals specifically stated their interest in a program that addressed the needs of low-income households. While happy about the education itself, the participants expressed great frustration with the housing market in Boston:

> *"Rent is too high now—in Mattapan, Dorchester, anywhere else. If the state does not help us, we will all be in trouble soon. We won't be able to pay for a place to sleep."*

> *"I have not been able to buy yet, because where I am now I have problems paying the rent. I cannot even talk about buying yet."*

Some stated that while they were ready to buy a house, they were unable to find an affordable one that met their needs. They faulted the city for where it was building housing and felt that Hyde Park (the participants' neighborhood) was being overlooked for this development. They expressed a desire for more housing choices for low-income families and sought increased monetary help from the city and state. The $500 provided toward down payment or closing costs upon completion of the course was viewed as being too little money for such a high-priced market.

> *"My kid and I, we are living with my sister. The kid is growing up. We cannot be sharing the same room, so I must get my own place and I need my own privacy. If the market continues to climb that way, I will not be able to buy. Then I will have to take my savings and pay rent with it. After that I will not be able to buy a house. Where will I find the money? I have no help. The class was good, but after the class you are on the road by yourself."*

> *"Because after the class what happens is this: housing cost is too high and that does not depend on the course…"*

> *"We want to tell the city that what it is giving us is too small. We work and we pay a lot of taxes. Five hundred dollars is no help at all."*

Overall, the program seemed to address adequately the home-buying process and to discuss the impact that financial behaviors have on one's ability to qualify for a loan. Nevertheless, while the education was indispensable, it was not enough to open the housing market in Boston to participants. In a market with rapidly rising prices and few housing choices, they found themselves armed with education and savings, but with no success in achieving homeownership for at least six months after having taken the course.

Effective Strategies

Within its purpose of helping underserved immigrant populations acclimate to life in the U.S., Homebuying 101 provides excellent outreach to a community population that is multicultural and specially targeted. It offers relevant instruction that effectively transfers knowledge about home buying, if not the ability to actually find the ever-illusive affordable Boston home, to participants who take this popular course.

It employs bicultural teachers in Vietnamese, Haitian-Creole, Cape Verdean Creole, Portuguese, and Chinese (Cantonese). Rather than using interpreters, IIB hires instructors who are members of the communities to be served. Much of the success of the home-buying program is attributable to the selection of bilingual instructors who are not only native speakers of the language, but who also are active in the communities served. IIB locates instructors through its connections to the community, mainly through local churches, Community Development Corporations (CDCs), social services offices, and others. These connections aid the Institute in identifying community leaders who may be interested in teaching the home-buying course.

Instructors are active and known in the community, which provides them with a strong sense of awareness about the community's needs and permits them to respond appropriately. In addition, because the instructors have been active in the community for several years, they are able to aid in outreach. Familiarity with the instructor may increase attendance, but perhaps more importantly, the instructor's knowledge can tailor outreach methods. Instructors and CDCs are able to identify which newspapers would reach the most people, whether radio advertisements would be a more effective tool (as with Haitian-Creoles), or if papering housing units would be appropriate. Other outreach methods include advertising through ethnic businesses, community events and word of mouth.

When the instructors were asked what made the program successful, they listed the success in translating documents, participation of students in discussions, the creation of an interactive environment, and the use of success stories of graduates. Providing documents and financial terms in native languages, rather than forcing immigrants to learn the process in an unfamiliar language, increases the accessibility of homeownership. Bilingual expert presenters, such as those from banks, are also invited to the class to further familiarize the audience with their institution and to provide an additional perspective on home buying within the speaker's particular area of expertise.

During the course discussion, the instructors address issues that are common to their specific audience. For instance, Vietnamese participants are more likely to purchase older, wooden tenement houses, known as triple-deckers. Many of these older homes are filled with lead paint, so a discussion of lead hazards and paint removal is encouraged. Among Haitian-Creoles, credit tends to be more of an issue, so a greater emphasis is placed on managing personal finances.

Drawing instructors from the community itself, rather than hiring language speakers without connections to the neighborhoods, encourages greater interaction within the classroom and increases the ability of the instructor to meet the specific needs of the audience. This interplay between the program participants and the instructor makes the International Institute of Boston's presentation of the city's home-buying program very effective.

CHAPTER SEVEN
FAITH-BASED FINANCIAL EDUCATION

Financial attitudes are deeply embedded in the literature of most religions. Many Western financial behaviors stem from the Judeo-Christian traditions and laws laid down in the Old and New Testaments of the Bible. The Books of Deuteronomy and Leviticus lay the groundwork for tithing (giving back) and standards for business interactions, for relationships between borrowers and lenders, and for helping the poor and needy. Good stewardship of one's resources is a central theme in many biblical lessons. Most of the world's great religions similarly teach principles of money and resource management.

The faith-based programs in our study generally fell into two groups. One half of the programs studied were developed specifically for members of a particular denomination or religious group and were offered within the church community with a clear biblical message. The other programs were sponsored, initiated or developed by religious groups or organizations for the benefit of the greater community, generally to assist lower income or disadvantaged groups by offering financial skills training.

Many of the program providers emphasized the "transformational" aspect of their programs—the need to transform the attitude of the participant to achieve success. One program manager likened her program to a twelve-step program. To reinforce learning and change lifelong attitudes, a participant's sense of the spiritual must be engaged. Another program manager told us:

> "*Attitude changes with regard to debt are faith-based. That's where we are successful*."

We spoke to managers of several programs that were run by African-American churches to serve the needs of their congregations and communities. The pastors of these churches use sermons and speakers during the church service to reinforce the message of the educational program. A respondent stated that finance (debt) was the "*last area of bondage*" for African Americans. Another program director explained the church's involvement as a necessary part of its overall teaching:

> *"Unless you have a healthy relationship with money and put things into perspective, you can't have a good relationship with God."*

While "the love of money may be the root of all evil," the informed stewardship of money brings great rewards. Many faith-based programs see increases in tithes and community outreach as a result of a successful financial literacy education program. The program developed by the Seventh-Day Adventist Church (SDAC) has reached 1,000 of their 4,700-member community with videotaped financial education programs. In addition, the program director has addressed audiences of 5,000 to 6,000 in meetings, conferences and summer camps. The program is now included in seminary training so pastors will become future instructors. The program is effective, and participants speak positively of the knowledge they have received. As a result of its efforts, the church also prospers. The SDAC reported that tithing has increased and there is less need to subsidize local SDAC churches. Other faith-based programs report similar results.

Programs like Christian Financial Concepts (CFC) and Crown Ministries reach thousands of people. They are promoted in churches and in the media. CFC has radio broadcasts on 1,500 radio stations in 138 localities. An estimated 35,000 people have been trained through this program since its inception in 1976.

Several of the faith-based programs in our study operate outside the walls of a religious institution. These programs often work in partnership with local community development, social service or housing organizations. Although the concepts of stewardship and giving back remain part of the message, the focus of these programs is often on a specific goal, such as achieving affordable homeownership or making a successful transition from welfare to work.

Some programs contain no reference to specific religious principals, but a commitment to these principles provides the motivation to initiate and offer the program. The St. Louis, MO, branch of the National Council of Jewish Women (NCJW) was concerned about the impact of new welfare-to-work laws on welfare mothers with children. This organization approached the local agencies working in the job-training program to provide financial literacy education for their clients. The financial education is taught by NCJW members who also provide transportation, child care and an evening meal for the participants.

While we have developed an overview of faith-based, community-level financial literacy education, the information does not pertain to all denominations or even to all the major religions. The Rev. Jesse Jackson’s PUSH/Rainbow has created a model for African-American organizations, but only a few programs have been started so far. The Methodist, Lutheran, and Presbyterian denominations have “pension boards” that market financial products for members and engage in investment counseling. However, these ventures have not yet been studied, and it is not certain whether they reach average or lower income parishioners on any systematic basis.

Faith-Based Programs Study Findings

Inception

One of the oldest faith-based financial education efforts goes back to 1976, when Larry Burkett’s CFC formed a curriculum in money management skills that was inspired by the notion of stewardship. Several programs we studied have followed this vein. Quite a different type of faith-based effort emerged much more recently during the 1990s, when faith-based organizations partnered with other community and government sponsors to offer skills training in financial literacy. In our analyses, these two traditions show both similarities and marked differences. The more recent faith-based partnerships or coalitions often got started in conjunction with IDA programs, HUD programs, residential transition initiatives, or welfare-to-work initiatives.

Needs Assessment

Most faith-based programs began as a result of informal approaches to needs assessment. Community coalitions of faith-based organizations and their community partners incorporated financial literacy education into over-arching programs that brought both opportunities and services to inner-city welfare-to-work populations and the working poor.

Faith-based, church-centered programs primarily conducted informal assessments to determine what parishioners desired from their religious community. One large church-centered program conducted focus groups in 12 cities to ascertain what assistance the church could offer its membership. Faith-based programs also employ a *spiritual needs assessment*, which includes raising awareness within the congregation that stewardship is both an element of faith and a secular responsibility.

Planning

When planning a financial education program, many faith-based organizations borrowed from existing models, especially from Larry Burkett's long-standing Christian Financial Concepts Program. Community coalitions tended to rely on guidelines set by larger programs (e.g., IDA programs), but they also searched out and employed ideas from other program models and curricula. Several of these programs incorporated major portions of CES curricula. One faith-based program modified an existing program by adding a more intensive use of small-group discussion and one-on-one counseling. Another relied on a pre-packaged education model, but used it imaginatively to create sets of courses for other churches.

Purpose and Positioning

Faith-based programs differ in that they emphasize life-transforming outcomes as well as concrete results, such as securing jobs or better housing. The latter is more likely to be emphasized among faith-based partners who have formed coalitions with secular groups and/or government. In all cases, it should be stressed that the ultimate purpose of these programs is to help people achieve a more abiding faith as well as material well-being.

Programs can be positioned in a variety of ways: by one partner in a larger coalition, by community-wide effort, by being part of the Christian education department of a church, or by standing alone as an independent organization that provides services and course materials for contracting churches. Policies and practices, as well as leadership styles, differ accordingly.

Funding and Resources

In the case of coalitions, funding usually flows from many sources, including government, foundations or business. In some efforts, a great deal of volunteer work is contributed by community-based organizations, but there are others who have paid staff. With some faith-based church-centered programs, funds are offered by general educational budgets. Whereas some church staff members are paid at the individual church level, volunteers supply a great deal of instruction and other support. Independent, third-party, faith-based providers who contract with churches have large fundraising mechanisms. They sell instructional materials and rely on volunteers at the local level, while using meeting space provided by the churches. The financial situation of the community coalition-based programs tends to be much more precarious.

Scale, Participants,and Strategy

Faith-based community programs tend to be smaller, ranging from a dozen to about 100 participants. Often, these programs are geared to emerging populations. While large church-centered or church-contracting organizations reach between 5,000 and 10,000 parishioners per year and are long-term and very large, instruction itself is delivered at the local church level in small groups with 20 to 40 participants per session. The scale of programs such as CFC or that of the Seventh-Day Adventist Church is national. Regional sub-organizations help coordinate and provide guidance, and theological seminaries offer courses for future church leaders.

Program Content, Pedagogy,and Delivery

We have found that faith-based financial education curricula almost always cover a full range of topics, often including preparation for homeownership. The teaching methods range from workshop discussion to counseling and self-study, with detailed workbooks and often very good audiovisual materials. Both topic coverage and pedagogy contain religious dimensions, but always as complements, not substitutes. Directly or indirectly, there is a great deal of emphasis put on attitude changes. The minimum length of instruction is six hours, but many programs are 8, 12, 16 or even 24 hours in duration. Schedules vary from one-day seminars to yearlong programs.

By-Products

By-products encompass teaching materials that are being used by other coalitions or congregations, teacher conferences, career workshops, and savings clubs that follow the financial literacy courses.

Evaluation

Apart from the customary evaluation forms at the end of classes, faith-based groups often follow up by phone calls or interviews. Some coalition partners must follow evaluation standards set by funding agencies—IDAs typically track participants from one to three years after completion of the course. A result unique to this sector is that effects of successful financial literacy training may be seen in improved tithing to the faith-based organization.

General Observations

Large church-centered or third-party contracting organizations show financial and organizational strength, and we are impressed with their track record. Coalitions among faith-based organizations, government, businesses and other community groups provide important and promising synergies, but they are more recently formed and do not always have long-term funding or an optimal organizational structure. Furthermore, the mission of a faith-based group can be compromised by the divergent priorities of large funding partners within the coalition.

The most positive aspect of all the faith-based programs we investigated is their emphasis on life-transforming changes in attitudes toward money management within a personal faith-centered framework.

CASE STUDY

Financial Literacy Program
MidAmerica Leadership Foundation

Characteristics of the Program Sponsor

The MidAmerica Leadership Foundation is a social action entity of the Christian Reformed Church. It has partnered with Chicago businesses, other foundations and churches to operate several community economic development efforts. These have recently encompassed a variety of improvements in the quality of life of citizens in special needs areas, such as the Cabrini Greens and Lawndale housing developments, which are now in a major transition toward different forms of subsidized housing. MidAmerica has embraced the concept of Urban Enterprise Funds, which implies a business-like model for nonprofits and a focus on the economically disadvantaged.

The Roberts Foundation and its Enterprise Development Fund in San Francisco pioneered this concept. MidAmerica Leadership Foundation developed a faith-based financial literacy program because it is a faith-based organization. Although some sites asked it to strip the faith out of the program for delivery to some of their participants, when the faith element is included, it is undoubtedly transformational:

> *"Our journey to financial security requires that we learn tools and approaches to get financial control of our lives and are no longer buried under a mountain of debt, a captive to financial indebtedness…On this journey, we need encouragement to provide for others by not only tithing but recognizing all that God has given us—our 'talents'—as something to use for God's glory."*

Characteristics of the Program Participants

In formulating the Community and Economic Development Program, the MidAmerica Foundation directed recruitment efforts at underemployed, low-wage residents of sections of Chicago's inner city who are interested in participating in an Individual Development Account (IDA) program. As a requirement of that participation, they have agreed to attend a yearlong financial literacy course. Currently, from 20 to 40 men and women take part in two concurrent courses each. The participants typically have part-time or full-time jobs that pay little but still allow them to consider improving their money management skills and assets to reach such long-term goals as homeownership, further education or a small business. Focus group participants typically got their personal financial information from family, friends and co-workers. They ranged from 36 to 70 years in age, and half of the participants had a household income of under $20,000 per year.

Both pull and push factors are at work in bringing community residents into this program: the IDA feature of matching each dollar saved with a dollar donated represents an attractive “pull,” which is often mentioned as having prompted someone to enroll in financial literacy training. On the other hand, church pastors also “push” members of the community to enroll, in the spirit of enhancing one’s stewardship. Graduates of the program often recruit members for the next course sequence.

Description of the Program

The program operates under the umbrella of the Community and Economic Development Program, a coalition that has been formed by the Foundation, local businesses and other foundations, and the Community Bank of Lawndale. Because the IDA program requires that financial literacy training accompany the savings plan, MidAmerica shouldered the task of creating a yearlong training course. It developed a comprehensive curriculum that answered most common questions and needs: stewardship, capitalism and materialism, building wealth, saving, debt and credit repair, protecting oneself economically, home purchase and maintenance, investing and giving back. MidAmerica Executive Director Gary Nederveld told us:

> *“…People want to learn the information. Not only do they learn from the [course] content, but they learn from each other. The faith-based aspect puts it all into perspective…The relationships participants have developed among themselves have strengthened—the trust level is there.”*

In addition, the course provides a cultural framework that is only partly religious; another part deals with basic economic concepts and realities relevant for African Americans, Latinos, Asian Americans, Native Americans, farmers and women, as well as for those with an Islamic economic framework.

MLF launched the faith-based financial literacy curriculum in May 1999 as it introduced the Community and Economic Development (CED) initiative, its asset-based program for low-income individuals in the Cabrini housing projects of Chicago. A set of leaders of churches and faith-based organizations got together because the economics in core city areas tend to be so “messed up.”

> *“We decided to concentrate on developing a system of opportunities and services for both the inner-city welfare-to-work population and the working poor. We believed then, and believe now, that the churches can deliver the spiritual force to transform lives…”*

One evening each month, participants meet for two hours to study and discuss the handbook and worksheets, listen to experts on the respective subjects, learn about further information sources and exchange experiences. Upon completion of the course, or parallel to it, participants form smaller solidarity groups in their immediate neighborhoods and continue to assist each other in their money management and information needs and pursuits. These groups coincide with the ongoing IDA program, which lasts a total of three years.

History of the Program

The initial planners of the Community and Economic Development Program (CED) included the Rev. Roosevelt McGee (pastor of a southside Chicago church), Gordon Murphy, Luther Benton, Laura Snoeyink, Kevin Davy, Con Powell, and Gary Nederveld—all with connections to MidAmerica Leadership Foundation. They were helped by Lyman Howell, who had a background in business, specifically in microenterprise and investment clubs. Georgia Emory of Enterprise Development International also served as a resource person. The financial literacy curriculum was first outlined by Davy, Howell, Nederveld and Erica Chung, who joined the MLF staff in 1998.

The history of this financial literacy education effort reflects thinking and practices that, in combination, have built a successful program. With the Christian Reformed Church and its MidAmerica Foundation having a long tradition of ministry in urban communities, the creation of a Community and Economic Development Program two years ago established the overall framework. Years 1998 and 1999 were used to pool financial resources from other foundations and local businesses, enlist the support of a bank, and reach out to church and community leaders.

As Individual Development Accounts (IDAs) presented themselves as a useful tool, and as all partners involved in the coalition agreed on a financing mode for the whole venture, financial literacy education at the participant level fell into place as a crucial element. From MidAmerica's perspective, financial literacy training brought the organization much closer to the participant and immediate community level of action. It let them understand the participants from the selected neighborhoods much better.

> *"The program was launched to achieve more equal opportunities in economic life, to pave the way for self-sufficiency. The CED program incorporates five components: (1) asset-building through Individual Development Accounts (IDAs), (2) faith-based financial literacy training, (3) community building through transformational experiences, (4) workforce preparation and enhancement opportunities, and (5) business and entrepreneurial opportunities."*

Within little more than a year, curriculum, sites, schedules, instructors, speakers and support services (like solidarity groups and a bimonthly newsletter) were set up and implemented by a small staff at the foundation. Also key was the appointment of a coordinator, Erica Chung, with the skill and dedication necessary to supervise all course sequences in three neighborhoods, oversee the administrative tasks and, at the same time, make the acquaintance with all course participants. Gary Nederveld of MidAmerica (with Erica Chung) has authored a book, *Faith and Finances: Helping People Manage Their*

Money, which will be published in the fall of 2000. This work will incorporate both the experience and the knowledge base that resulted in the current program.

Current Program Performance

One cohort of participants has successfully completed a yearlong course sequence and has reached the support group stage of learning and practice; a second cohort is close to completion, and a third is starting a new sequence. Thus far, 263 persons have benefited from financial literacy classes. This continuous pattern alone is a mark of success. As participants pursue their savings goals in the IDA program, it is also possible to concretely monitor another measure of success: the accumulation of savings. Since May 1999, that result amounts to $12,907. We conducted an independent focus group with participants from different community sites on June 19, 2000. The information gained from that session further confirms the valuable attributes and results of this program. Among the most important are:

- A solid recognition—indeed, a fundamental change in consciousness—regarding how important it is to learn to invest.

  > *"I'm dealing with generations of things that was taught to me…My family always taught us to save money for our older age…but we never were taught about investments. I needed to learn about finances so that I could educate my children and that they could receive some of the benefits even if I didn't."*

- Lessons learned on the *practice* of saving and of spending more wisely.

  > *"I just spent, spent, spent. When I got my check, I just spent, you know—pay my bills, pay my rent and I didn't think…so I mean, I was illiterate, and I learned a lot through this program…when you get your check, leave something in there, you know…save money."*

- Setting a particular goal and taking some steps toward it. Different participants identified different goals: homeownership, eliminating debt, working toward one's own business.

  > *"…Since I've been in here, and what I started doing from the very first meeting I went to, I got on the phone and I went from place to place trying to straighten out the stuff that was on my credit. It wasn't a lot, but it was enough to stop me from getting ahead."*

- An emphasis on *attitude* changes, voiced by the participants themselves. They quickly saw their economic circumstances and priorities in a new light as they engaged in the course.

Participant Satisfaction

Uniformly, focus-group participants were very satisfied with the program. Eight-eight percent of the graduates performed well on their final exam at the end of the yearlong learning process. They felt they had learned a great deal, not only from individual instructors, but also from one another as they were pursuing program goals. They wished financial literacy training could be even longer and accompany them along further steps toward reaching their objectives. Participants have become advocates for the course in their neighborhoods, conveying a realistic, positive assessment of the merits of the program to others.

Effective Strategies

Among the most effective strategies of the MidAmerica Foundation program was its clearly focused mission to revitalize and rebuild Chicago communities through the ministry of asset building. Other effective strategies can be summarized as follows:

First, MidAmerica is a remarkable example of coalition building, which is a potential strength of community-based and faith-based programs. MidAmerica has turned that potential into well-functioning practice. As the program continues to link up with banks, businesses, churches and other foundations, it exemplifies what the Roberts Foundation has called "growing nonprofit enterprises to ultimate sustainability in the market."

Second, MidAmerica has been judicious in identifying target communities and working with these communities at the right junctures. Realizing the synergies in the transformation of housing in and just beyond Cabrini Greens, Lawndale and Bronzeville, it has seized the moment and elicited cooperation with the relevant housing authorities, planners, churches, educational bases and businesses.

Third, building on the faith community has been an effective strategy. It provides the program with both the cultural background and motivation for the learning process, and its trusted pastors lend valuable support.

Fourth, the willingness of the foundation to seek out additional opportunities for dynamic partnering has been effective. MidAmerica is aware of other, similar efforts in the Chicago area and is interested in spreading its good services by building new alliances. The limits seem to be set primarily by time and staff constraints, not by self-imposed boundaries.

Other Factors

A few unusual circumstances and issues in the present case should be mentioned. Chicago, of course, has a long community-building tradition, with a strong nonprofit sector and business leaders who are willing to cooperate in new economically based social improvement ventures. Its size offers many opportunities for cooperation, while its neighborhood traditions bode well for the focusing of any program.

A major macro-level issue, to which MidAmerica Foundation leaders have given considerable thought, is that the rapid rise in home prices throughout the metropolitan area poses a problem for both current and future participants in IDA programs. During the time they accumulate funds for a home purchase, prices will have increased at an even faster rate, thus bringing them no closer to ownership. MidAmerica is actively thinking about that problem and sees a need for greater matching of participants' savings on the part of IDA sponsors.

Finally, the foundation is also considering expansion to help other emerging population segments that deserve financial literacy training. This would include people who are low literate or illiterate and in need of financial education, thus requiring special attention as they attempt to overcome the double barrier of both categories. MidAmerica deserves much credit for exploring new frontiers.

CHAPTER EIGHT
U.S. MILITARY
FINANCIAL EDUCATION

The U.S. military has a long record of experience in providing personal financial management education to its members. The Army established one of the earliest programs in the mid-1960s in response to congressional hearings and the needs of service personnel. The Air Force initiated a program in the early 1980s, and the Navy and Marine Corps followed with programs in the 1990s. All branches of the military, with the involvement of Department of Defense leadership, have been consistently reappraising and upgrading their financial literacy education and counseling programs.

The need for financial literacy education and counseling for U.S. military personnel was dramatic. New recruits often entered the military right out of school with little "real life" financial experience. Enlisted personnel were targets for predatory sales and loan practices. Families of military personnel must manage and maintain households on very tight budgets, often with one partner away from home for months at a time. Commanding officers were confronted with frequent calls from creditors in the community and overwhelming numbers of requests for compensation for financial hardship and help with credit problems at base stores—all of which took up valuable time and impaired the command's deployment readiness.

In 1996, the Navy commissioned a study of personal financial management difficulties among service members. The study found that the costs to the Navy were significant. Among other difficulties, the study found that financial management problems led to revocation of security clearances as well as discontinuation of service or refusal to re-enlist. Perhaps most significantly, the study asserted that,

> *"Financial difficulties had more impact on operational readiness than housing, child care, health care, or partner's job."*

Time has been one of the biggest challenges in developing a comprehensive program for all branches of the military. The military works on a full daily schedule, and fitting in basic financial literacy education classes has been difficult. However, the information is considered so essential that most branches have made financial education a mandatory part of basic training, and further courses are offered at regular intervals.

Most branches of the military have a multifaceted, multitiered approach to providing information, education and counseling. The Air Force programs can be tailored by major commands to meet their specific needs. The Navy has developed an accredited curriculum for their financial specialists, who provide training and services at the Family Services Centers. These specialists, in turn, train counselors at the command level to serve as a "first line of response" for individual service personnel. Financial specialists will often meet ships returning from long tours of duty at sea to conduct training sessions to prepare personnel before they return to homeport.

The Army uses a "life cycle" approach to personal financial education. Training ranges from entry-level, for first–term soldiers, to senior-level financial planning classes. Under the Army Community Services, the Consumer Affairs and Financial Assistance Program offers training for soldiers and their spouses in money management, proper use of credit, financial planning for deployment, transition, relocation and a debt liquidation program to help soldiers gain stable, manageable financial positions. Courses providing tax, investment, retirement planning and other transitional-issue information are available, as all military personnel will inevitably leave the service and return to civilian life.

The Navy's new Quality of Life Web site (www.lifelines4qol.org) exemplifies the effort and creativity invested by the military in their financial literacy education programs. The "shopping mall" Web site style delivers, among many programs, a complete inventory of the Navy's financial education offerings. Topics range from information on consumer rights and obligations to buying a car, understanding the military pay system, and saving and investing. The site includes course materials that can be downloaded, interactive games and calculators, and links to services. It is comprehensive and user-friendly, making financial literacy information available to the widest possible audience.

U.S. Military Program Study Findings

Inception

Armed Services efforts to provide basic personal finance knowledge to their members date back to the mid-1960s, when the Army created a financial counseling program. The Air Force leadership developed a personal financial management program in the early 1980s and the Navy and Marine Corps both began programs in the 1990s. Programs were set up to support members' financial preparedness during their service and/or upon leaving, helping them face the challenges they encountered with regard to savings, credit, insurance or housing.

Our review provided insight into the functioning of such personal finance programs at the unit level, the command level and the central administration of an entire service branch. In initiating these programs, services could often rely on existing family support mechanisms or use outside consultants, such as the Cooperative Extension Service, or community organizations, such as the Consumer Credit Counseling Service.

Needs Assessment

The frequency of financial difficulties encountered by service members, especially among enlisted personnel, and reports from command leadership were evidence enough to support the need for action for the military. Formal assessment techniques and studies—such as the Navy's 1996 study and a quality-of-life study conducted by the Marine Corps—are used in addition to the more informal determination of need. The Air Force now conducts an annual assessment of financial literacy needs.

Planning

The planning processes in the military differed by service. Headquarters for the Department of the Army initiated program planning, with assistance from outside consultants and CES. The Navy Personnel Command undertook a comprehensive planning effort. In the Air Force, each level has input into the planning process. The Marine Corps approached the California CES to develop a program, which could be used at all USMC installations.

Purpose and Positioning

Goals of the military programs focus on the service members' economic health and financial readiness, as well as the reduction of command time required to address soldiers' personal financial problems. While the implementation of financial education and counseling programs evoked some early criticism, unit and command leaders now find it indispensable. All services find that helping members avoid financial problems enhances flexibility and saves the commands valuable time.

Organizationally, financial education efforts are part of the general human resources program area. Navy Family Services assigns each command a certified Finance Specialist as a contact person and trainer. The Unit Service Coordinator is the contact for Army Community Services.

Funding and Resources

Most services provide 100 percent financing from their budgets; however, some respondents felt that the resources were limited. The Air Force Family Support Centers have to balance the needs of several programs; consequently, money for financial education support materials is tight. The Marine Corps and Navy reported no challenges in this area. The Army often partners with private corporations or community organizations to augment the Army Community Services staff. Three services make use of volunteers, especially in the role of peer financial advisors.

Scale, Participants, and Strategy

The military services' financial education programs are very large. The Marine Corps has 3-2 trainers per base, on all installations. The Army, which has made the courses mandatory for all new personnel, trains more than 100,000 per year. In the Navy, where financial training is also required, 10,000 attended training or counseling in 1999. The Air Force personal financial management program reached 11,000 participants, 10 percent of the entire force.

Personal financial management education is offered to all service members and their families and is broadly advertised. Within this wide scope, the services have put special emphasis on two target groups—the new, younger service members and those nearing retirement.

Program Content, Pedagogy, and Delivery

The armed forces programs cover an almost complete range of financial education topics, with the exception of health-care financing, a domain already well covered in the military. They have emphasized custom-designed teaching materials. The instructional format is predominately one of seminars, complemented by some interactive teaching approaches. One-on-one counseling is utilized, especially at the unit level as a first contact for service members and their families. One service has created a CD-ROM for follow-up, in-depth learning.

One of the programs dedicates two hours to each topic, making the entire training more than 12 hours long. In another military branch, seminars vary from 30 minutes to four days.

By-Products

Several by-products have emerged from the large military services programs. One of these is the Air Force's three-hour, multimedia training package. Others include the Navy's Quality of Life Web site and the Army's CD-ROM. The programs have received numerous awards.

Evaluation

According to respondents, the armed services evaluation tools are customary ones—participant evaluation forms and increased enrollment measures. The services (in three cases) point out that follow-ups are customary and that there has been a decline in reported financial difficulties among service members. Instructors, too, report successful performance, and it is taken as a sign of success that the financial literacy seminars have become well established and are highly regarded by the leadership.

General Observations

The military financial education programs have assessed their needs thoroughly, planned their ventures well, and put into place large-scale efforts to deal with the education and counseling needs of their personnel. These programs have become well established and integrated into the service branches' general training programs. In contrast to the civilian sector, the military services have a large, built-in, "captive" audience and a centralized command structure, which makes any solution, in this field as well as others, easier to pursue and accomplish.

CHAPTER NINE
COMMUNITY COLLEGE FINANCIAL EDUCATION

Relatively few community colleges have long-running courses in personal finance. Many have been established only in the mid-1990s. Several community colleges contacted reported minimal programs, such as "one occasional personal finance course." Across the board, though, community colleges are responsive to community needs, and the newer personal finance courses, when offered, are being located within Continuing Education or Community Education (non-degree) divisions of the colleges.

In terms of initiation and development of programs, there is a range of information. For a 20-year-old program that runs very well, such information is no longer available. For a new pilot effort, good information is available on the challenges and the dedication involved in creating the course offering.

One well established, six-course program in a prosperous suburban county has increasingly become "*workplace-oriented, in accordance with what most participants need*." (Although there is a lower income, minority/immigrant community in the same locale, no financial literacy education outreach is offered to this population through the school.) Courses in this program range from six to twelve hours each, with ten such programs offered twice a year (one or two in the summer.) The course offerings depend on perceived demand. The typical size of one seminar is 10-20 participants, while one well-planned and -directed program expected 30 participants per year but has been getting up to 50.

These are the reported challenges in this community college program:

- Finding an instructor who is knowledgeable—but not a salesperson for products of the financial services community;
- Covering a broad subject area in fewer than 10 hours;
- Keeping up with the latest information on money management; and
- Keeping enrollment high.

Typically, continuing education efforts at community colleges have a set budget and use available classrooms and existing office support. Respondents explain that course fees must cover the costs of an instructor's pay and instructional materials; therefore, if enrollment is not high enough, seminars must be canceled. All courses obtain feedback from course participants on evaluation forms, and one program follows up with former participants through random phone calls. In addition, there is informal evaluation by the program director and by instructors.

Community colleges use the strength of established, institutional arrangements to create innovative personal finance programs through the efforts of motivated directors and instructors, as time and demand for such programs permit.

The weaknesses of community college financial literacy education is that directors and staff are asked "to do everything," and financial education is only one among many tasks they must undertake. This may make such courses relatively marginal or superficial. Whether community colleges target specific segments of the community—and under what circumstances they should try—will require further exploration. There may be a community college that succeeds both in financial literacy education content and community outreach, but we have yet to find it.

Community College Program Study Findings

Inception

In response to a perceived need in recent years, community colleges have begun offering financial education courses very much in the same manner that they have responded to other current needs. Financial education is one among many services they provide. In one case, the program was initiated by a statewide financial education institute and placed at the college.

Needs Assessment

Community college programs have not emerged with substantial needs assessment. Directors of continuing education typically evaluate needs and instructors in an informal way, including fit and compatibility with the overall curriculum of the school or division.

Planning

Planning a set of financial education courses was done in a more thorough way. Written plans were formulated, other models were examined, and well-qualified instructors were selected. However, in several cases studied, all of the above steps were minimal in scope because the course offering was one-time, infrequent, or left to the instructor's discretion. In those schools, financial literacy education has been a sideline.

Purpose and Positioning

All community college programs are located in typically noncredit Divisions of Continuing Education or Community Education. They are thus institutionally well anchored, with some advantages and some drawbacks flowing from that position. The purposes of the offerings vary a great deal. In a majority of cases, the courses cover a full range of topics; in a few, only limited issues of financial literacy are covered. Two well-established programs show distinct specialization beyond the general coverage. One has, over a 20-year period, come to meet workplace-related financial literacy needs, and employees and employers have come to recognize and use the community college as a convenient provider of such information. In another case, partly because of demographic trends, the school has developed an emphasis on retirement-related financial knowledge.

Funding and Resources

Community college financial education has the advantage of an institutional base, with paid staff, available classrooms, small tuition, and minimal cost for educational materials. Instructors are sometimes recruited from among experts in the community, but since they can be paid, no direct sponsorship is necessary.

Scale, Participants, and Strategy

The programs are relatively small, with 10 to 30 participants in a typical class, which may be offered two to three times a year. A large, well-established program encompasses six courses, but most offer only three—and a few marginal programs offer only one occasional course.

Most respondents saw their courses as being offered to the community at large (i.e., to emerging populations only if the community make-up included such segments). We found very little special outreach; course announcements reach the public in general brochures and catalogs or other customary information channels. Exceptions occur, with perhaps a special offering targeted at women or retirees.

Program Content, Pedagogy, and Delivery

In well-established programs, the breadth of coverage of financial education topics is very good. Marginal programs are more likely to offer a special-topic course than a course covering all the bases. Specific course content is generally determined by the instructor, some of whom use pre-packaged materials that have proven successful elsewhere. The teaching materials and methods are quite sophisticated; classroom lecturing is rather rare. There is an emphasis on workshop-like learning, hands-on exercise and discussion. Some courses use new technology in teaching, especially in the 20-year-old, well-established program. In most cases, teaching times and sites also accommodate the needs of working participants. The typical community college financial education course is 9 to12 hours long.

Evaluation

Courses are routinely evaluated by participants by means of a form collected at the end. Both instructors and directors of continuing education look at that evidence, but both also exert considerable independent judgment as to whether the offering was successful, much of which is informal. Enrollment figures are important in the context of all other offerings of a college. Some schools also conduct a more formal evaluation of courses and the curriculum, but this is rather non-specific with regard to larger financial literacy needs.

General Observations

No actual case has been found in which the community college could be considered an ideal carrier of a broad-based financial literacy education mission. In quite a few schools, marginal programs can be attributed to a relatively traditional perception of continuing education in a community college and where our topics fit in among many others. Community Education divisions have to offer a broad palette of courses to a large cross-section of the community, making them less likely to excel in just one or a few areas. Also, there may be some academic role characteristics that make the colleges less dynamic in taking on new community tasks; we note that four-year colleges have not been in the forefront either.

The pluses can be largely defined as potential. Community colleges have an established infrastructure, personnel, recognition and location in the community. They are already close to emerging populations and are inexpensive for participants. They could be ideal carriers of new programs, but probably would not be as strong and versatile in their performance as the Cooperative Extension Service. Even existing programs, such as the two or three well-established ones we studied, could easily attract and serve larger or more specific segments of the population, given extra outreach and recruitment. Content and format of the courses are such that only relatively small adjustments would have to be made to provide an effective, broad-based financial literacy education effort.

CHAPTER TEN
THE INTERNET

We reviewed approximately 150 Web sites that offer various forms of financial education. (See list of Internet sites at the end of this chapter.) The task seemed daunting because of the sheer amount of financial information in cyberspace. Nearly every company that offers financial services has a Web site with some sort of education resource, ranging from articles, calculators or a simple glossary of financial terms to virtual universities that offer structured courses covering almost every aspect of personal finance. Nonprofit organizations and associations concerned with financial literacy also have Web sites that offer some of these services.

Overview

The educational resources offered on many Web sites are actually marketing tools. For example, we visited www.columbiafunds.com and clicked on the tab marked "investor education." While we found some information regarding investments, we were repeatedly confronted with information specific to mutual funds offered by Columbia. It would seem reasonable, if one were interested in finding a serious source of investment education, to question the validity of most information gleaned from this site. Its information could be biased toward selling Columbia funds under the guise of offering free investor education.

Another issue in the practical use of educational Web sites involves the fluidity of the Internet itself. It is constantly changing and mutating; sites are often updated or removed without notice. One example of this was the information offered at www.cigna.com. When the site was reviewed, a few resources were offered, including financial calculators (tuition and retirement planning, 401(k), etc.), a financial glossary, and a small step-by-step investment guide that explained current finances, risk tolerance, and financial goals. One month later, on a return visit to this site, we found a very comprehensive personal financial education "academy."

"Academy by Cigna," with on-line courses in various subjects, is laid out on a virtual campus. There are several "buildings," or centers for learning: a Welcome Center that gives an overview of the entire "campus," a Cyber Study Hall containing actual courses, a Library with articles and information independent of a course format, an Interactive Lecture Hall for live financial courses with Cigna experts, and a Student Center for people to keep track of their Cigna accounts.

The academy courses had "hands-on interactive tools" that pop up over the lesson, rather than calculators in a separate area. The following courses are offered: Understanding Your Retirement Plan, Saving Wisely for Retirement, Five Steps to Smart Investing, Looking Forward to Retirement, Managing Your Personal Finances, and College Funding. These courses are easy to understand, with a clear writing style and an attractive format. While some of the resources on this site are only available to those with a Cigna retirement account, the remaining lessons are valuable to anyone seeking financial planning information or personal financial education.

Another excellent site for financial information is www.university.smartmoney.com. Smartmoney University offers free on-line courses in the following categories: Investing 101, Taking Action, Strategic Investing, Retirement/401K, College Planning, Short Term Investing, and Debt Management. This site offers a very large amount of information. Each of these subject areas contains about ten lessons, with attractive graphics and a user-friendly format. They are written well and easy to understand.

Smartmoney also has calculators and other applets built into the lesson, making it unnecessary to leave the screen or use a pop-up screen. They illustrate concepts like compound interest, the advantage of investing over leaving money in savings accounts, etc. Another feature of this Web site was that, although there are a few banner ads scattered about, the lessons themselves do not lead the user to any specific financial services, such as a financial planner or a mutual fund provider. This site provides free, independent financial education, which is a rare find among the more self-serving sites that make up the bulk of financial education on the Internet.

General Electric's Web site, www.ge.com, includes the GE Center for Financial Learning, which offers free on-line courses, a resource center with planning tools, self tests, and planning calculators. Still under development are interactive workshops and a personal planner section, which includes a filing cabinet for the user and a personalized learning planner. The courses are outlined under four main topics: Introduction to Financial Planning (in which the user selects a scenario that best applies to his/her situation, i.e., single, family with children, or retiree), Life Insurance, Annuities, and Investments. More courses are in the planning stage. The courses are introduced with an estimated completion time; some take up to an hour or more to complete. The lessons are sequenced, and there are tests at fixed intervals to review learning. Calculators are built into the lessons for easy use.

Many of the financial learning sites offer general retirement planning information, typically with calculators for assessing consumers' retirement needs versus expectations, advice on how to set goals, and information on investing. Another type of site offers professional investor advice and full-service financial management

A leader in retirement investment advice and education is www.mpower.com. mPower began in 1995 as 401K Forum, offering investment advice to ordinary workers with defined-contribution and 401(k) plans. The site has now expanded to www.401Kafe.com and www.IRAjunction.com, both with information and education about retirement investing. As a registered investment advisor, MPower does not manage money or sell financial products. It is a business-to-business platform for employers to offer enhanced services to their employees. It offers customized defined-contribution plan investment advice on a plan-by-plan basis and issues independent research on investment vehicles available to plan participants. The site will be adding advisory services for 403(b), 457 plans; expanded IRA, investment and customized information; and interactive education.

Some financial education sites on the Web target specific audiences. Www.younginvestor.com is a financial education site geared to children. It is distinguished by the interactive activities designed to engage its youthful audience. Www.younginvestor.com relies on games and visual aids to grab kids' attention and get them to learn. The first task to complete upon registering is to pick a "guide," a cartoon character such as a wizard or a superhero who guides the child through the different parts of the site. There is an on-line stock market simulation game, as well as assorted crossword and other puzzles that can be printed out by the user.

There are a number of Web sites designed especially for women. Many of these, like www.moneyminded.com and www.womenswire.com, are set up like magazines, with articles, financial information and calculators, but with no full-blown financial literacy courses. Www.mymoneylife.com was revamping its site. In an earlier review, the site allowed users to plug their personal finances into assorted planners to rate their "moneylife skills," and then gave advice to help them keep their financial life in good order. This was accomplished in the "purse," which also kept track of personal finance items over time. It could remind the user when bill payments are due or check the status of investments.

While interactive tools and games can greatly enhance an educational Web site, the real test is how clear and interesting the writing itself is. A poorly written lesson can render even a simple concept incomprehensible, while clear, simple writing can help people understand complex subject matter and enhance knowledge.

There are several more Web sites worth mentioning:

- Www.ncfe.org, the National Center for Financial Education, is a well developed site that offers basic information to people without financial backgrounds in subjects like debt management, credit file correction, dealing with credit cards, and family finance. It also offers a test to monitor financial planning skills.

- Vanguard University at www.vanguard.com has valuable information on a wide variety of financial subjects, such as investing, mutual funds, index investing, asset allocation, etc. The material at this site is not designed to be exciting, but it is 100 percent free, and there is a lot of it.

- Www.worldwidelearn.com is a good research site for anyone seeking on-line education of any sort. At this site, one can find links to education in many subjects, including personal finance.

- Www.investors.com has 48 one-page lessons under the topic of investment. These lessons are very good, with many visual aids and clear, concise language.

- Www.investoreducation.org, sponsored by the Alliance for Investor Education, provides links for informative documents, educational materials and Web sites.

- Www.buckinvestor.com is a site geared toward investors under age 35. They offer a "beginner's investment kit" that is a five-week course. When one registers for the course, he or she gets a free ten-week subscription to *Business Week* magazine.

- Www.money.com has a Money 101 section with many courses about personal finance, from buying a home to investing in IPOs. All of these courses are free and contain links to good calculators as well as pictures, quizzes and real-life examples that make the information easy to digest.

The sites outlined here represent only a few of the many sites available on the Internet, but they are a cross-section of the financial education resources available in cyberspace. It is the nature of the Internet to be in perpetual change, however, so many of the sites we have mentioned may at some time be eliminated, changed or, as already noted, replaced as the technology of computer-based education improves. The Internet offers good opportunities for financial literacy education for individuals who are motivated to make use of the available resources.

INTERNET SITES

401 KAFE - www.401kafe.com

A
AARP INVESTMENT PROGRAM – www.aarp.scudder.com
ALLIANCE FOR INVESTOR EDUCATION - www.investoreducation.org
AMERICAN ASSOCIATION OF INDIVIDUAL INVESTORS - www.aaii.com
AMERICAN CENTURY - www.americancentury.com
AMERICAN EXPRESS FINANCIAL SERVICES - www.americanexpress.com
AMERITRADE - www.ameritrade.com
AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION - www.asic.gov.au
AUSTRALIAN STOCK EXCHANGE - www.asx.com.au
B
BABSON FUNDS - www.jbfunds.com
BANK RATE MONITOR - www.bankrate.com
BARRON'S (WALL STREET JOURNAL INTERACTIVE VERSION) - www.barrons.com
BERGER FUNDS - www.bergerfunds.com
BIDWELL & CO - www.bidwell.com
BONDS ON-LINE - www.bondsonline.com
BRILL'S MUTUAL FUNDS INTERACTIVE - www.fundsinteraactive.com
BULL AND BEAR SECURITIES, INC. - www.bullbear.com
BURKE, CHRISTENSEN & LEWIS – www.bclnet.com
BUSINESS WEEK - www.businessweek.com
C
CALVERT GROUP - www.calvertgroup.com
CANSLIM.NET - www.canslim.net
CBS MARKETWATCH – www.cbsmarketwatch.com
CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS - www.cfp.board.org
CHARLES SCHWAB & CO - www.schwab.com
CHICAGO BOARD OF TRADE - www.cbot.com
CHICAGO BOARD OPTIONS EXCHANGE - www.cboe.com
CHICAGO MERCANTILE EXCHANGE - www.cme.com
CIGNA - www.cigna.com
CLEARSTATION - www.clearstation.com
CNN FINANCIAL NETWORK - www.cnnfn.com
COLLEGE FOR FINANCIAL PLANNNING - www.fp.edu
COLLEGE SAVINGS BANK - www/collegesavings.com
COLUMBIA FUNDS - www.columbiafunds.com
CONSUMER EDUCATION FOR TEENS - www.wa.gov/ago/youth
CONSUMER INFORMATION CENTER - www.pueblo.gsa.gov
CO-OP AMERICA - www.coopamerica.com
CRABBE HUSON FUNDS - www.contarian.com
CYBERINVEST.COM - www.cyberinvest.com
D
DARWIN - www.darwin.ameritrade.com
DATEK ONLINE - www.datek.com
DECISION POINT - www.decisionpoint.com

DEPOSITORY RECEIPT SERVICES - www.bankofny.com/adr
DORSEY, WRIGHT, & ASSOCIATES - www.dorseywright.com
DOW JONES & CO. - www.university.smartmoney.com
DRIP INVESTOR - www.dripinvestor.com
DUPREE FUNDS - www.dupree-funds.com
E
EMERGING MARKETS COMPANIES - www.emgmkts.com
EMPIRE FINANCIAL GROUP - www.empirenow.com
EQUIS INTERNATIONAL - www.equis.com
EQUITY ANALYTICS - www.e-analytics.com
ETRADE SECURTITIES - www.etrade.com
F
FEDERAL RESERVE BANK OF ATLANTA - www.frbatlanta.org
FEDERAL RESERVE BANK OF BOSTON - www.bos.frb.org
FEDERAL TRADE COMMISSION – www.ftc.gov
FINANCIAL PLANNING MAGAZINE ONLINE EDITION - www.fponline.com
FIRSTRADE.COM—FIRST FLUSHING SECURITIES - www.pathfinder.com/fortune
FRANKLIN-TEMPLETON FUNDS – www.franklin-templeton.com
FUNDALARM - www.fundalarm.com
FUTURES INDUSTRY ASSOCIATION - www.fiafii.org
FUTURES TRADING GROUP - www.futurestraining.com
G
GABELLI MUTUAL FUNDS - www.gabelli.com
GALAXY FUNDS - www.galaxyfunds.com
GENERAL ELECTRIC - www.ge.com
GLOBE INFORMATION SERVICES - www.globeandmail.ca
GOOD MONEY - www.goodmoney.com
GREEN JUNGLE - www.greenjungle.com
GREENMONEY ON-LINE GUIDE – www.greenmoney.com
H
HOMEARTS NETWORK- www.moneyminded.com
I
IBC FINANCIAL DATA, INC. - www.ibcdata.com
ICI MUTUAL FUND CONNECTION - www.ici.org
INTERNAL REVENUE SERVICE – www.irs.ustreas.gov
INTERNET CLOSED END FUND INVESTOR - www.icefi.com
INVESCO - www.invesco.com
INVESTING IN BONDS.COM - www.investinbonds.com
INVESTMENT FAQ - www.invest-faq.com
INVESTMENT RESEARCH INSTITUTE - www.options-iri.com
INVESTOR GUIDE - www.investorguide.com
INVESTOR HOME - www.investorhome.com
INVESTORS ALLEY.COM - www.investorsalley.com
INVESTORS BUSINESS DAILY WEB EDITION - www.investors.com
INVESTORWORDS - www.investorama.com
IPO INTELLIGENCE ONLINE - www.ipo-fund.com
K
KIPLINGER ONLINE - www.kiplinger.com
KNOWLEDGE ADVENTURE (HAVAS INTERNATIONAL)- www.jumpstartcoalition.org
L
LEAGUE OF AMERICAN INVESTORS - www.investorsleague.com

LEVITT & LEVITT TRUTRADE – www.trutrade.com
LIBERTY FINANCIAL- younginvestor.com
LIFENET - www.lifenet.com
LINDNER FUNDS - www.lidnerfunds.com
LOOMIS SAYLES FUNDS - www.loomissayles.com
M
MIDAMERICA COMMODITY EXCHANGE - www.midam.com
MONETTA FUNDS - www.monetta.com
MONEYLIFE, INC.- www.mymoneylife.com
MONEYPAPER - www.moneypaper.com
MONTGOMERY FUNDS - www.montgomeryfund.com
MOSAIC FUNDS - www.mosaicfunds.com
MOTLEY FOOL - www.fool.com
MPOWER - www.mpower.com
MR. STOCK ONLINE TRADING – www.mrstock.com
MSN MONEYCENTRAL INVESTOR - www.moneycentral.msn.com
MSN MONEYCENTRAL INVESTOR - www.moneycentral.msn.com
MUTUAL FUND INVESTOR’S CENTER - www.mfea.com
MUTUAL FUND INVESTORS RESOURCE CENTER - www.fundmaster.com
MUTUAL FUNDS MAGAZINE ONLINE - www.mfmag.com
MYDISCOUNTBROKER.COM - www.mydiscountsbroker.com
N
NAREIT ONLINE - www.nareit.com
NASD REGULATIONS, INC. - www.nasdr.com
NASDAQ - www.nasdaq.com
NATIONAL ASSOCIATION OF INVESTORS CORP. (NAIC) - www.better-investing.org
NATIONAL CENTER FOR FINANCIAL EDUCATION - www.ncfe.org
NATIONAL DISCOUNT BROKERS – www.ndb.com
NATIONAL FRAUD INFORMATION CENTER - www.fraud.com
NATIONAL INSTITUTE FOR CONSUMER EDUCATION - www.emich.edu/public/coe/nice/nice.html
NEW YORK BOARD OF TRADE – WWW.CBOT.COM
NFA FUTURES - www.nfa.futures.org
NORTH AMERICAN SECURITIES ADMINISTRATION ASSOCIATION - www.nasaa.org
O
OPTIONS INDUSTRY COUNCIL – www.oprionscentral.com
OPTIONS INDUSTRY COUNCIL – www.oprionscentral.com
P
PAYDEN & RYGEL FUNDS - www.payden.com
PHILADELPHIA STOCK EXCHANGE - www.plx.com
PITMASTER - www.thepitmaster.com
PRS ONLINE - www.countrydata.com
Q
QUICKEN.COM - www.quicken.com
R
REGAL DISCOUNT - www.erega.com
S
S&P PERSONAL WEALTH - www.personalwealth.com
SEAPORT SECURITIES CORP. - www.sea-port.com
SECURITIES FRAUD AND INVESTOR PROTECTION - www.securitieslaw.com
SHERRY BRUCE STATE DISCOUNT - www.state-discount.com
SOCIAL INVESTMENT FORUM – www.socialinvest.com

STEINROE FUNDS - www.steinroe.com
STOCKWINNERS.COM - www.stockwinners.com
STRONG FUNDS - www.strongfunds.com
T
TAGURU.COM - www.taguru.com
THE GAY FINANCIAL NETWORK – www.gfn.com
THESTREET.COM - www.thestreet.com
THOMSON INVESTORS NETWORK - www.thomsoninvest.net
TRADEHARD.COM - www.tradehard.com
TRADE-WELL DISCOUNT INVESTING - www.rradewell.com
TRADING DIRECT - www.tradingdirect.com
TUCKER ANTHONY - www.tucker-anthony,com
U
US SECURITIES AND EXCHANGE COMMISSION - www.sec.gov
US TREASURY- www.ustreas. gov/kids
V
VALUE LINE INVESTMENT RESEARCH & ASSET MGMT. - www.valueline.com
VANGUARD - www.vanguard.com
W
WALL STREET CITY - www.wallstreetcity.com
WATERHOUSE SECURITIES - www.waterhouse.com
WAYNE HUMMER FUNDS - www.whummer.com
WEBS - www.websontheweb.com
WORLDLY INVESTOR - www.worldlyinvestor.com

CHAPTER ELEVEN
AMERICAN DREAM SEQUENCING: ISSUES AND RECOMMENDATIONS FOR PROGRAM MANAGERS, EDUCATORS, AND POLICYMAKERS

The American Dream represents American striving—the desire to get ahead, the ambition to achieve *respectability*. People know they've succeeded, and others know as well, by visible shared symbols. The attainment of homeownership is one important symbol, but the Dream is not just about houses. It is, as Herbert Gans[1] observed, a "set of user values" that includes having work that provides satisfaction, the chance for advancement, the feeling of usefulness, and economic security in later life—in short, having the opportunity to feel successful.

We believe the mobilization of public and private sectors to increase personal financial competence may effectively create for many a reawakened sense of opportunity to achieve personal success. American values—getting ahead, having a job with a future, having goals, becoming a homeowner, having a secure later life, getting a second chance, giving back to the community—were mentioned by program participants throughout this study:

> *"This course taught me…it's time to take control of my own money."*
>
> *"This program…it made owning a house not just seem like a dream, but it's something that you really can work toward doing, and it can be a reality."*
>
> *"They're in their seventies, and my father-in-law still owns his own business…we don't think he'll ever retire."*
>
> *"I'm not thinking of retiring. I'm thinking of choosing another career path, and it's going to be something that I just truly love to do."*
>
> *"I keep reaching my goal and then I decide, no it's not high enough. I need a higher goal."*
>
> *"I'm going to be doing what I wanted to do a long time ago, which was more volunteer work and work for missionaries and do some fun things that not only brings reward back to me, but that I can share my talents, hopefully, with others."*

Financial literacy means increased personal freedom, increased control over one's social and natural environments, and opportunity for self-development. The American frontier signaled to immigrants seeking a new life, *and it still does*, that opportunities for wealth and position are open to those who are skilled and hardworking. America has long been thought of as "the land of opportunity" for accumulating enough wealth to assure one's financial security and possibly passing it on to the next generation. In this spirit, we offer our recommendations in connection with the following:

1. Financial Education in the Workplace

We believe that workplace personal financial education is the most important arena for reaching the most people. The rewards are numerous and mutually beneficial for both employer and employee. Many respondents from workplace settings expressed gratitude to employers that sponsor such programs:

> *"Thank you for caring enough about the employees to make this investment in them."*

> *"[The course] was outstanding, and I'm grateful every day that I was allowed to take it."*

We believe that, in some circumstances, financial difficulties can negatively impact employee productivity.

> "*An employee concerned about how to solve his or her personal financial problems is less productive than one who knows what to do."*

Increasing numbers of companies are switching from defined-benefit to defined-contribution pension plans. In addition, Social Security benefits undoubtedly will continue shrinking in proportion to the amount necessary to maintain well-being in later life. These changes reflect a general move away from the posture of providing future economic security in return for loyalty and steadfast service. The message is clear: financial security in later life will increasingly become the responsibility of the individual. However, we believe it is neither possible nor prudent for employers to move entirely away from involvement in the future economic security of American employees.

Employee benefits have always been structured to provide advantages to employers as well as to employees. Companies competed aggressively in the past to offer the "best insurance package" or the "most generous retirement benefits." Competitive advantage in hiring has seldom been more important than today, as employers compete to attract, train and retain a quality workforce. Workplace personal financial education is a relatively inexpensive but powerful tool that encourages and reinforces personal business skills—the same qualities that build profitable companies. One employee commented that it

> *" …not only helps your personal financial planning, but also helps you become a better business person."*

Many participants in our workplace financial education sample said they wished they had been exposed to courses sooner. Some even spoke of making the education mandatory:

> *"I just wish I had had this course 20 years ago."*

> *"It is something that would have been better had we had it, you know, several years ago, but you know that's just something that didn't happen."*

> *"I think that we should start financial planning for employees at a much younger age, because the end result is some of the things that we're seeing in the benefits department with people who are retiring…They have no plans; they don't have any financial planning background…It is a catastrophe."*

Workplace financial education is good business for corporations and for all other organizations, both public and private. We recommend that organizations create and support multiple programs that, like those at Weyerhaeuser and UPS, appeal to a broad employee population—not just those in pre-retirement situations.

2. Financial Education in the Community

While workplace financial education is likely to reach the most people, we saw clear evidence that faith-based and other community-based organizations provide the most comfortable (and safe) settings for many people.

> *"…That's something too that I like about the financial literacy course is that, because it is faith-based, they talk a lot about God and the biblical references."*

More importantly, in underserved populations, these organizations offer hope, motivation and emotional support—necessary ingredients for the quality of learning that leads to feelings of increased opportunity and personal efficacy.

"I just think it just opened up the minds to thinking. And I don't have the words to express, because I know that it has totally changed my life. It's opened me up for areas that I've never ever dared to dream."

As people age and grow, many must learn to make the transition from dependency to self-resourcefulness—not an easy task when their social world only recently required them to be dependent. Others, especially women, are bewildered—but excited and challenged at the same time—by calls to "take responsibility" for lives that, for the most part, have been devoted to the well-being of others:

"Well, I have really went under helping people."

"Yeah, that's been my biggest problem, always trying to help someone else…and probably, I could have bought a house sooner, but helping other people…always kept me behind."

"I've raised three of my sister's kids…and I feel like it's time for me to get something I want."

It is evident that participants learn not only from an educator in financial literacy education programs but from one another as well. This seemed particularly true in faith-based and community-based educational settings. The need for financial training is intergenerational, a fact that was mentioned by many community participants themselves:

"I believe in order to change, someone has to start that process now…I needed to learn…about finances so that I could educate my children and that they could receive some of the benefits even if I didn't."

"My daughter, she's 20 now. I can teach her different and she has a little job now, and I say when you get your check, leave something in there, you know, because I'm learning the hard way."

3. Financial Education Topics and Teaching Materials

All personal finance courses and personal finance teaching materials should evolve over time to meet the learning needs that become evident as successful teaching occurs. We believe course topics should be more fully developed to include financing of health care and education. In addition, we would like to see more programs include coping skills for periods of adversity.

Upward mobility is thought of as the traditional trajectory in American culture, but, in fact, everyone encounters emotional or financial setbacks throughout the course of ordinary living—and the two often go together. It is often impossible to separate human concerns from financial concerns. This should not deter instructional designers from creating course materials that teach financial coping skills. These skills may be particularly helpful in the face of such life events as divorce, death or other loss of loved ones; health emergencies; loss of employment; disability of self or family members; business failure; or loss of property.

> *"I have two handicapped children…my thirteen- and my nine-year-old…they're like one hundred percent reliant on me and basically my goal is to see them happy."*

In addition, financial educators are tackling subjects that are difficult and complicated for many learners to grasp. Because courses are taught within a context of increasing societal complexity, information and materials given out to learners are not always accurate. Courses often try to cover a lot of ground, but do not go into sufficient depth. This applies to many topic areas and courses, but repairing credit provides an example.

Learners are generally informed to begin the process of credit repair by obtaining a copy of their credit report from any one of three credit bureaus—but this is not always an easy process. Language difficulties, misunderstood directions, hang-ups, unclear telephone menu items and poorly articulated instructions can mean frustration and lack of success for learners. They actually need to access their reports at all three major credit bureaus and, possibly, pay multiple fees to learn their rating. Then they need help understanding the reports once they are received.

Finally, financial literacy education involves lifelong learning. Educators should make this very clear to students, emphasizing courses that teach resourcefulness—where and how to find information, how to find and when to use financial consultants, what financial designations mean, how to use print media and the Internet in financial planning.

4. Socioculturally Sensitive Teaching Methods

Financial literacy education should incorporate engaging activities that promote introspection about one's choices—how they are made and how they fit within one's values. Budgeting, for example, is not just about crunching numbers. It also involves people's beliefs, feelings, fears and values. How, for example, does a parent cope with a child who wants designer jeans or sneakers when the parent feels as though she is always turning down the child's requests? Expectations from children and other family members can turn the best budget upside down when these individuals play off a person's sense of guilty responsibility.

Goal setting is often a difficult task to teach as well. Many low-income families, in particular, operate on a crisis level, making it difficult to think long-term. Teachers must be aware of the need to help strengthen financial decision-making in the process of encouraging better financial practices.

Topics, terminology and teaching materials need to be developed that emphasize financial "discovery," the learning process that many participants actually experience. In addition, "coping skills" and "recovery methods" must be formulated, taught and encouraged for periods of financial adversity.

Labels such as "bad" or "poor" credit risk must be eliminated. Corporations and municipalities seeking credit are graded AA, A, B. We recommend nonpejorative terminology for humans as well.

5. Life Planning Education Approaches for Pre-Retirement

The transition from work to retirement is fraught with a complex set of human and financial concerns. We believe "life planning" approaches to personal financial education should increasingly be built into curricula to help pre-retirees learn proactive ways to think about the future. Reactive "retirement planning" courses must be expanded beyond the financial to include lifestyle choices. These and other so-called "soft" course topics and materials are—not surprisingly—very meaningful to seminar participants. The transition from work to retirement involves more than adequate financial resources; it is made much smoother by knowledge of the emotional adjustments retirees will be called upon to make.

> *"That seminar…my goodness, it just opened up and put me in touch with part of who I really am but have never been able to really get to know better…and so it's going to really add to the quality of my life and to the decision-making process that goes along with it."*

6. Financial Education for Later Life

We saw little targeting of older persons for financial literacy education courses, and we believe the need is particularly acute in this population. Faith-based and community-based organizations, in particular, should increase their outreach to older persons. Financial resource management can help older adults avoid scams and other forms of financial abuse, budget and plan, choose or find alternative sources for health care and medication, understand the availability and terms of homeowner equity conversion, and wisely use proceeds from reverse mortgages or other lump-sum payments.

In addition, many older persons wish to remain in the workforce to maintain income and stay active. As a result of layoffs and early retirement, however, growing numbers of men and women are unemployed, even though many need part-time employment to make ends meet.

Another reason to strengthen financial learning opportunities is the prevalence of bridge-job experience among older adults who are making a transition from an earlier career but are not yet ready for full retirement. The phenomenon is now well researched and understood by labor economists. Educators now need to translate that expertise into attractive and exciting companion courses for employees who are exploring new interim careers before a subsequent, much later, retirement. In our view, that educational market is under-supplied, and auspicious opportunities exist in the area.

7. High-Tech Teaching Methods

Technological teaching methods must be employed to reduce the cost and increase the availability of personal financial education to large numbers of people. With the popularity of financial planning Web sites and growing opportunities in distance learning, computer-based modes of financial education are desirable and are bound to play a greater role. We studied several innovative programs and found that technically advanced methods can be built into curricula to good advantage. However, financial educators should be aware that, as with all self-directed learning, computer-based teaching approaches are most successful when integrated into real classroom learning that includes encouragement, experiential understanding, group discussion, and active follow-up.

Universities that have experience with distance learning have been finding that students need more teacher, library, and peer contact than were anticipated. Thus, we recommend that new technological approaches be developed that include personal interaction and encouragement. Investment is needed as well in innovative intelligent tutoring models with content, learning and evaluation methods that make financial education more accessible, attractive and successful.

Beyond the community of people with computer skills lies a vast population of the as yet uninitiated. One challenge is to introduce participants to computer use through financial literacy education; another is to integrate sociocultural techniques into Web-based financial literacy education programs. We think the combined challenge is exciting, as the quest for financial knowledge could become a powerful motivator for taking the step toward increased computer usage.

Of course, this is unlikely without substantial support from program planners and instructors at the place of learning. Still, the chances of achieving computer skills would seem to be much greater if the incentive were mastery of daily money management rather than games or abstract computer applications.

8. Financial Literacy Is a Two-Dimensional Concept

There are two basic dimensions to achieving widespread financial literacy in America:

1. Stepped-up personal financial literacy education at every societal level—a movement that has been the subject of this report.

2. Reform that must come from within the financial services industry itself to meet the *legibility needs* an increasingly literate public both requires and deserves.

Finance in Plain English for Ordinary People

At the turn of the twentieth century, Americans in grades three to six were taught applied arithmetic skills that dealt with everyday financial facts of life. Today, most Americans readily admit that personal finance has taken on a degree of complexity for which no education has prepared them—and which sends them to bookstores in pursuit of lessons for "dummies" or to books with titles like *Financial Planning for the Utterly Confused*.[2] Others have misplaced levels of confidence when it comes to understanding the advantages, disadvantages, costs and benefits of the array of alternatives that confront them in personal financial decision-making:

> *"…I thought I was very knowledgeable and I actually thought the workshop would add very little, but I decided to go… just to see if it would help out."*

Large numbers of Americans, particularly in lower income or disadvantaged social circumstances, know little about personal finance. Still others are afraid even to try to learn for fear they will fail. People from all social sectors live with varying levels of anxiety and fear from their general lack of financial acumen. They are confused about, as Joel Lerner puts it, "the verbal fog generated by brokers, bankers, and salespeople." To that we would add the sea of unfathomable documents that are generated by financial institutions for people to make "informed" financial choices.

Arthur Levitt, chairman of the U.S. Securities and Exchange Commission, has promoted the use of "plain English" in investment literature to help small investors, but this is only a welcome first step toward addressing a widespread need for document literacy.

For far too long and to their detriment, Americans have been intimidated by the language of personal finance, which to all but the most persistent of educated readers is incomprehensible. To their credit, we recognize that some financial services companies and financial publishers are posting beautifully and simply written educational materials on Web sites and in brochures. *But this only proves our point that it is possible to craft all financial documents in clear, understandable language.*

A successful transition to financial literacy requires that people become knowledgeable about the financial documents they sign—to lease automobiles, buy homes, educate themselves or their children, pay taxes, save and invest, insure themselves, purchase health care, help them retire, and permit them to give or will money to loved ones and to charities. It will take no less than a concerted effort by public and private organizations concerned with financial literacy to become fully aware of what we view as a marketing and lifestyle issue. Organizations that pave the way with more user-friendly financial documents and communications will be those that consumers will regard as lifestyle allies. In our fast-approaching consumer-centric economy, these organizations will undoubtedly attract greater patronage.

Financial Literacy and Renewed Opportunity

The current public-private partnership that supports widespread financial literacy education is unprecedented in peacetime. The post-World War II goal of widespread homeownership comes to mind, when the creation of public and private financial mechanisms to facilitate this goal assured what was then understood as "equality of opportunity" while also encouraging general economic growth. If it were not for the increasing gap between those who are "making it" and those who are not, it is doubtful whether equality of opportunity as a conservatively defined cannon would need to be reexamined.

There are mounting pressures for individuals to take personal responsibility for their future financial well-being. Without a serious educational commitment, however, increasing numbers of Americans will be subjected to obviously unequal access to "equal opportunity." That people are accepting increased financial responsibility must, in turn, signal educators, program managers and policymakers to continue financial literacy interventions as a means of ensuring that more Americans have equal *access* to opportunity.

Research has demonstrated that without homeownership, poverty in later life is significantly more likely, so it is imperative that opportunities for homeownership reach many more renting Americans. Financial literacy education is an obvious key to homeownership, and as we have seen in our study, the two must continue to be linked.

We have been uplifted by the spirit, purpose and intensity of the financial literacy education initiatives we have encountered, and we have been moved by the eagerness of people in all walks of life to take advantage of financial education to become more self-reliant. Perhaps, like the period of prosperity following World War II, the current period of sustained economic growth is causing Americans to take advantage of renewed opportunity. Whatever the reason, the impulse to better oneself through personal financial education must continue to be encouraged—in the workplace, in the community, in faith-based organizations, in schools at all levels for Americans of all ages and backgrounds. We have passed the tipping point, and we have seen that through financial literacy education comes renewed access to *opportunity*, the essence of the American Dream.

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[1] Gans, Herbert J. 1998. *Middle American Individualism: The Future of Liberal Democracy*. New York: The Free Press.
[2] Lerner, Joel. 1991. *Financial Planning for the Utterly Confused*. New York: McGraw-Hill.

Appendices

Appendix A-1 – Workplace Financial Education Matrix

WORKPLACE PROGRAM SPONSOR	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS, STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BY-PRODUCTS	EVALUATION
Blue Shield of California; San Francisco, CA Respondent: Benefits Administration	Initiated by Human Resources many years ago. Exact date unknown.	Informal assessment--word of mouth and request.	Compensation & Benefits involved. Also used material from defined contribution trustee. Looked at other models, one source was AARP.	Purpose has changed as employee population has changed (younger employees, shorter tenured employees, etc.). Program is positioned in HR/Benefits. Final authority is with Comp. & Benefits.	No budget except for some booklets. Program does benefit from partnership with defined contribution trustee, American Express. Program utilizes volunteer speakers.	Program is offered to all employees (approx. 3500 at 8 locations). About 1100 participated in the online education program, “mPower.” Program goals currently being revised. Hope to reach all employees in 2000.	Focus is retirement preparation. Program content is fairly comprehensive. Delivery is expert led in classroom setting. Web site education also available. Each preretirement program is 16 hours long.	None	Programs are regarded as successful. Respondent views participant interaction as a key factor in that success. Main challenge is “having enough time to present all the information and getting to a large group of people.
UAW-GM; Flint, MI Respondent: Pre/Post Retirement Coordinator	First offered in 1987 and initiated by the UAW-GM Center for Human Resources.	Informal assessment--need was determined by UAW and bargained for in national negotiations.	Groups involved in initial planning were GM-UAW, Michigan Office of Services to the Aging, and AARP.	Purpose has changed over time to facilitate a lifestyle planning program, not just a retirement planning program. Program positioned within Employee Assistance Program and supervised by UAW-GM. Final authority is with the local union president.	Joint funding--$.05 an hour comes from hourly employees wages. Respondent submits a budget for misc. items such as pens, notebooks, refreshments, etc. Few resource challenges noted.	Nationally, every union local can offer these classes. The Flint, MI site holds its classes at the union hall. Offered to all union members. Approximately 200 employees and spouses participate on an annual basis. Current goals to encourage participation of younger employees and self-reliance in financial planning	Focus is retirement preparation. Program content is fairly comprehensive. Content was determined by the program designers and by recommendations of retirees. Each program is 15 hours long.	In addition, now offer a program for retirees twice a year to keep them up-to-date on their benefits and other pertinent topics.	Program is regarded as successful. Respondent views no cost to participant, up-to-date information, no one “trying to sell anything,” and tailoring to meet participants’ needs as key factors to success. Main challenge is keeping topics current even though materials somewhat prepackaged.

WORKPLACE PROGRAM SPONSOR	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS, STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BY-PRODUCTS	EVALUATION
EMC Insurance Companies; Des Moines, IA Respondent: Benefits Specialist	Started four years ago. Initiated by survey respondent who works in the Benefits Dept. Motivating factors were Dept. of Labor/ERISA guidelines and informal assessment of employees' needs. Program is now run in collaboration with the Wellness Program.	Respondent observed large balances in 401(k) accounts were invested too conservatively. Wanted to help move employees from being "savers" to being "investors."	Respondent made plans and got approval from immediate supervisor. Used program developed by a colleague at another company as a model as well as her experience as a volunteer with a credit education coalition.	Purpose is to increase financial wellness of employees and increase their participation in 401(k) plan. Program is conducted within the Human Resources Dept. and in collaboration with the Wellness Program. Final authority regarding program direction is Benefits Dept. Supervisor.	Source for funding and resources is the department budget. Program director has to keep expenses to a minimum because of little funding other than her salary. She depends on her community network as a source of free professional speakers. A refundable $10 deposit is required by employees registered for the evening series.	Available to all employees at the headquarters location. Approximately 350 attended the last Financial Wellness Fair. Lunch and Learn attendance varies from 10 to 50 depending on the topic. 20-30 attend evening series. Limited program is offered off-site at 18 locations via "Show Station" technology.	Though certain aspects offered through out year, financial education is stressed during a 9 week promotion in the spring. Offerings include: ½ day financial fair, "lunch & learn" sessions, & 2 courses in the evening series--4 week (8 hr.) on financial planning and 5 weeks (10 hr.) on retirement planning.	No specific by-products. Program content continues to improve as director's community connections broaden and she solicits involvement of these contacts in the various aspects of her program.	Program is regarded as successful. Employees view it very positively. Only criticism is that various aspects of program not offered on company time. Main challenge has been identifying speakers on a limited budget and reserving classroom space. .
Shell Oil Company; Houston, TX Respondent: Manager Employee Relations	Two programs: 1) a free two-hour consultation conducted by American Express (AmEx)--began in 1998. 2) a retirement planning program for retirement eligible employees conducted by Price Waterhouse Coopers (PWC)--began in 1988.	Both formal and informal needs assessment conducted.	Initial planning conducted by Human Resources Management. Greatest challenge was developing content and hiring best vendor to deliver.	Purpose is to provide financial ed. to employees. Program is placed in Human Resources, Policy & Benefits Dept. Manager of Employee Relations supervises and Manager of Policy & Benefits has final authority regarding program direction.	Employee pays for extraordinary expenses of AmEx program (counseling beyond initial free 2-hr consultation). Employee's work location pays PWC expenses. No resource challenges. "Our programs are strongly supported by line management."	Number of employees participating in the programs not given. Programs are offered at sites with large numbers of employees. Employees offered travel if programs not offered at their work location. Both programs are long-term.	Content determined by best practice analysis. AmEx program offered to all employees. PWC program is offered to retirement eligible employees only. AmEx program is 2 hours and PWC program is a two day program. Programs are offered as needed.	The success of the PWC program resulted in offering the AmEx program to all employees.	"Both programs have continually exceeded our success expectations." No challenges noted. "Employee education needs are being satisfied."

WORKPLACE PROGRAM SPONSOR	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS, STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BY-PRODUCTS	EVALUATION
Weyerhaeuser Co.; Federal Way, WA Respondent: Retiree Relations Coordinator	Program started in 1986 by a prior Retirees Relations Coordinator who is now retired. She developed a report /proposal that included objections and objectives of retirement planning programs. Presented this thorough and objective report to decision makers to win approval for a program.	Report/proposal. prepared for decision makers reviewed benefits and objectives to offering a retirement planning program, and the benefits were more persuasive. Report proposal included a review of diverse program models including costs, methodologies, etc.	Planning primarily conducted by prior Coordinator. Strengths of the planning process included her passion for making retirement planning education available to employees. She investigated and reviewed many models.	Purpose has grown to include younger employees. Program placed within the Employee Benefits Group—with this placement there is rational for employees to take time away from work to attend classes. Dir. Employee Benefits supervises program, though respondent has independence in programming decisions.	Program has its own budget funded by the company. For programs conducted away for headquarters, budget includes travel costs, refreshments and room. Some speakers are paid, some are gratis.	4 different programs currently reach 1,000 employees. Courses are offered twice a month at headquarters and usually able to reach 12 field locations per year. Offered to all employees salaried and hourly. Programs are considered long-term. Current goals is to bring education to all 45,000 Weyerhaeuser employees.	Additional topics: estate & legal, Social Security, company provided retirement benefits, “soft” issues, and transitions issues. Programs are conducted during working hours, but will accommodate needs of field locations. Programs vary in length from 8 to 20 hours.	Respondent and her immediate supervisor are frequently asked to make presentations regarding their programs at conferences. They have also been invited to participate in ASEC (American Savings Education Council) and NEFE (National Endowment for Financial Education) activities.	Considered very successful and highly regarded by management and employees alike. Success attributed to maintaining high standards of leadership. Main challenge has been to find professionals to cover financial planning and estate planning topics when making presentations at field locations.
A Major Medical Foundation for research and education (name confidential); Midwest region Respondent: Benefits Administrator	Program first offered in 1990. Initiated by Benefit Administration. Requested by employees. Initially regarded as a pilot project.	Employees requested the program which presents the pre-tax and post-tax options available through payroll.	Administrators did initial planning. Biggest challenge was time constraints. No other models were investigated. Was determined that internal experts would make presentations.	Program is placed within the Benefits Department. Foundation Benefits supervises and has final authority regarding direction of program.	The source of program funding is internal. No volunteers are used. Resource challenges are not an issue.	Initially hoped to attract 10,000 employees. 5,000 employees are currently participating. Program is offered at the three main Foundation sites, each located in a different state and region. Program is offered to all employees. Goal is to have all participate.	Materials are custom designed. 4 programs offered: 401(k), 403(b), financial planning, and pre-retirement. All are 1 ½ hours expect for pre-retirement that is ½ day. Programs offered during working hours, lunch hours, and evenings.	None	Program is regarded as successful. Participant evaluations are positive. Main challenge has been to offer as many programs as possible.

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Dow Agro-Sciences, Indianapolis, IN Respondent: Retirement Programs Manager	Other programs offered, but respondent specially addressed the women's financial planning program. This program was started in 1997 by the 401(k) plan administrator and the retirement programs manager.	In discussions with employees, program planners saw the need for education on financial basics and the need to provide women in particular an environment where they are at ease to ask anything they want.	Program planning was conducted by the 401(k) plan administrator and the retirement programs manager. They did not investigate other models. Main challenges were deciding what topics to include and lining up speakers.	Purpose is to provide women an environment where they are at ease to ask anything they want and educate them in the basic financial principles of saving and investing. Program is placed in the Benefits Dept. 401(k) plan administrator and the retirement programs manager report to management—but as a matter of informing rather than gaining permission	Program is funded by Benefits Department. Program utilizes volunteers from financial institutions, law firms, etc. to act as speakers. Program planners provide thank you gifts and meals, but do not pay the speakers. No resource challenges were noted.	This program is specifically for women, it is not offered to all employees. The program is offered once a year at one location. They initially hoped to attract 20 women, and currently attract 25 participants. This program is considered a long-term project. Each time the course is offered, participants can choose the topic for 1 of the 8 sessions.	Participants meet for 8 sessions that last 1½ hours (12 hours total). Topics are set for 7 sessions, participants choose topic for the 8th session. Programs offered on weekdays during an extended lunch break. Following program, program manager continues to send participants e-mails and Internet links on related topics.	None	Program is regarded as successful. Respondent attributes success to "the cooperation of good contacts and the interaction of employees who have participated in the past telling other people about the program and giving us ideas on how to improve." No challenges were noted.
Public Employees' Retirement Assn. of CO; Boulder, CO Respondent: Communications Director	PERA of CO serves 160,000 public employee members. Respondent is responsible for providing a benefits education program including retirement, Social security & 401(k) Smaller program in place 15 years ago, has gradually grown.	Need for program inherent in what organization provides for its members.	Respondent oversees a team focused on member education: 20-person customer service center, 5-person creative services unit (4-person education team, 1 research analyst. Therefore, planning process is multifaceted.	Program is placed within the Communications Dept. Deputy Executive Director of Benefits supervises the program and has final authority regarding direction.	Program is budgeted through normal process. Funding of budget comes from investment income.	Responsible to reach all public employees in CO. Address 12,000 people per year in 300 meetings throughout state. Goals: educate about benefits, encourage increased 401(k) participation, increase understanding of retiree healthcare.	Content focuses on PERA provided benefits & financial decisions related to retirement. Materials are custom designed. Programs offered weekdays & weekends, day time & evening. Approx. 2 ½ hrs. depending on type of program.	Publications, videos, exhibits, etc.	Program is regarded as successful. Respondent did not note his perspective as to reasons for success

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Kemper Insurance Co.; Long Grove, IL Respondent: Corporate Benefits Specialist	The first financial planning program was offered as part of retirement planning seminar. Initiated by Corporate Benefits to ease employees into retirement. Currently financial planning only is offered.	Need was determined informally by Corporate Benefits. Biggest feasibility challenge was logistics and content.	Planning conducted primarily by Corporate Benefits. Other large employers in area were contacted to use their programs as models. Program improved based on feedback from Human Resources and results of participant pre/post surveys.	Initially pre-retirement program covered legal issues, Social Security, leisure, health concerns, and benefits. Now focus is on the financial aspect of retirement. Program is placed within the Human Resource Dept. Corporate Benefits supervises the program and has authority regarding direction.	Corporate Benefits Dept. funds the program. Financial planners volunteer their time as speakers in hope of gaining business even though they are not allowed to solicit. Very limited resource and funding challenges noted.	Hoped to attract 200 participants annually. Currently 50 participants annually. Program is currently only offered at the Corporate office. Previous pre-retirement seminar was held in most major offices across the country. Goal is to give employees quality information on which to base financial decisions.	Materials are pre-packaged. Programs are offered during the week and during the lunch hour. Program is offered one hour a day for 7-10 days twice a year.	None	Program is regarded as successful though not viewed as favorably by participants since content has been reduced (“eliminated some of the ‘soft’ issues”). Success attributed to excellent presenters. Biggest challenge is changing content and still meeting objectives.
ITT Canon; Santa Ana, CA Respondent: Benefits Administrator	Program was first offered in 1979. Respondent initiated program through “auspices of Human Resources.”	Informal assessment determined that employees needed help in planning for retirement.	Respondent did initial planning. Used the AARP program as a model. Biggest planning challenge was finding the time to plan and to implement the program.	Mission has changed over time to include younger employees. Program name changed from retirement planning to life planning. Program is within the Human Resources Dept., supervised by manager of Comp. & Benefits who also has authority regarding direction.	Funding comes from Human Resource Training budget. Program seldom uses volunteers.	Initially hoped to attract 25-30 participants per year. Currently reaches 25-30 per year. Participants receive personal invitation. Targets older population first and then younger employees if space available. Goal for future is to reach more employees who can’t “afford” the 2 hour format.	Additional topics include company benefits, role adjustments, and eldercare. Program is 7 sessions, 2 hours each. It is offered on weekdays. For each session, 30 minutes is company paid and 90 minutes is employee time. Self paced study available for out-of-state employees.	“Employees are more knowledgeable.”	The program is regarded as successful. However, employees initially worried that if they attended the program they would be laid off. Now employees “definitely appreciate it who take the time and effort.” Biggest challenge has been selling the program to the employees.

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The University of TN; Knoxville, TN Respondent: Assistant Director/Program Developer	Respondent initiated the Life Planning (pre-retirement planning) seminars in 1977 to provide employees with knowledge to transition into another life stage and to increase knowledge of employee benefits. Training & Benefits initiated the Financial Planning seminars in 1999	Informal assessment—Director of Personnel and Assistant Director/Program Developer determined need for Life Planning seminars. Need for Financial Planning seminars determined by employee feedback.	Respondent involved in the initial planning using the Preretirement Planning Workshop, developed by Dr. Donald Bowman of Drake University as a model.	Purpose of seminars is to result in a better informed workforce and to help create an easy transition into a planned retirement. Life Planning seminars are positioned in Employee Relations. Financial Planning seminars are placed within HR Benefits & Training. Final Authority is with the HR Executive Director.	No real budget for seminars, costs come out of operating budget. Local professionals donate their time to speak at the seminars. A challenge has been cost of printing materials.	Seminars are targeted toward the employees and their spouses that are 30 yrs. and older, but are open to all employees. 200-300 participate each year at site in Knoxville, TN. Current goals include helping employees understand their benefits and giving them a morale boost.	Focus is employee benefits and retirement preparation. Seminars are expert-led in a classroom setting and include one on one counseling. 14 hour programs are broken down into either a 7 week or 2 day option. Programs are offered on a quarterly basis.	Seminar presentations have received individual campus award recognition. A spin-off of Life Planning Seminars have been seminars started in 1999 with main focus on financial planning.	Seminars are viewed as very positive, accepted, & successful .Factors contributing to program's success include content & consistency along with offering sessions during work hours, at no cost to employees. Main challenges have been marketing, attendance, and attaining qualified professionals with good communication skills.
U.S. Postal Service; San Francisco, CA Respondent: Finance Manager	Initiated by respondent in 1995. There is no formal financial education program in the Postal Service. Respondent has developed an "ad hoc" program with approval of manager. Program consists of live presentations, a video, and a newsletter.	Informal assessment—based on respondent's own perception of the need.	Respondent was solely responsible for the planning of the program. The field and headquarters were involved in the development of the program's video.	Purpose of program is to provide personal financial education for employees. Program currently is positioned in the Finance department. Final authority is with respondent's manager. Program well thought of, but does not have support of upper management.	Individual programs are funded by inviting office who pays expenses. . No other funds available due to lack of support from upper management.	15-20,000 employees receive program's newsletters. Program location is limited to respondents activities. Makes presentations when invited & can fit into schedule. Participants are mainly management. Working to gain support to expand program.	. Seminars include live presentations, newsletters, and videos. Programs are offered 13-20 times a year and are 2 hours in length.	A 2 hour employee training video was produced as a result of the programs.	Program is viewed as successful due to the growing recognition of the need for financial education. The main challenge has been gaining support of the upper management.

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Virginia Retirement System; Richmond, VA Respondent: Manager, Field Services Department.	VRS is a multi-employer public pension plan. Counseling & training have always been a function of VRS. The current program of Benefit Administrator Training and Pre-education Retirement Programs (PREPs) began in late 1980s and was initiated by VRS to educate members and employers and provide benefit information.	Formal assessment—Need determined by Executive management with support from the Board.	Field Services staff and VRS executive management involved in initial planning. Used other public retirement systems and materials available at conferences for model.	Purpose has changed over time putting more emphasis on the training and technical assistance to employers so they may better educate employees on benefits and retirement planning. Program is positioned in the Field Services Department. Final authority is with VRS Executive Staff.	Investment returns on trust funds pays administrative expenses. Virginia Com. College System and participating employers provide space to deliver the program throughout the state. Program utilizes volunteer speakers. Main challenge is ensuring that speakers are available, knowledgeable, and provide information consistent with program goals	Programs are offered to all members. 3,400+ attended 77 PREPs and Benefit Administrator Training programs between 7/99 and 2/00. Current goal is to increase participation.	Seminars are expert-led in classroom settings with use of computers. Benefit Administrator training seminars are 4-6 hours and PREPs are 8 hours in length. Programs are held on a weekly basis.	Virginia Retirement System has received publication awards for the annual report and newsletters sent to members and retirees. VRS received the 1997, 1998 & 1999 SPQA award for outstanding achievement.	Program is viewed as a success due to VRS management support, employer support, and dedicated staff in Field Services. The main challenges were balancing presentations geographically, scheduling programs at convenient times, and keeping the materials updated and incorporating new technology.
Graduate School, USDA; Dallas, TX Respondent: Program Specialist	The Office of Personnel Management initiated the program in 1975 to provide retirement and benefits courses for government employees.	Informal assessment—a retirement course is required for every government employee.	Office of Personnel Management involved in initial planning. Models were not used in the process.	Purpose is to assist employees increase efficiency, effectiveness & productivity; and to improve their job performance, and pursue life-long learning. The program is positioned in Benefits & Training. Final authority is with Director of Grad School.	The only funding for the programs comes from participants. The challenge is to keep the registration participation up to create program funding.	Programs are targeted toward government employees and are held 60 or more times a year. Approx. 1,200 participate each year. The current goal is to continue providing updated info on the retirement process in the most beneficial way.	Program content determined according to OPM Retirement & Benefit guidelines. Seminars are expert-led in a classroom setting with use of computers. Programs last 3 – days, total 22.5 hours, and are offered twice a year in each participating city..	None	The program is viewed as a success due to the instructors and experts who remain up-to-date on current issues and are skillful in presenting the material. No real struggles mentioned.

WORKPLACE PROGRAM SPONSOR	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS, STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BY-PRODUCTS	EVALUATION
United Parcel Service; Atlanta GA Respondent: Compensation Manager/Project Director	UPS Management Committee initiated the program in Jan 2000 to educate employees in basic financial fundamentals to both enhance their well being and strengthen the financial success of UPS.	Informal assessment—program developed because "it was the right thing to do.".	UPS Human Resources, Accounting, Tax, Training, and Legal departments involved. Benchmarked with other companies, current market courses, and multiple vendor benefit programs as models.	Purpose is to educate employees in basic financial fundamentals in such a way as to enhance well being of employees and financial strength of UPS. Programs are positioned in HR Dept. Final authority is with HR-Compensation Dept.	Programs funded by corporate benefits budget.	Programs offered to full time management and full time non-union administrative employees. In first few months, approx. 40% of 42,000 eligible employees have attended. Current goals include improving 401K participation, improve Employee Relations Index, and promote UPS as a great workplace.	Two programs offered. 1 day program covers UPS compensation, benefits and stock ownership programs, and basic financial fundamentals. 2 day program covers UPS retirement benefits packages & developing a long-term personal retirement strategy. Multiple means of delivery are utilized.	Under development.	Highly rated by employees—"Best workshop ever." Respondent credits success to content of material as well as expert presenters, software, helpline, online campus, and telephone counseling.
A Major Insurance Company (name confidential); Midwest region Respondent: Superintendent of Financial Programs	Programs first offered in June 1999. Initiated by HR-Financial Programs.	Informal assessment—developed new programs because of feedback from employees, declining participation in existing programs, information from articles and external studies, risk of litigation, and need to be employer of choice.	Many involved in planning process: HR Financial Program staff, Actuary, Systems, Advanced Life Underwriting, 401(k) Plan administrator, Retirement Plan administrator, Education & Development staff, Research Dept. staff, tax and legal counsel, Creative Services, Purchasing, and employee focus groups.	Purpose is to help employees "manage the risks of everyday life, recover from the unexpected, and realize their dreams, just as we try to help our customers do the same." As a leader in the financial services industry, it is important for employees to have a good understanding of personal financial planning basics.	Company pays costs of programs to encourage maximum attendance. Employees can purchase additional HelpLine time, newsletters, and financial counseling.	45,000 plus employees are eligible & 30,300+ currently participating. Employee force located throughout U.S., so program presenters use class settings in company offices and hotels, also utilized Interactive Distance Learning satellite sites. Goals include reinforcement of program information & continuing education via intranet.	Program consists of two workshops—in introductory 1 hours session to help employees "wake up" to their need to engage in financial planning, and a 2nd session of 3-4 hours of more detailed information. Also provided is customized software, HelpLine, and financial planning newsletter.	None	Success of program credited to management support, efforts of coordinating staff, quality of vendor products and presenters, and relevancy of program in meeting real needs.

WORKPLACE PROGRAM SPONSOR	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS, STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BY-PRODUCTS	EVALUATION
Southwest Chemical Co.; Donaldsonville, Louisiana Respondent: Program Vendor (The EDSA Group)	Program was first offered in 1993. Initiated by HR Manager who contracted with The EDSA Group to provide education.	Vendor approached HR Manager with proposal and reasons to offer to employees. HR Manager saw need and sent request to headquarters for approval.	HR Dept. was involved in the planning. Reviewed other program providers in the market and contracted with The EDSA Group. Pilot programs were conducted to evaluate effectiveness of programs. Following pilot, a participant focus group was conducted.	Program is offered through HR Dept. and supervised by HR manager. The EDSA Group (vendor) programs are designed to make employees better money managers and better consumers of company benefits.	Funding comes from HR budget; however, programs are considered self-funding as a result of increased participation in the flex spending account (FSA), which saves the company FICA contributions in excess of financial education outlays.	One site offers programs every year, other locations are more sporadic. 90 of 350 employees at this location currently participating in financial education programs.	Company pays fee to vendor to deliver programs. Therefore program emphasizes education vs. product selling. All instructors are Certified Financial Planners and active in the industry. Four different programs offered—length ranges from 2-6 hours. Programs are offered on weekday evenings.	One-on-one meetings were a spin off from the original programs. This provides opportunity to personally meet with instructor after attending workshop. One-on-one meeting is held during company time and at company location.	Programs are regarded as successful due to quality and non-solicitation approach. Main challenge is getting employees to attend, especially those who need the education the most.
Financial Education, Inc. (a vendor of financial education programs); St. Paul, MN Respondent: President and CEO of Financial Education, Inc.	Respondent started company in 1997. As a CPA, his individual and company clients expressed a need for financial education. This seemed to him to be a good business opportunity.	As a CPA, his individual and client companies expressed need for financial education. He proceeded to develop programs that provided the information his clients seemed to be looking for.	All planning conducted by the respondent, president and CEO of Financial Education, Inc.	This is a vendor company that markets financial education programs for-profit to employers and other groups. Programs range from 1 to 5 hours and are often customized to address specific benefits of each client.	Programs are funded by companies and organizes who contract with Financial Education, Inc. Main challenge has been "just running a profitable company."	Financial Education, Inc. serves many different companies throughout the U.S. and thousands of employees. Main challenge is marketing. Goal is to reach more companies and to conduct more seminars.	Program content was determined from experience and by the kinds of questions he was being asked as a CPA. Programs are based on a core curriculum and customized per client needs.	Financial Education, Inc. is often featured in articles.	Programs are viewed very favorably by client companies. Programs are "very good and employees appreciate them."

Appendix A-2 – CES Financial Education Matrix

CES PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BY-PRODUCTS	PROGRAM EVALUATION AND FOLLOW UP
University of Arkansas; Little Rock, AR Money & You Respondent: Family Resource Management Specialist	Pilot program began on October 1, 1999. Mandated Tri-state collaboration: AR, LA, MS. Top down initiation. 25% of funding for programs that cross state lines.	Administration determined need because 3 states are "bottom of the barrel" in terms of poverty statistics. Feasibility issues were scheduling programs to meet org & community needs, allocating staff time, increasing staff confidence & comfort with financial material.	Educators from AR, LA, MS who looked at existing CES programs and materials. No single model used. Mission was to use own resources only. Being piloted in 12 counties.	It is a core program that is part of their effort to teach money management to low income audiences. Found under Family & Consumer Sciences. Respondent supervises program, but Steering Committee has final authority.	90% funded by budget, 10% from gov't funds. Collabor-ate with other organizations. No volunteers. Challenges are having agents see importance of budgeting, agents' confi-dence in teach-ing this, deter-mining what program to drop to gain funding, recruiting par-ticipants in some counties, finding effective leader-ship across 3 states.	Goal is to reach at least 30 families/year & to use with family nutrition program which works with clients 1-2 times per mo. Eight lessons, but must teach min of 5 or 6. Target low income. Participation hindered by ability to find audience & by low income women's fear, low self-esteem, & not under-standing topic's importance.	Program uses existing mater-ials. Discourage theater-style classroom set-ting & one-on-one counseling which is not efficient. Women are isolated so need group sup-port. Program is culturally sensi-tive but that is not obvious. Use pre-formed groups usually during work hours. Each session lasts 20-50 minutes & is based on what is wanted.	Plan on adding a lesson on checking accounts, because this is needed to establish credit. Would like more hands-on programming and to work side-by-side with nutritionists.	No evaluation plan, but would like to use case-studies that reassess partici-pants' written goals 1-2 mos later to check progression. Agents have not cooperated in getting & returning goals. Participants have trouble defining goals.
Auburn University; Auburn,AL Women's Financial Information Program Respondent: State Program Specialist	Respondent initiated CES' use of AARP's program in the late 1980s because there was a need for it.	Informal needs assessment based on focus groups with county agents in family economics that was led by the Extension's National Leader. Discussed perceived needs in community.	Select county agents met to explore possibility of offering WFIP. Program development and implementation planning take time, & agents are eager to begin. Program requires strong leadership to keep all on track.	Initial opposi-tion because program was too much work; agents thought they would be teaching only their own materials. Those who have continued with it believe it is an excellent program with continuing demand.	Participant fee of $10 to cover materials. CES provides sites and personnel. Uses volunteers. Cooperates with other sponsors. Financial Institutions cannot sponsor because may peddle services – AARP requirement	Began as pilot program. Wanted 50 per class and have reached that average, but some counties have up to 100 per site. All 67 counties should participate once a year, but only 20% do. Targets mid-life and older women, but is open to all.	AARP contract-ed with a Finan-cial Planner, provided fund-ing. Min of 18 hours, covering 6-8 weeks. For-mat is lecture followed by small group discussion. Not designed to be sensitive to cul-tural differences. Program offered on weekdays, during day & evenings.	Program will end December 2000. Replace-ment program is being designed. AL is planning on including both men and women in 20-50 age range, but still in develop-ment.	Use participant evaluation forms & follow-up 6 mos after completion. Success is attributed to the commitment and enthusiasm of teachers and cooperators. Biggest challenge has been getting impact data.

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University of Arizona; Parker, AZ Money 2000 Respondent: Family & Consumer Science Educator, La Paz County	First offered in spring of 1999 and initiated by the state. La Paz county is very rural and need to go to those in need but don't have those resources.	No credit counseling was available. 70% of kids qualify for free /reduced lunches at school; high unemployment rate; casino opened 5 yrs ago & is causing family problems.	Shelton was involved in initial planning & attended national conferences. No existing programs used as model. Goals are to increase savings & decrease debt.	Mission is to increase finan-cial well-being through a cam-paign to encour-age increased savings & reduced debt. To provide know-ledge & develop skills that enable individuals & families to make wise consumer decisions about saving, spend-ing, & investing.	Funding is from the state. May use bank staff as guest speakers. No volunteers. $10 annual participant fee covers membership, yearly financial management workbook, quarterly newsletter, and educational materials & classes.	Participation levels vary. Currently 23 enrolled in county. Goal is to get people to set financial goals. Basic budgeting is most popular program followed by credit. Difficult to get people to admit that they want help. Child care & transportation are sometimes problems.	Program content determined by community requests & feed-back. Content not designed for cultural differ-ences. Offer every other month, during the week for 1 ½ hrs. Use incen-tives like piggy banks, credit card tracker to make person think before spending. Video & audio tapes available at public library.	None.	Main challenge has been mar-keting. Mail 6 mo. progress reports to parti-cipants, but not had much response. Beha-vior changes are used to assess the success Classes not required for Money2000 participants, but 35% attend. Do follow-up with mailings & phone calls.
University of Illinois; Chicago, IL IDA with All My Money Respondent: Consumer & Family Economics Educator	2 IDA programs initiated by South Shore Bank and Mid-America Leadership Foundation (faith-based). CES developed & implemented curriculum for former and consulted with the latter. Began in 1997.	CES surveyed Bank's staff and piloted program. Challenge was identifying participants with appropriate income levels. Matching ratio of 2:1 with a max of $1200 matched funds for those refer-red through part-nering agencies. 2nd level IDA for general pop-ulation with a 1:1 match, same max limit, but longer time period.	South Shore Bank & 4 com-munity orgs pro-vided funding & participants. Modeled after Purdue's pro-gram & added asset-building. Attend annual meeting of 12 nationally pilot-ed IDAs where efforts are dis-cussed.strengths were having per-son at Bank with no other purpose than IDA & using CES for financial literacy.	Mission is to provide finan-cial knowledge to low income people & their families so they can become fi-nancially secure & build assets. Have a Saver's Club for partici-pants to share knowledge & re-inforce learning. Difficult to get people to com-mit to program & accept requirements. South Shore has full control over program.	Unaware of IDAs' funding, but partnerships have provided funds. South Shore Bank is funded by CFED. Curricu-lum was a state-wide project funded through the State Project Fund. Curricu-lum sold to recoup money. South Shore uses no volun-teers, but Mid-America does.	South Shore's level 1 targeted 200 of which ¾ is filled, and level 2 also targeted no more than 200 (unknown spots filled). South Shore Bank is in communities of target audience so hold classes at its 4 branches. Mid-America uses -churches and welfare-to-work sites.	Mid-America added fact sheets & spiri-tual component to first work-shop. Mid-America uses 8 lessons & South Shore uses 4. CES did focus group & piloted curriculum. Is sensitive to cul-tural differences Use mostly African-Amer. speakers, African-Amer. authored books, & by including ethnicity in discussions	Group that developed "All My Money" curriculum received a statewide award based on uses by other groups including IDAs.	Attributes the Bank's success to the structure that the organi-zation provides. At least 3 people have bought a home through Bank's IDA. Unaware of evaluation methods developed by South Shore & Mid-America. South Shore's evaluation is provided by funder of 12 national pilots.

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University of Illinois Extension Center ; Manteno, IL All My Money Respondent: Consumer & Family Economics Educator	Curriculum completed in summer of 1997. Kankakee Neighborhood Housing Services initiated IDA which was first offered in Summer of 1999.	Statewide needs assessment of agencies which indicated need for basic money management. Program then piloted in Chicago and revised.	Based on Money Manager Advisor program in Washington state which closely matched the same issues identified in needs assessment. Strength came from team building and weakness from not using students to do task organization rather than higher paid CES agents.	CES mission is to help people help themselves & help them put knowledge to work. Use segments of curriculum in other programs. Have avoided opposition by keeping colleagues aware of program & part of their team. Positioning is not good because people do not think family programs are under agriculture section.	Funded by regular budget and curriculum charges cover future reprints and set-up costs. CES provides funds for travel & training. Have partnered with agencies (IDA, CCCS, Head Start, etc.) to train their staff. Agencies provide location and some-times refreshments. Volunteers teach curriculum but do not train other staff.	Fiscal year 1999 trained 172 agency staff and 59 clients. Targets low income audience. Have collaborated and co-taught across CES divisions – such as with Family Nutrition programs which are more limited by their grants in what they can teach. Current goal is to get Spanish hand-outs in print and curriculum reprinted.	Separate couples in workshop so can see what others do. In IDA program has many ethnic groups & religious differences. Must be careful not to impose values. 8 lessons covering about 16 hrs. For low literacy readers. Offered weekday mornings, some afternoons, and 4 or 5 times a year. Prefer a class size of 6 to 12.	Received Director's Award from Univ of IL. Other states have implemented program. First 2 lessons could be used with new bankruptcy educational requirements. Would like to put curriculum directly on web, but haven't done this yet.	Success is attributed to clients having fun doing it, its easy format, & its applicability to their lives. People say that program has given them the tools needed to change their life & that they had not thought about how their values impact the family & use of money. Pre & post-tests for clients. Difficulty getting evaluations back.
Purdue University; Indianapolis, IN Making Your Money Work Respondent: Extension Educator, Family Resource Management	First offered 2/2/1996. Program designed for low income and also used for IDA. Began pilot when Near Eastside was unable to get clients to take advantage of 1:9 match. Part of American Dream Demo.	IDA prompted by Near Eastside of Indianapolis. CES responds to needs of community, and majority of households have income less than $25,000. Lack of financial education is a problem, not just low income.	Respondent & other planners worked with participants on program. Modeled after AL's financial mgmt program Most clients lack bank accounts so need realistic education. Strength was flexibility & no preconceived notions. Weakness was lack of formal procedures to aid replication.	Mission is to provide informal ed programs to increase knowledge, influence attitudes, teach skills and inspire aspirations and through the application of these practices to increase the quality of individual, family and community life. Some traditional agents may be less comfortable teaching low income.	100% of funding comes from Purdue University. Foundations and grants cover assistant costs. There is a $20/person charge for supplies which was paid by funders during the pilot only. CES charges $700 per contracted session. No volunteers. Money has not been an issue.	Now training trainers to teach IDA clients, but use program with other groups. Want 15-20 per session. Offered in low income communities. Goal is to help participants stretch horizon from crisis stage to a year later. Have basic self-study video kit for remote sites that can be checked out to clients.	Did pre and post tests for feedback. Program has 6 sessions. Use a non-traditional schooling approach with adult teaching techniques. Need to be open to values, discuss what values exist & how this effects spending. Offered mostly weekday evenings for 1 ½ hrs. 5 group sessions and 1 individual.	Have presented at national Urban conference in Detroit. Received Educator's Specialist Award in Indiana & regional recognition of Extension Specialists. Used in 30+ states and in multiple settings.	Success is attributed to the hands on, experiential & realistic approach. Money has many negative connotations so have designed curriculum to be positive. Focuses on knowing where money went, setting plans for where you want money to go and how to implement that plan.

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Purdue University; West Lafayette, IN Making Your Money Work Respondent: Associate Professor & State Extension Specialist	Curriculum was designed specifically for low income audience of Eastside Community IDA. Now on 5th or 6th version of curriculum.	Respondent creates atmosphere of collaborative learning & trust. Bases her work on Paolo Freire which states that students have as much to teach as the teacher. Believes personal finance is not done well at adult level: reading level is not sensitive enough, don't recognize how poor math skills are, impose values, should be set in informal educational settings.	In 1st 1 ½ yrs of development, they never taught alone but worked with observer who took notes so teacher could focus on class. Looked at 40-50 curricula. CES was most vibrant with activities. Did not realize time involved in creating program, & miscalculated level of crisis faced by students. Some of the formatting is too middle class.	Criticism is that the curriculum doesn't deal with financial institutions and that it may be too simple. Goal is to move participants from a 1 month to a 1 year to a lifetime planning horizon.	When CES provided program, participants were charged $20. Now charge $1.80 a workbook so agencies can provide it to target audience. Materials are used in 35 states & trainer's manual sells for $40. Participants should have close cues to remind them of the program & what they learned. In 2-3 yrs have sold 8000 workbooks.	Wanted 20-30 trainees & have 100 in train the trainer setting, 31 IN agents trained, 150 trainer's manuals sold. Current goals are to create a Spanish translation, but there are dialogue issues and subtleties found in a gender typed language that need to be considered. Have a self-study video to reach rural people.	Cultural allies are needed to reach populations different from one's own. Participants need to be partners in delivery & design. There are distinct pockets of culture at lower income levels. Also important is how family is defined & who pools money. How do we help people pool as communities? This is not addressed in financial education.	Has planned a 2nd module that covers orientation to assets. CFED named ECI in Best Practices in Financial Literacy report. IN's state IDA law requires money mngmt because of CES' experience with ECI.	Challenge has been keeping up and getting the knowledge learned out to larger teaching & research audience. Program's success is attributed to its simplicity & respect for the participants, the removal of a value stance. Program helps people to talk about values instead of telling them what they need to think.
Iowa State University; Ames IA Money 2000 Respondent: Assistant Professor & Extension Specialist	First offered in January 1998 and initiated by Iowa which was one of first 10 states to use it. Each state implements Money2000 differently.	Initiated because of informal needs assessment based on opinion of leaders & experts at county and state levels. Feasibility issues included recruiting participants and gaining acceptance of field staff whose ideas were not always implemented.	Modeled after NJ's Money 2000 also looked at NY, SC, WI. Formed state-wide planning committee with field educators from different subject areas and county directors.	Need to justify program by showing its worth to Iowans, participants, Extension staff and administration which provides funding. Participants are mostly positive about program but some may be disappointed b/c they wanted and needed more than is offered.	99% from budget and <1% from private donations. Have formed partnerships in community. Uses volunteers. Banks offer special saving accounts w/ higher interest rates. Problems are finding effective leadership & recruiting clients	Wanted 100 per county or 1000 enrollees, now have 1100 in state. Classes are optional, receive newsletters, goal-setting booklet. Must set goal to enroll in program (ends in Dec. 2000). Av. savings goal is $4,660 & average debt reduction goal is $6,000.	Purpose is to decrease debt, increase savings, learn effective financial management skills. Ask enrollees what topics are of interest and balance savings and debt issues in newsletters. Use web for enrollment.	Testimony given to Senate Special Committee on Aging about savings and programs to encourage people to save.	Mailed surveys to participants, but collect little on demographics so as not to put people off but this has hampered evaluations. Measures debt reduction and increased savings. Process of evaluation has been a great challenge.

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Louisiana State University; Baton Rouge, LA Your Path to Home Ownership Respondent: Housing Specialist (state level)	Pilot began end of 1995. RFP from Farmer's Home Administration initiated program. Received seed money for 1 county in LA. For 2 yrs piloted program and fine-tuned it.	Need came from industry which specified home buyer education and spurred grant funding. Greatest challenge is finding available staff & creating a program that would be do-able for agents and fit with existing workload. A lot of developmental work in creating a "turn key" package and getting it on agents' agendas.	Hired freelance educator in family economics to work on credit education. Used a 3 person team. Modeled after Cornell's survey & "Building a Home Buyer Education." Refined existing material in pilot through participant and instructor evaluations after each session.	Goals include: 1) to help households overcome barriers & obstacles to affordable home-ownership; 2) to avoid costly mistakes; 3) to become successful owners of suitable homes through education in the home buying process. Accountability reports are sent to funders.	90% from budget, 10% from local partnerships. Spend most on refreshments but should put toward advertisement. Resource Conservation & Development Council is most important partner. Agents ask for money since program is locally driven & funded, but are not comfortable or skilled with obtaining funds.	Reached 375 people 1999, 20-30 per workshop. Serve 20-25 parishes through team teaching. 70% completed pilot program & received certificate. Target blue collar & moderate income on verge of buying home but have credit issues. Mostly reach single moms & middle aged couples. Child care, marketing are challenges.	12 hr workshop with four 3hr sessions. Participants' & instructors' evaluations incorporated into development. Not for very low SES because they need smaller, personalized groups that are participatory. Sensitive to cultural differences, not targeted to one segment. Held weekday evenings, 1-2 times/year in an agent's area.	Program has best mechanism for teaching financial mngmt because of built in motivation to buy house. Wish to model after MS Housing Initiative. Next challenge is to develop an inter-agency collaboration to take beyond ability of CES. Received internal award from Epsilon Sigma Phi (Ext. Honorary Society).	Difficulty tracking participants because of organizational structure & lack of resources. Follow-up participant evaluations uses a self-mailer that is returned when house is purchased and then a longer phone survey. Have 50% return rate on self-mailer. Hard to reach people and many have bought a house & moved.
University of Minnesota; St. Paul, MN DollarWork$ Respondent: Professor, Family Social Science Department	Began January 2000 as a 4 year savings plan pilot. IDA is based on partnership with community action agencies, 4 tribal governments, Wendell Phillips Credit Union, & WomenVenture.	Surveyed community action agencies & churches. Demands differ in urban & rural areas. Rural will not pay fees, different financial & transportation issues, educators must be seen as experts. Urban has dense pop., competition for services, agents over-loaded. Needed flexibility in one progam to meet area demands.	6 member planning committee for curriculum. Many existing programs had right concept but not the right graphics or reading level. Formed 20 member advisory team of agency groups, literacy specialists, individuals of various cultures to judge material. Conducted pilot.	Implementation of program has changed but not purpose. Opposition comes from people who don't understand why you want sharp materials for low income families. People are amazed at program's flexibility & quality.	Pilot & production costs paid by grants, most cost for materials from University. Sell curriculum to trainers. No fees for participants unless there are local delivery fees. Agents mainly teach in rural areas with few volunteers. Challenging to produce a large package program & have resources together at front end.	CES trains staff of non-profits and other agencies in urban areas, while they train the welfare-to-work people in rural areas. There are 87 counties and 67 have done at least 1 training. Have trained 70 FAIM coaches who will reach 400-600 families. Marketing has been problematic.	Materials were reviewed by advisory team, piloted & reworked. Curriculum has 10 units. Agent assesses what the highest need is for families & what their money skills are. Cultural issues surrounding money decisions are greatly discussed with trainers to sensitize them. Delivery is whenever the need is.	Have written summary of 1st evaluation, brochure about program, preparing for 4 award applications. In another 6 months will have more informal publications.	Program is successful because materials are appropriate for audience; it is not a one person program but offered statewide; worked with advisory team & took their advice. MN's cultural diversity requires cultural sensitivity. No long-term follow up with participants because of strict IRB process.

CES PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BY-PRODUCTS	PROGRAM EVALUATION AND FOLLOW UP
University of Minnesota – Extension Service; Moorhead, MN Home Stretch Respondent: Extension Educator	Began in 1996 and initiated by Housing Partnership. Also part of IDA education	Lenders require home buyer ed. so brought program to market to see if there would be demand. Difficulty in feasibility was finding banker & realtor to spend a night presenting.	Working with MN Housing Finance (MNHF) to form statewide program from pre-purchase to preventing foreclosure. The partnerships were a strength. Realtors & marketers are not familiar with requirements but need to be proactive in getting clients to take education one year before buying.	People question why education is needed. Important not to let lender & realtor make someone house poor because they win on commission. MN Housing Finance supervises & has authority over program. CES teaches it.	MN Housing Finance provides funding. Bankers & realtors donate time as speakers. Morehead Community education handles publicity, enrollment and provides facilities. No funding difficulties.	162 people are participating in program and 26 signed certificates last year. 67/68 out of 80 counties offer program. Have one-on-one consultation usually in evenings, some weekends for 3 ½ - 4 hrs to ensure they know materials before providing certificate to those who miss classes.	A 6 hr program offered every week in Morehead College and 2-3 times a year elsewhere. MN Housing Finance designed curriculum. Some interactive TV. No mention of cultural differences, but does discuss equal opportunity in lending and how to handle discrimination.	IDA requires basic financial training with DollarWork$ and then Home Stretch for those interested in using savings for this. Master list of clients provides continuity of courses and benefits across regions.	Participant evaluation developed by MNHF. Receive certificate,which will lower mortgage rate, after turn in evaluation. Challenge has been finding time for 1-1 aspects & linking programs. Success is attributed to clients being able to reevaluate what they can afford and if ownership is right for them.
University of Minnesota – Wilkin County; Who Gets Grandma's Yellow Pie Plate? Respondent: Extension Educator	First offered October 1994. Motivated by a perception of need for program, especially as baby boomer generation ages. It is the only one of its kind.	Formal survey of 4 counties in MN specifically targeting experience with non-titled transfers. Questionnaire responses developed into 6 key topics in curriculum. Pilot uncovered huge demand.	7 member CES team consulted with attorneys from Law Schools in Twin Cities, aging professionals, the Trust Dept. of a local bank. Held think tanks after pilots to reconsider information. After 1 year had 6 topics that formed program's umbrella structure.	Goal is to provide top quality education & resources. Title has been questioned because it is gender specific, but people have identified with it. Materials are non-gendered. Criticized for lacking diversity, but illustrations reflect diversity. 7 member team supervises & directs program.	33% funded by internal grants, 33% by in-kind contributions, and 33% by sale of product. 1% by participant fees. Greatest challenge is marketing & developing a business plan. Sold over $100,000 worth of product in 3 years. Formed community partnerships. Some volunteers, but host determines their use.	1mil + clients reached through materials & trainers across US and 10,000 in state of MN. Program is 1 to 3 sessions. Use story-telling & group's experiences to draw people in. Offered during day for elderly, which may lessen participation of working adults. Long-term program so do not base program on dated laws.	Did 2 literature reviews & found little on non-titled property. Surveys, research, & consultations with outside professionals determined content. Most participants are 45-85. Program is 1-6 hrs, ideally no less than 2 hrs. Focus on meaning of objects & family communication. Program is not state-specific.	Program written about in Wall Street Journal, Successful Farmer Magazine, and radio & tv appearances. Received Dean & Director's Distinguished Team Award, Dean Don Felkner Award from the Nat'l Extension Assoc of Family & Consumer Sciences, and Team Award from Epsilon Sigma Phi.	Not as much evaluation as would have liked. Purdue has done an evaluation. End of session participant eval. form and follow-up 6 mos. to 1 yr after with mailed survey to determine if specific changes or actions have been taken.

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Mississippi State University; MS MS Housing Initiative Respondent: Extension Housing Specialist	Implemented June 1999, planning began in 1995. Spurred by Fannie Mae's suggestion that multiple groups offering home buying education should work together. Created a state-wide housing program through collaboration.	No needs assessment. Lending institutions recognized that they did not have time and expertise to train clients. MS CES does environmental scanning and has been good at knowing what is going to be needed. Funding from Rural Dev began the entire process.	Planning group included CES educators, lenders, realtors, gov't agencies, Fannie Mae rep. Modeled after AHECI curriculum. Formed committees for curriculum, development, marketing, funding, and an overseeing advisory group that gave objectives to 4 groups above.	Increasing home ownership through counseling, quality education and an expansion of available financing throughout MS. MS Home Corp has centralized supervisory control. Board meets on monthly basis, receives status reports, suggests other groups to be included and gives final okay for curriculum changes.	Initial Rural Development grant funded 3 counties to help people buy & maintain homes through training seminars & 1-on-1 counseling. FannieMae offset curriculum and development costs. Use volunteers. Funding is a continuous concern. Potential for Initiative to be its own entity with 501C3 status.	From 6/6- 12/30 1999: 1705 in classes & 1668 in 1-on-1 counseling. From 1/1 – 3/31 2000: 390 in classes & 192 in 1-on-1. Goal is to reach all wanting housing, limited resource families, & to promote accessible housing. One state-wide logo. Network with CAPs, churches, NAACP, colleges.	Content is based on FannieMae workbook, pilot results, agents' feedback. Curriculum committee included lenders, realtors, non-profits, & 1 CES educator. Has 4 lessons each 2-3 hrs long. 60% completion rate. Then eligible for decreased down-payment, good for 1 year. Counseling provided by CCCS.	Will hire coordinator to handle referrals & direct clients to info. Will put curriculum on web for self-paced instruction, but no certificate. Has opened doors for agents & institutions to support each other & reach out to legislators. HUD nominated program for best practices award.	Certificates are numbered which identifies client's county. Lender returns certificate to coordinator to track if client applied for loans, succeeded, and purchased home. Coordinators also evaluate sessions for quality control.
University of Missouri; Columbia, MO Home Ownership Made Easier (HOME) Respondents: Housing State Specialist & Regional Environmental Design Specialist	Began in late 1994 to early 1995 through CES & CCCS collaboration. Both could contribute but had different strengths. HOME is now offered in St. Louis metro area by Catholic Commission on Housing, and only by CES upon request in other counties.	Use local mailed surveys & focus groups to determine issues. Home buying & affordable housing identified as important issues. Rural areas needed program, but there were no agents working there. Partly why Interactive TV program was created.	Model from a national CES home buyer program forum. CCCS has good reputation & helped attract mortgage lenders & participants. At state-wide training found varied levels of expertise. Rural areas lacked partnerships with HUD, banks, no local CCCS office.	Viewed as a comprehensive program & ITV appreciated. Program under Housing Team in Environmental Designs Ext.. Supervised by 2 CES agents. Housing Specialist coordinates at state level, but no direct supervision. Team trains, agents control & adapt programs.	90-95% from internal CES funding through Outreach Development Funds, 5-10% from Agency charges or participant fees. Multiple government & community partners. Uses volunteers. Adding down-payment aspect increased participation. Without this, participation dries up.	Wanted 100 per year with 10-25 people per class. Had 600 people 1st yr; 200 closed on house. Other organizations now offering program, so work with them, to provide training. Targeted to low to moderate income & minority; reach mostly African-Americans & single moms.	8 hr program modeled after HUD's Home-buying curriculum. Used Cornell's Home Buying Guide, FannieMae publications. Has 6th grade reading level & is not really sensitive to cultural differences.Offered week-day eve. .for 2 ½ - 3 hrs for 3-4 wks & 2 ITV programs on Sat.	Last community surveys indicated need for community housing rather than single homes which created a new focus for the next 4 year plan. Award for HOME program from CES. Are developing a Home-Buying Guide which will be available this fall.	Success attributed to a strong, comprehensive curriculum, collaboration with other agencies, diversity of faculty members & their years of experience. Did series of interviews several years after taking class with successful home owners. Catholic Commission & CCCS follow participants.

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Nevada Cooperative Extension; Reno, NV Money on the Bookshelf Respondent: Family Resource Management Specialist	Piloted from July 1996 to June 1997 with limited resource audience in conjunction with Family Resource Center. Initiated by CES because of needs assessment.	Formal needs assessment – mailed survey targeting young families & single mothers. Money mngmt and credit issues show up as most important issues for community. Taboos surrounding money prevent participation; adults will attend investing classes but not money management.	Conducted focus group after class during pilot phase. Primarily designed by 4 NV CES educators with input from community, Univ. reading profs, librarians, grade school teachers. Modeled after a literacy education program in NV.	The goal is soft-pedaled to clients because it includes reducing risk of child abuse caused by money issues. Respondent supervises program & has final authority, but would consult with co-planner. Must provide annual evaluation of all programs, impact, # of participants to University Dept. Chair.	50% from gov't funding and 50% from foundation grant. Use at least 1 volunteer per site. Staff includes 2 paid and 24 volunteer. Need money for instructors and administrative support. Have collaborated with Family Resource Centers & public libraries.	Reaching about 80 per year. 4 session series with 8 offered a year. Attracting limited resource audience is difficult, but will turn middle America away. Is offered in low income neighborhoods. Are targeting families with children ages 4 to 10. Library checked out 335 books per program & reached 61 families in 1999.	Topics are geared to child's level. Have used other mothers as teachers. Hired Elem Ed person to pull together curriculum. Sensitive to cultural differences because multicultural families are in illustrations. Books available in English & Spanish. Offered during week, after work or school. Sessions are 1 ½ to 2 hrs.	Award from Nat'l Association of Family & Consumer Sciences.	Difficult to track behavioral changes and to develop good evaluation procedures. Use pre & post-tests to track behavior, money communication in family, demographics. Use weekly thermometers to judge books. Combination of money mngmt & books is non-threatening as focus is on someone else's family.
Rutgers University; Newton, NJ Money 2000 Respondent: Professor and Family & Consumer Science Educator	Program developed in 1995 and offered in January 1996. Formed an implementation team of 7 NJ CES educators. Were asked by the Director to develop a high impact program using existing resources.	Informal environmental scan showed high debt, low savings, rising bankruptcy. Available staff was an issue because were spread too thin. Tough to get participants.	Used a public relations firm which help access external funding. County advisory councils have strategic meetings to determine needs & interests. Model was Slim Fast program which reduced pounds & tracked loss. Participants save or reduce debt by $2000.	Increased services under Money 2000. Respondent reports semi-annually to Dir. , Dept Chair & Nat'l Leader. Impact data shows that for every $1 spent, there is a $25 improvement for participants. Small counties concerned with staffing because of initial 2000 per county goal.	90% from budget & 10% from corporate support. Will charge fees for conferences but not for enrollment. Work with other agencies to get word out. No volunteers. Challenges have been recruiting participants and getting agents to buy into program & do it.	1800 participants in state. 8 dropouts since 1996 in 1 county. May stress lower level of debt reduction or savings if approaching single mother so not daunting. 5 yr program, Goal is $84 mill in savings or debt reduction. Have achieved an improvement of $5.1 million.	Course has 8 lessons; state approved; designed by 7 member team. Offer quarterly newsletter, bi-annual conferences, optional classes, website. Cultural sensitivity depends on presenter. Offered weekdays at local CES offices. based on staffing, community needs.	Program ends December 2000. Will spin-off into Investing for Your Future. Awards from Northeast Extension Directors, Cook College, American Assoc of Family & Consumer Sciences. Has been a $12 mil improvement across nation.	Participants report financial changes every 6 months which is tallied across state & nationally. Participants write success stories. Have 2 databases on behavior & financial changes. May contact participants every 2, 3 or 5 years depending on grants. Hard to get impact data back.

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North Carolina State University; Plymouth, NC Money In/Money Out Respondent: Family Resource Management Area Specialist	Began pilot test in September 1998. Developed in reaction to Money2000, but was initiated because federal law mandates that they must show dollar impact from program.	No needs assessment, but all their information points to this as an ongoing need.	Modeled after Money2000 and Study by VA Tech (PFEE) which docu- mented need for employee edu- cation. Wanted to reach employ- ers who would offer space, audience, marketing, while CES offers materials & educators.	Agents have incorporated program in various ways. Currently, the program is not well supervised, because state specialist position is open. Respondent still has authority over changes, but these are subject to peer review and committee approval.	20-25% funded by grants & dept budget covers 70-75%. Inven- tory costs low because curricu- lum is a small folder. No vol- unteers. Need a Rural Money Management center to spread educators into schools & com- munity. Would be a resource for agents. Lack time & staffing, but no funds.	Number of participants not known as agents do not always use program as designed; ±34 counties report- ed using it in some form from 1998-1999. 14 counties used the pilot model. Prefer targeting pre-formed groups and have used with prere- lease prisoners, Habitat for Hu- manity, IDAs.	Use materials from existing programs, but hope that new packaging will create a greater impact. Content not sensitive to cultural differ- ences. More concerned with educational lev- el & preventing intimidation. Offered week- days , depen- dent on provi- der. 6 sessions each ¾ to 1 hr.	None.	Greatest challenge to date is having enough time. Program's success is attributed to the existing need for it. Progress toward debt and savings goals tracked at 6 mos. and 1 yr after. No database created for tracking results.
North Carolina State University ; Tarboro, NC IDA program Respondent: Family and Consumer Educator	Grant submitted by NC Dept of Social Services in December 1998 and first class began in August 1999. Grant is for 36 months.	No needs assessment. Dept of social services recruits people and helps them clean their credit. There is a big push to get families self- reliant and asset building is an important aspect of this.	Initial planning meeting compo- sed of DSS, bank reps, comm colleges, Rocky Mountain Education Community Development org & others. Strength is involvement of community agencies.	Mission is to provide low income families at or below 80% of median income with viable strategies to promote self- sufficiency by long term asset- building leading to homeownership. DSS has authority over program.	NC Dept of Labor is primary funder while banks are secondary. No volunteers. Main challenge is finding housing for clients after program because 1999 flood destroyed 300 houses and damaged 900 more. Availability of IDA funds will determine if more classes will be held.	Must sign agree- ment to attend 10 classes, save $50/mo, and $1000 by 2002. Can access money after 6 mos. Maximum time is 36 mos. 2:1 matching ratio. Wanted 55 clients, but not enough grant money, have 40 total. All partici- pants are African-Ameri- can. Recruit- ment has been a challenge.	2 groups of clients with classes held at DSS offices. 4 home buying & 6 financial mngmt classes. Financial classes are based on Money In /Money Out, Purdue's "Making Your Money Work" and Clemson's Money2000. CCCS does counseling. Mostly weekday evenings for 1- 1½ hours.	Offer monthly support group for those clients who have finished manda- tory education. May create a newsletter for the group to advertise meet- ing times and information of interest. Consi- dering follow-up education once clients purchase home to help them stay in home.	Attributes suc- cess to having DSS handle programmatic aspects & CES do education. Important that someone committed to recruitment & monitoring accounts. Eval- uation surveys at end of financial classes & of housing classes. Has been eye opener for participants to see how actions impact savings.

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North Dakota State University, Fort Berthold Reservation Extension Office; New Town, ND DollarWorks Respondent: Family and Consumer Science Agent	First offered in summer 1999. Partnered with local welfare-to-work program (477). Also used with other programs like home buyer education and single parent program.	Informal needs assessment based on discussions with case workers & housing credit application specialists about clients' difficulties with credit or not having necessities. Challenges were the attendance of participants and finding time to reach remote areas of reservation.	2 person team – respondent and a 477 Program agent. Modeled after MN's Dollar Works and used info from Fannie Mae. No other programs offered locally; must drive 75 miles to an agency offering financial counseling or classes for investors.	No mission statement. Program requests are increasing. Supervised by District Director. Authority over program's direction lies in respondent along with participants and requesting agencies.	Program supported by office supply budget & respondent's personal budget. Partnered with HUD, banks, 477 Program, community college. College aids with interactive video system which is runs through reservation since it can be 60-100 miles between sites.	HUD quarterly workshop offered at one location, and 477 offers program in all 5 locations on reservation & by PIC-TEL video system. Pilot program. Use preformed groups to get participants. Open-ended program with discussion format uses audience experiences.	Content based on requests of participants and their supervisors. Acknowledge distance, hardship, and history in examples. Lack of financial education is a learning failure, not a cultural failure. Offered weekdays, working hours & evenings for 1 to 2 hrs.	Are just beginning what could be called community wide planning.	Conduct participant evaluation at end of program, but no long term follow-up. Success is attributed to cooperation between groups and using preformed groups.
Oklahoma State University; Tulsa, OK IDA financial education Respondent: Family & Consumer Sciences Educator	First offered in January 1999. CAP in Tulsa initiated program. They are an anti-poverty agency offering food pantry, some medical care, and housing to limited income. IDA is part of American Dream Demonstration.	Have good statistics on number of people at 120% of poverty line. Felt there was a real need to help them save money to puchase assets: retirement, home, education, business.	Community collaboration begun by CAP in Tulsa. Models: Purdue IDA, Keys to Successful Money Mgmt & Pathways to Success (both OK Extension programs). Strengths are that CAP was open to ideas & accepted concepts chosen by CES based on their educational experience.	Recruitment took a long time, because program sounded too good to be true. Had to build credibility and prove legitimacy. CAP supervises program and has final authority. Respondent's work is supervised by her district director – she must outline objectives & show impact.	Funders are Corp for Enterprise Development and Center for Social Development. Have 1:1 matching ratio and 2:1 for home buying. Must attend 3 sessions a year after required money mgmt is completed. Use volunteers. Bank of OK set up special accounts & supplied money for ads and recruitment.	Small scale program with 125-150 families runs for 4 years, & large scale has 1100 with ½ in control group which receives no matched funds & no education (for 3 years). Formed community partnerships for advertising. Clients are African-American, Hispanic and Native American.	8 hr required fin. ed + 4 hrs for program mechanics. CAP offers 1-on-1 counseling for those with special needs or questions. Sensitive to cultural differences examples & video reflect diversity. Mostly single mothers in program, 2 hr sessions offered various days.	Have submitted proposal for statewide IDA program to be handled by Dept of Social Services with CES as educator. Center for Social Development wrote report on Saving Patterns for IDA program and Tulsa CAP has received an award.	Impact measures were built into program from ground floor. Use pre & post tests & follow-up survey that may be 1-2 mos or 6 mos after classes to track changes in behavior. Success is attributed to breadth of community collaboration, strength of local CAP, & research based programming that is relevant.

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Oregon State University; Corvallis, OR Estate Planning Respondent: Extension Family Economic Specialist	First offered in 1980. Initiated by respondent because of requests from county educators.	Need was determined by focus groups and program advisory committees.		Mission is to understand & start the process for ownership & transfer of property. The program's purpose changes with the audience's needs; whether they are same sex couples, parents with children, divorcees, etc.	Funding is through University and minimal fees from participants. No partnerships & no volunteers.	Want no more than 50 participants, & classes are usually full. Program offered at CES offices, churches; Is being phased out, now targeting the limited resource audience. County is teaching less because of budget & local priorities.	Spend more time on family issues, less on taxes than at start. Materials are custom designed. Program is primarily on weekdays during working hours & evenings for 5 hours. Offer about 5 per year.	New publications. Spin-offs from workshops.	Consider it successful because they do not sell anything & there is a great need since most organizations do not target low income people. Use participant evaluations & focus groups. Do some long-term follow up within 2 years by telephone & mailed evals.
Center for Personal Finance Ed. & University of Rhode Island Getting Fiscally Fit Respondents: Program Development Coordinator and Professor	Pilot testing began in 1998 as joint effort initiated by CCCS and CES. Motivated by perception of community need esp with workplace audience.	Mailed survey to employers, followed by phone survey asking about topics, value of program, appropriate times. Focus is on development not delivery. Workplace offers staff, space, participants, marketing.	Formed Program Advisory Board of CES, CCCS and State Dept of Education. Reviewed Iowa's workplace programs and Illinois' general consumer economics programs.	Administration is under CCCS while governance is shared with University. Program is supervised by the Program Advisory Board. Final authority is shared by President of CCCS & the Director of CES Center.	Grants for 80%, CCCS 9%, University 10% (mostly in-kind), participant fees 1%. Funding flows through CCCS. Do not have enough resources to provide program so recruit workplaces. Need more funding for clerical & admin help.	Less than 300 people participating in pilot. Program has 9 modules that can be broken down into 2-3 modules per session or series. Program can be adapted to different audiences & adjusted for low literacy groups.	Each module has 4-6 outcome measures that vary with content of module. Content determined by needs assessment and survey of literature on needs assessments done by other researchers. Not sensitive to cultural differences. Each session is 1 hr.	Curriculum to be sold on web in January 2001. Not actively recruiting workplaces, because lack resources. Have published journal articles about development process.	Use evaluation forms for participants both before and after program. Follow-up by phone 3-4 months later. Main challenges have been lack of resources, lack of experts, and the process of producing materials.

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Texas A & M University (East Texas Office); Coldspring, TX Investment Club Respondent: Family & Consumer Sciences Agent	In Feb. 1997 Respondent gave a money presentation to a retired women's group who wanted to start an investment club. Respondent organized materials & met with a group of 18 women who wanted a forum in which they could talk openly about money.	Women wanted to invest, but men often put them down & held power positions. Needed a non-threatening forum. Agent's role was to help them develop organizational skills, leadership & materials. It was difficult to identify people with similar interests & goals.	Planned by the 18 women & 2 CES staff. NAIC out of MI was model. Steering committee set agenda & long range plans. Used investment professionals for one year training. Women had common goals, but no investment knowledge & feared math.	All investing decisions are jointly made, so pool & invest as a group. Program is an Extension study group under Family & Consumer Sciences. Club appointed a committee to evaluate changes which are then openly discussed & voted on by group. Have 3 yr plan.	Yearly fee: $30-35. Steering committee determines budget. Program is self-sufficient. Accountant keeps records to determine stock returns. Group contributes to community. Have built consumer section in library & added Value Line.	Want max of 15 as specified in 3 yr plan. Men meet in City Hall & women meet in Methodist Church. Open to all but must attend meetings for a specified time, then write letter of intent to show commitment to group. Took 8 mos before made first investment.	Began with NAIC material, then committee determined what women wanted to learn & accomplish. Have made & lost money. Selling was educational experience, esp. if did not use broker. Meet once a month from 9-10:30 am. Can't miss more than 3 meetings.	Has generated open communication between men & women at home. Men now request some of the women to present in men's group. All seem to want to keep the groups separate. CES agents involved received award from TX Ext. Agency Family & Consumer Sciences.	Success is attributed to women themselves & their willingness to do what was needed. Have used informal evaluation forms with open-ended questions asking about what was learned & accomplished, how program changed their lives.
Virginia Cooperative Extension; Warrenton, VA Financial Mentor Educator Program Respondent: Unit Coordinator for Family & Consumer Sciences	First offered in 1996. Work with welfare audience through a 5 county pilot showed that educational material was correct but learning style in classroom was not. Women are angry, mistrustful, & did not want to talk about issues that did not directly pertain to them.	Did formal evaluation with first attempt with audience. Observed teaching, exit interviews with women, statistics of women on TANF, spoke with social workers about the info the women needed to know.	Planners included CES agents & community partners – about 20 people. Reviewed literature on mentoring, but most models were adult to child. Strengths were involving partners in planning & work spent on identifying need. It was difficult to establish full dialogue across 5 counties.	Mission: to train volunteer mentors to work in a 1 to 1, customized learning environment to help learning partners meet personal goals & build a sustainable future. Audience expanded from TANF to working poor. In Management, Housing & Consumer Education Division of FCS.	75% from budget & 25% from Welfare Info Network grant & local Department of Social Services. Many community partnerships, including Habitat for Humanity, rural churches. Challenges are balancing right amount of mentors with right amount of learning partners. 65 volunteers.	Have mentored 300 families since 1996. Mentors stay for about 3 yrs. & usually work with 2 families per yr. They are building a relationship with the family. Provide a list of appropriate community meeting. Program targets working poor & those going from paycheck to paycheck.	Mentor manual covers dynamics of working poor, behavioral change theory, listening skills, risk management. Clients stay 6 mos to 3 yrs depending on goals. Unit on understanding audience & values addresses cultural differences. Mentors trained 3 times a yr & clients continuously.	Delivery method (Mentor Management Model) can be used in other areas like Nutrition Mentor Educator, Employment Mentor Education. Housing & Parenting Mentors could be future programs.	Success is attributed to dedication, quality of volunteers. Evaluating clients has been difficult. Information is collected through the eyes of the mentor & covers what was mastered by learning partner. Once out of program, there is no tracking.

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University of Wisconsin; Madison, WI Women's Financial Information Program Respondent: Professor & State Level Family Economics Specialist	First offered in 1994, AARP initiated the program to meet the needs of middle aged women.	Respondent believes that AARP did a formal needs assessment, but WI also did an informal assessment among county based extension faculty. Greatest feasibility challenge was the approval process of AARP for educators & the high turnover rate of educators.	AARP planned the program. Its strength is that it is geared toward women and uses small groups with facilitators as part of model.	Women's Initiative of AARP, has mission statement but not WFIP. Program is still very relevant & popular. Placed under Family Living Programs. Respondent supervises program, but a team of CES educators (part county, part state faculty) have final authority over direction.	Participants pay $20 fee. AARP provides in-kind resources. In some counties, local financial institutions provide "scholarships" for some participants. Advisory group & facilitators are volunteers. Is difficult to get new faculty trained & approved by AARP so they can offer the program.	Have reached 700 over 5 yrs. Offered around state with one site per county per series. Program is offered only to women & targets middle-aged women. Current goals are: 1) financial literacy for women; 2) choosing professionals; 3) meeting/planning future financial security.	AARP determined program content. Materials are pre-packaged & not sensitive to cultural differences. Delivered weekday evenings for 2hrs & twice a year.	Offer a second level (WFIPII) which many participate in. Have received regional awards from AARP. WFIP is being cancelled in Dec. 2000 & may be replaced by AARP's new spin-off, "Women! It's Time…" Many educators will now participate in this because of first program's success.	Success is attributed to AARP materials, small group interaction, relevant topics for age group, excellence in extension faculty, credibility of extension. Use participant evaluations.

Appendix A-3 – Community-Based Financial Education Program Matrix

COMMUNITY-BASED PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BY-PRODUCTS	EVALUATION
Union Bank of California, Los Angeles, CA "Cash & Save" Respondent: Vice Chairman, Union Bank of CA	Program started 1993 by Vice Chairman to bring banking back to inner city " if check-cashing companies can work in the inner city, why can't we?"	No formal needs assessment,; Challenge was to understand market "nuances" in determining where to locate the business to make it right for both the bank and the community.	Vice Chairman and Senior VP initiated planning using model from a Chicago bank.	Mission is to bring the community into mainstream banking by introducing them to bank services. Program has been successful in bringing people to bank for services. Under authority of Community Banking Dept.	The bank funds the program, no other sponsorships; some use of volunteers on weekends & evenings. No funding challenges	Currently about 100,000 using check –cashing services; Offered to all community members, targets inner city residents; Outreach to community by bank staff, personal calls, mailings. Long term program. Goals include overcoming language barriers and creating atmosphere of respect for customers	One hr. program offered up to 3 times per quarter, both daytime & evenings; Custom designed materials cover basic introduction to banking services & personal financial issues using expert-led, classroom setting and 1-on-1 counseling. Spanish language program.	N/A	Program regarded as successful. Measure success by customer feedback, input from Community leaders, participant evaluation forms and #'s of new customers
Operation Frontline (Share Our Strength) / Capital Area Community Food Bank, Washington, DC "Your Money, Your Choices" Respondents – Operation Frontline Coordinator Food Bank & National Program Manager, Share Our Strength	Program first offered in 1998, NEFE (thru program Share Our Strength) offered to develop a fin. lit program for Operation Frontline (OF).	Feed back from evaluation of OF nutrition classes indicated need for more food budgeting instruction; challenges were cultural diversity, dealing with a wide diversity of financial understanding	NEFE brought in a consultant to write the curriculum, Nat'l OF staff and their consultant gave input. Respondent felt that the curriculum needs adjusting – too long, too much info for two sessions, OF staff in non-profits are nutritionists and their skills differ greatly with knowledge of financial literacy	Your Money, Your Choices is offered as addition to a 6 week nutrition course taught at food banks, nonprofits where Operation Frontline has a presence. Some local coordinators resisted the curriculum, had different priorities, others have had success with it.	Share Our Strength and NEFE provide curriculum, no budget for this one program as it is part of the nutrition/cooking program, in general local professionals are recruited to teach , usually as volunteers. Programs often have trouble recruiting volunteers.	In DC, 30-45 participants in 1999; nationally, 40 classes served $\pm$ 480 people in 98-99. Enrollment is increasing; Classes offered at sponsoring nonprofit locations to participants in cooking & nutrition classes; Participants are low income/on food stamps, young parents, culturally diverse.	Program content determined by NEFE consultant, uses much from CES programs, covers general financial topics, except ins., housing, retirement, 410(k), addresses health and ed. under savings issues, covers earned income credit/tax info and basic banking, check writing, record keeping; Expert led seminars, 1 or 2 sessions, several times a yr; some 1-on-1, written for low literacy level.	N/A	Uses participant evaluation form, informal exchanges and feed back from clients to non-profit staff.

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INOKA Project Green Purse Lake Oswego, OR Every Woman's Money Conference & Every Woman's Money School Respondent-Executive Director	Program started in September 1999, founded by INOKA principals – Jan Black and Jody Temple-White.	Response from first conference in Oregon determined plan to go to every state, met with state planning teams to start other conferences	Planners used written plan, own materials – strengths were sense of "team" and local buy-in, weaknesses – managing the eagerness and sense of ownership by state planning teams.	Mission: educate all women to achieve & sustain financial well-being; initially met with skepticism about approach ability to enroll attendants, now "acclaimed as revolutionary"; supervised by Exec. Team and Board.	Funding is 10% government, 90% corporate sponsors, each state program is sponsored so it is free to all participants, volunteers help with registration, people-moving, and some outreach; some difficulty marketing sponsorships to for-profit companies	Averages 1,100 per conference; Goal is to be in every state by 2002. Participants from community, grassroots advertising, PSAs, brochures; women only; Started as pilot; Money Schools offer follow up.	Content determined by feed back, experience, insights of professionals.; covers all topics including some tax issues, no homebuying; expert led, classroom settings, seminars, some technology, Custom designed. 1 - 8 hour program – weekdays / weekends, annually in each city. Money School is ongoing	Many spin offs from original program, program is expanding to online, publishing and broadcasting	Challenges were funding, managing growth, limited staff & time; success due to "distinctive approach,"; Increased enrollment, evaluation forms, instructor feedback, reports of achievement & increased skills used; Use surveys to follow-up.
Amethyst, Inc. Residential Women's Rehab Center, Columbus, OH PayDay Planning Program Respondent – Executive Director	Started in 1999; Director initiated program in response to welfare reform driving shorter treatment time and forcing women into workforce without good life skills tools	Women in program formerly involved in drug dealing, prostitution – had money, now must learn how to do without those income sources, others come from welfare dependent parents; funding for ongoing program & staff is major challenge	Planning done by program provider and center staff, did not investigate any other programs; loosely developed plan/ goals;	Clients love the program; functions as part of Case Management Services – non-clinical issues and life skill development under direction of Client Services Coordinator, Exec. Dir. has final authority	Funding from Nationwide Foundation grant, no other partnerships, sponsorships; no volunteers used; continuation funding to train more staff is needed	Currently serve 30-40 women; Program offered to all Case Managers & clients – hope to include all staff; participants are in long-term alcohol & drug residential treatment program – women w/ children, indigent, addicted to alcohol & drugs; goal is help women learn to manage money & debts, start restitution & savings.	Topics – saving and investing, budgeting and money management, housing issues and financing, dealing with major life events, life planning; methods – expert-led, class room and 1-on-1; prepackaged program "Payday Planning", no special cultural sensitivity focus; offered weekdays during part of the treatment day – 12 one hour sessions, on-going cycles	None as yet, hoping to add more job skills facilities	Program is successful; current staff has been major reason for success, participant evaluation forms, reports of achievements and evidence of increased skills & knowledge are indicators; part of a long term residential program (12 to 24 months)

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Keeping Track Inc.; Columbus, OH Payday Planning Respondent: Company President	Private training product – behavioral solutions to financial problems through 1-on-1 & group training, developed group training program in 1992	Market driven product, program designed to meet client's needs, had to develop sources of funding to be able to offer the program to client organizations who "need it most"	Cumulative experiences add to the evolution of the program, used models from social work, weight watchers, drug rehab programs; special emphasis on behavioral aspect. Goals were business plan, if service sold, goals were met.	Mission is to empower people to achieve behavior patterns necessary for financial security thru innovative counseling, training; initial problem literacy & math level of materials, now program considered very powerful. Pres. has final authority	Program is offered as contracted service to gov., nonprofit & private groups who pay for the program through a variety of funding sources.	Group classes & 1-on-1 counseling. Serves all types of participants, often as a required training, e.g.: required of homeless shelter clients as prerequisite for advanced services; program is long term while maintaining responsiveness to need & environment changes of customers	Content reflects user feedback; full range of topics except retirement. Focus on problem solving, decision making, personal empowerment. Delivery is expert-led classroom or seminar and 1-on-1 counseling. Designed for 2nd grade reading level, visually oriented. Basic is 6 –1hr. sessions, supplement is 6 sessions, 1-on-1 is 1 to 10 hrs.	A successful business – meeting the customer's needs, expanding program use	Uses participant evaluation forms, also growth in enrollment, reports of achievements; Decreased recidivism in social service programs & increased productivity measurements in workplace. Follow-up through case managers or supervisors.
Knoxville Habitat for Humanity, Knoxville, TN Fiscal Therapy Forum, Respondent : Family Services Director	First offered in '95, initiated by local staff as delinquency prevention for Habitat homeowners and approved applicants	Informal assessment, delinquency issues and individual contacts with homeowners/ applicants indicated need; challenge lay in establishing consistency in meeting & recruiting volunteers	Staff & volunteer mentors developed program, models used included Larry Burkette's Christian Fin. Counseling, 12-step (AA) program and Your Money or Your Life ; simple, flexible plan, but no $ for staff or materials	Basic mission – to teach simple accounting & accountability skills, curriculum modified as needs dictated, part of Homeowner Training (pre-home ownership) Family Partnership Committee has final authority	Received a $5,000 grant to print work books, buy materials for $\pm$ 200 participants (3 yrs), YMCA donates classroom facilities; "budget tutors" are volunteer – often homeowners who have succeeded in program.	Began with 20-30, now 70-80 in program due to affiliate growth; open to all prospective homeowners (applicants), will offer as long term project, hope to expand curriculum, secure permanent location & offer to wider population	Program encompasses all areas of financial literacy in context of keeping track of "every penny"; small groups meet with tutor weekly to discuss, work 1-on-1 and keep up workbook,; designed own program using pieces of others' as useful, offered days & evenings for 1 hr. per wk, 5-7 groups at varied locations	Developed program workbook, rec'd Clarence Jordan Award for creativity from Habitat for Humanity Int'l	Challenges - consistent attendance, "buy in" to program principles, success due to frequency, small group support, consistency of effort; Indicators – anecdotal, lower mortgage delinquency rates, reports of achievements & growth in skills, requests for advanced info

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American Homeowner Ed. & Counseling Institute Washington, DC Respondent – Program Director	Homeowner Ed / Housing Counselor standard core curriculum development & training/certification programs start in fall 2000 Original conception via partnership w/ Fannie Mae's HomePath Initiative	FannieMae HomePath Adv. Panel & 32 member Board set forth goals and identified need for national core curriculum & certification standards in home buyer ed.	AHECI staff & Bd member working committees with consultants – models from industry wide sources were consulted	Mission: bring about the transformation of homeowner education & counseling services as a critical component in the mortgage finance system by yr. 2000 Delivery by newly formed corp. under AHCECI, ultimate authority CEO & Board	80% of initial funds from secondary mortgage market; co-sponsors several events with other entities; volunteers used in pilot demos.; trying to establish equitable & affordable fee schedule for training	Expect to train 3,00-5,000/yr; To be offered in all major national market places & AHECI is trying to assess rural needs; open registration; advertised in newsletters, on web through partner networks Will be launched fall 2000, pilots now underway	Board & practitioners developed curriculum; Full range of topics with focus on home purchase; ethics & conflict issues for trainers, no health or retirement; expert led, classroom setting; adaptable for cultural diversity; 5 day course ± 40 hrs.; 2-4 times /mo.	Plan to develop extensive data base for mailings and create a membership organization.; continuing ed. programs for trainers including recertification (every three years) Fannie Mae has published 2 companion workbooks	Will use #'s of participants and growth in enrollment to evaluate success Other indicator feedback from instructors, demonstrated increase in skills and knowledge, will use participant evaluation form for feedback
Virginia Housing Development Authority; Richmond, VA Respondent – Homeownership Education Program Manager	Created in 1993 by single family originations division of VHDA – saw need to better educate 1st time home buyers and simplify information	Assessment indicators were informal, based on calls from consumers who expressed confusion about the process and mortgage products	Advisory group formed of industry professionals, non-profits, government and 2 agency representatives. Looked at models from FHA, Fannie Mae & Nationsbank,; developed a written plan	VHDA Mission: help citizens obtain safe, sound & decent housing otherwise unaffordable to them. Program is under Single Family Division & under the Assist. Dir. of that Division who reports directly to Div. Dir.; program well established and offered widely	VHDA funds the entire program; volunteer professionals receive training and in turn lead the community seminars	Over 1,100 leaders have been trained , in 1999 8,503 individuals took HB classes statewide. Classes are advertised in papers throughout the state & on VHDA web site, targeted to 1st time home buyers	Program content developed by advisory committee; expert led classroom setting seminars and some one on one counseling, uses custom designed materials, Spanish version available, cover full range of topics –no health care or retirement –preparation for home buying budgeting and credit issues.- 6 hours of instruction.	Quarterly reports to VHDA Commission, no products for general use.	Use follow up survey which goes out to participants 6 months after the class- good response to this; growth in enrollment, input from instructors & evidence of increased skills ; successful participants get certificate from VHDA which gives them .5% discount on up front MIP at closing

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Washington State Housing Finance Commission; Seattle WA First Time Home Buyers & Housing Counseling Programs Respondent- Program Director	Home Buyers (HB) Program started in 1983, as pre-requisite for single family state funded mortgage loans	WSHFC concerned for default & delinquencies on state bond funding Seen at first as "one more hoop to jump thru" now, in high demand from most lenders	No other similar state agency programs known at the time, agency director & staff initiated planning	Have annual goals for # of persons served & improved training/marketing; Program is under WSHFC Homeownership Division; Div. Director has immediate authority	WSHFC fully funds the program, one on one housing counseling program was funded by HUD pass through to individual non-profits, is losing funding	Originally hoped to attract 1,000 per yr.; 1999 - 17,000 in home buyer(HB) ed. and 7,000 rec'd housing counseling statewide. HB sessions offered to general public, WSHFC trains the trainers, helps non-profits with advertising and posts all sessions on Website; current goal – hold 500-600 classes annually.	Determined by focus groups – realtors & underwriters - set 20 benchmark standards for training; full range of topics- no health care or retirement; expert-led, classroom setting & seminars, 1 or more sessions, min. of 5 hrs l, 1-on-1 counseling as needed; combination of pre-pkg'd & custom, also in Spanish; 25-30 seminars weekly statewide	Some instructors have developed new classes for their own use – not the certified program.	Participant evaluation forms, trainer feed back, growing enrollment & demand indicate wide acceptance and satisfaction – (participants & lenders) WSHFC has contracted a survey to be used as follow up for assessment and future program design.
Brick Capital Capital Development Corp. Lee County, NC First Time Home Buyer Program/ Credit Counseling Program Respondent – Program Director	First offered 3/97; Initiated by CDC Exec. Dir., required by all lenders for lmi families	Evidence that many clients had no understanding of credit issues; classes were mandatory per lenders	Exec. Dir. did planning, w/ guidance from NC Low Income Housing Dev. Coalition / NC Assn. of Housing Counselors; Fannie Mae training materials	Agency mission incorporates the program; in Home buyers Program area; supervised by Program Manager final authority – E.D.	Funded by NC Housing Finance Agency, NC Rural Development Center, NC Low Income Housing Dev. Coalition, no other partnerships, funding is never enough to cover all costs	Av. 12 participants each quarter; use all types of PR to notify area residents, program focused to low-mod residents of the county; credit management workshops as requested	Program content determined by NCLIHDC/Affordable Housing Group and NC Assn. of Housing Counselors; covers budgeting, credit and housing decisions/mortgage financing issues; classes-seminar style in 2 sessions, 8 hrs total; quarterly	Program has received recognition from local new and partner agencies	Use formal evaluation form after training, increased enrollment and achievement of program objectives to evaluate success, follow-up by phone or one on one.

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Home Ownership Center; Minneapolis- St. Paul, MI Respondent – Acting Manager	First offered 1993, initiated by lenders (public & private) who wanted consistent home buyer training for public	Formal assessment by consultant, resulted in creation of non-profit intermediary for home buyer training	Non-profits, public & private lending institutions, realtors involved in planning, looked at other programs as models, planners used written goals and objectives.	Mission : to enable LMI people to achieve stable, successful home ownership, now includes foreclosure prevention counseling, has widened scope to be state-wide support organization; Exec. Dir & Board have final authority	Funding from long list of public & private lenders, foundations, corporations and government agencies. Partnerships with ethnic organizations help in promotion, marketing, FannieMae Partnership sets up targeted meetings i.e. female headed households, employers	3,224 households served in 1999, working with 6 neighborhood orgs. who hold monthly classes in neighborhood sites for community at large, Brochures, word of mouth, lenders advertise program; developing statewide program model	Uses HUD & secondary mortg. requirements; includes saving & investing, budget, consumer ed., credit/debt reduction, Ins., housing issues, expert-led, classroom, some technology, 1-on-1; taught in 5 languages by native speakers, offered varying times, 9hrs. tot.	By-Products include growth to statewide position, publications and special recognition	Growing enrollment, instructor feed back, reports of achievements, reaching desired populations are indicators of success, follow up with participants through phone calls, letters, 1-on-1 and subsequent work with lenders
Minnesota Housing Finance Agency; St.Paul, MN Respondent - Director	Financial literacy education part of 3 counseling programs offered by MHFA, initiated 1992 due to lobbying effort of nonprofits throughout state for state funding and support	State summit held for home buyer ed., focus groups used for other programs, challenge was in meeting varied needs and keeping program costs down	Nonprofits, lenders, realtors, funders and state government all involved, models used included Family Housing Funds Mortgage Foreclosure Prevention Program and some of the individual nonprofits' programs	MHFA mission – to provide Minnesotans w/ decent, safe & affordable housing; more focused over time, initially non-profits were not willing to abandon their programs in favor of a statewide model; Under Single family Div.; Dir. has final approval	State appropriations – 80%; Private funding –15%; federal grants – 5% Individual program participants –non-profits, trainers are encouraged to leverage MHFA funds matching funds; requests for training exceeds funding available	Hoped for 300± to start, now over 5,000 statewide; classes open to gen. public, Publicity by brochures, news alerts, Fed. Register, annual RFP for training, training organizations are 501(c)3; Long term program. Statewide coordination of home buyer programs will pass to H. O.C; Want to reach underserved pop.	All topics plus foreclosure prevention; expert-led, classroom style, seminar format, technology & some 1-on-1 counseling; Custom designed materials, multiple languages / culturally sensitive format- initiatives w/ Native American or immigrant populations. Classes average 6 hr tot.; by nonprofits statewide, varied hours/days	Program won HUD Best Practices Award, participated in development of AHECTI (American Homeowner Education & Counseling Training Institute curriculum & certification standards; statewide continuum of services –pre-purchase thru foreclosure prevention	Evaluation through increase in enrollment/ participants, participant evaluation forms, instructor feed back, decrease in need for foreclosure prevention, increased self-sufficiency and homeownership.

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Kansas City Neighborhood Alliance (KCNA) Kansas City, MO Make CENTS (Community Encourages Neighborhoods to Save) Respondent: Director of Home-owner-ship Training	First offered in Nov. 1999. Initiated by 4 partners: KCNA, Brush Creek Community Partners, Mazuma Credit Union, Local Investment Commission, Concerned Clergy of Greater Kansas City. Partners concerned that low & moderate income families lacked access to good financial info, & traditional lending & banks.	Need determined through anecdotal evidence & partners' experiences. Community members were getting loans from Pay Day lenders for small amounts and loan officers had expanded from 75 to 475 in 2 yrs. These loans are a silent killer. No feasibility challenges because partnership enabled program without extra funders.	7 member planning team, representing partners. Investigated models but created own program. Goals: teach people to live within means; establish 7 maintain good credit; save money. Strengths: flexibility, combined knowledge of partners. Are developing criteria for potential partners & levels of partnerships.	Mission statement is the 4 main goals & is kept simple. Must reflect or at least not offend the partners' missions. Participants see program as a reality check, an oasis, & a way to get refueled for the journey. Each partner views program as a project & share in governance & decision-making through 7 member team.	Partners provide assets in funding, advertising, recruiting, etc. Want to clarify partner & funder relationships before approaching funders so structure is not imposed. Challenge is to convince funders that education is necessary. Funder must support goals. Program is not just about survival but improving & moving up.	$\pm$ 45 participants per session. 11 sessions since Nov. '99. Five sites in Family Caring Centers, also offered in local church. Sessions in Spanish & English. Open to all, not targeted only to low income to avoid stigmas. Middle class has farthest to fall financially. Pilot with long-term plan.	Content determined by partners' sense of community's needs & participant evaluations about info. needed. Provide child care & meal. Presentation tailored to group, then question & answer which may be 90% of time. 7 member team attends to encourage participants. Offered wkday evenings for 2 ½ hrs.	Want to train other trainers & also to holistic ministries in order to reach out to more community members & make other counselors more effective. Would like to reach 10% of metro area through these measures in hopes that financial education will become a must for every household.	Challenges have been deciding who audience is & convincing authority figures & people of influence that issue is relevant. Success is attributed to the partners. Follow-up by mailed invitations to return to KCNA for services & through a one page survey that asks what behaviors have been changed since program.
The Women's Center, Vienna, VA Respondent: Special Grants Program Manager	Began financial planning for women facing separation or divorce, retirement, etc. in 1985 & the financial education series in 1992 – workshops with experts presenting in their fields. Recognized many women are extremely vulnerable in these positions.	Informal assessment based on Exec Dir's experience & needs of friends & clients: To help women of middle class background with nowhere to turn. Can't get basic social services because have too much money. Developed pilot because free 1-1 counseling is not available to many.	Initial planning included 3 staff members. Found no similar models. Culled from existing materials & activities. Strengths: No big bureaucratic process permits greater responsive to community's needs. Weakness is working by trial & error because of lack of experience.	Mission is to provide immediate & affordable counseling & education to women, men, youth, adolescents, couples & families in need regardless of ability to pay. Expanded target audience to immigrants & teens. Financial ed. is one of 4 core areas in org. Would like a separate financial ed cntr.	Regular workshops not sponsored. Funders incl. Capital One (85-90%) & Chevy Chase Bank (<10%). Charge $20 per workshop & $40 per counseling session. In pilot, only charge women in transition & based on ability. 1200 vols. Funders won't always cover staff time & indirect costs.	Current pilot targets 60 per year with 20 participants per group (now 35 in pilot). 800-1000 attend financial education series. Workshops reach a total of 1400 per year. Sites are in northern VA. Programs are open to all. Lack of transportation hinders participation.	Format for white, educated women does not work well for those with subsistence living, etc. Try to reach immigrants by offering fin. ed. as part of computer or ESL class. Content determined by what presenters are available. Working on cultural sensitivity. 2-3 hrs per month. Financial series yrly.	Have had write-ups in *Washington Times* & *Washington Post*. Director was named Washingtonian of the Year. Center ranked in the top 25 orgs to give money to.	Much is basic info. Success attributed to ability to meet community needs. People want to know they are listening to a reliable source that isn't trying to sell them anything. Every workshop is evaluated. Have 6 mo follow-up but few responses.

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Ethiopian Community Development Council; Arlington, VA Household Income & Credit Management Workshop Respondent: Marketing & Training Coordinator	First offered February 1998 and initiated by Micro-Enterprise Group because many immigrants & refugees need to borrow money but have no credit history. They need this kind of training.	Advertised the program & spoke to ESL teachers who then spoke to students. Respondent understands need based on experience with audience & own experience as immigrant. Noticed that people could live in US for 5 years & have no credit.	Program created by 2 Micro-Enterprise staff. No other formal training available except CCCS. Need was assessed, tested, & confirmed. Weakness is outreach; how to reach people who need it. Don't know where they live.	Program is under Micro-Enterprise Group which also offers classes on book-keeping, starting a small business, etc. Program is supervised by the Micro-Enterprise Dept and its manager.	70-80% funded by FannieMae. Office of Refugee Resettlement most salaries. When in place, IDA program will cover workshop costs. IDA funding mostly covers matching funds; more difficult to fund education & training because it is less flashy. No volunteers.	Targets low income immigrants & refugees who have lived in US for several years, but lack credit. Reach participants through ESL classes in DC, MD, VA. Offer 3 sessions a mo., about 32 people per session, roughly 96 people a mo. Have trained more than 500.	Uses multiple sources & materials. Begin with financial management quiz, then discuss needs & goals. Easy to understand content, sensitive to cultural differences. Compare practices abroad with behaviors in US. Offered during week as 2hr session.	Want to expand purpose to include retirement planning, investing & saving for education, & insurance. Will expand to more than 3 sessions for 6 hrs.	Greatest challenge is how to target the people who need it. Those people live with others which makes them hard to find. Success is because program responds to a need, is helpful, drawn from real life & can improve one's living.
Asian Neighborhood Design; San Francisco, CA Respondent: Director of Family & Youth Resources	Financial literacy first offered in 1997 in Life Skills workshop. Now offered to all, such as Jobs Plus Clubs, residents of their affordable housing, IDA (6 wk training). Want to establish economic stability & self-sufficiency in clients.	Use an intake assessment tool to see what barriers & strengths are. Challenges were: 1) getting people to buy in to program & get into their own business; know that classes expect something from them & will have to share; family is very important & must be involved; 2) finding teachers.	Modeled on programs respondent had implemented for other non-profits. Programs designed specifically for targeted population. Currently is incorporating info from other IDA's money mgmt & literacy training.	Mission is to advance community development programs & policies that empower, transform & improve the lives of low income & disenfranchised individuals & communities. Program is within Family & Youth Resources component (1 of 7 components). All depts fund Family, Youth & employment center.	$200,000 budget. Use volunteers. IDA collaborative includes CCCS, Home Buyer Assistance, Women's Institute for self-sufficiency. 85-90% of clients have had financial problems with banks, but are now accepted by them. Challenges: identify potential funders & re-sources; meet funder's expectations.	Have 20-25 participating quarterly. Offered at Employment Training Center in San Francisco & Oakland & at 3 affordable housing sites in San Francisco. Offered to clients who use their services, but open to entire community. Encourage family members & friends to attend for support. Work with clients for 2-4 yrs.	Content based on staff experience, assessment tool & work with participants. Provide 1-on-1 counseling. Approach financial literacy differently with each cultural group. Life Skills is offered every Fri. 1 hr. Workshops on Sat. for 1-2 hrs. Programs offered monthly, housing & nutrition programs are quarterly.	Recognition has come not just from financial literacy but from self-sufficiency model. Mayor will use it city-wide in Oakland. New Center is being built which will have 60 more computers & serve Oakland & San Francisco.	Greatest challenge has been funding. Success attributed to content that is wanted & relevant & to the staff's perseverence & commitment. Participant evaluation form at end of workshop & covers what they learned, what was new, how effective was workshop. Have database to track clients for 2-4 years.

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Maine Centers for Women, Work, and Community; Augusta, ME Financing Your Future (also part of Family Development Accounts) Respondent: Associate Director	First offered in Fall 1998. Anticipated an IDA requiring training & realized that work with welfare recipients showed training would be beneficial. Formed Family Development Coalition for joint planning.	Informal assessment. Challenges were 1) funding to support staff & consultant time for development; 2) creating a program that would be marketable; 3) building staff capacity to offer training & comfort level with financial lit. issues.	5 member team created training & included a participant & outside CPA. Borrowed from Your Money or Your Life, Chicago's IDA & others as models. Strengths were experience as trainers & including participant. A formal needs assessment may have been helpful	Overall goal is to create curriculum that gets the women off welfare in 2 yrs & out of poverty in 5. Center's mission: to help women succeed in economy Shortened program & ex-panded to more participants. Coalition members supervise themselves.	ME Women's Fund covers 30%, Amer. Ex. Fdn. 70%. Use vols. Coalition funded by Fed. Demo.Fund matched 1:1 with non-fed funds. State offers a 50% tax credit on state income tax if contribute to matching funds. Matched funds easier to raise. operating funds harder.	Anticipated 2 programs a yr with 12-13 per class. Have 8-10 in current class which includes participants who may become FDA holders. Have 2 accounts open in FDA. Offered at locations across state. Targets low in-come communities. Pilot pro-gram but part of long-term strategy.	Participants tested materials & gave feedback Have section on TANF regs & non-financial supports, show-ing how these must be re-placed by income. Materials are gender sensitive & reflect ME's mainstream culture. Classes are 3-5 hrs each; 16-24 hrs.total . Offer 6 sessions a yr.	Financial literacy is a stand along program, part of FDA, and integrated in other programs.	Too soon to determine long range impact. Success is attributed to good materials & trainers. Do follow up for FDA participants & offer once a month sessions for training & support. Other groups get follow-up through mail, phone, support groups. No financial literacy follow-up.
Women's Resource Center ; Durango, CO Ready, Set, Go Program Respondent: Program's Coordinator	First offered January 1998 & initiated by Board of Directors. Goal is to enhance economic self-sufficiency for women in area. Durango is small town with not many economic opportunities, so women tend not to be well paid & are unemployed.	No needs assessment. Not sure that feasibility was a problem. Had idea for program, presented to Women's Foundation of CO for funding. Became immediately apparent that there was a need when the women came streaming in.	Team of 10-12, including Board. 4 main planners. Looked at Boulder program using mentors. Welfare reform occurring, so had a lot of info on training services being tried. Experimented with what worked with clients,. Then focused, prepared & brought in vols.	Mission: help women help themselves by providing education, resources, mentoring, & networking. Focus originally on working poor, but more women interested in business development. One of 3 major programs. Exec Dir. supervises programs, Bd has final authority.	Women's Foundation of Colorado 75%, Ballantine Family Fund 20%, also county, Foundations, donations. No fees charged for this program. No partnerships beyond some in-kind collaboration. Uses volunteers.	Program will intensely work with 45 women per yr, while 50+ will sporadically use services. Offered only at Center & open to all community members. Childcare is a major challenge that they are trying to solve by partnering with the La Plata Family Centers (statewide).	Includes: 1-on-1 mentoring followed by group sessions. Beginning to create optional workshops but need resources Times accommodate participants' schedules. Counseling - 1 hr, group session is 1 ½-2 hrs, workshops are 2 hrs. 16 wk program w/ 4 wks counseling & 12 weeks of group sessions. \	Women's Foundation stipulated that the program created by the Center should be a model that can be set up in other rural areas. Have financial awareness workshop a few times a yr & want to expand this to 2 levels. 1st on balancing budget & checkbook and 2nd more sophisticated.	Success is attributed to good community support, range of experts to consult, good volunteers, & individual tailoring of program. Participants set goals at beginning of program, so success is measured by whether goal was met. Keep mailing lists so can send program & workshop info.

COMMUNITY-BASED PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BY-PRODUCTS	PROGRAM EVALUATION AND FOLLOW UP
International Institute of Boston; Boston, MA First Time Home Buyer's Program Respondent: Citizenship Coordinator	First offered in March 1998 & initiated by the Social Services Department which noticed that 1st time home buyer's program was not accessible to non-English speaking population.	Informal needs assessment of available services for non-English & non-Spanish speakers and of Vietnamese community which revealed interest for program. Feasibility Challenge was finding a funder..	Initial planning was done intern-ally. Model was City of Boston, Dept of Neighborhood Design's home-buying curriculum which was translated into Vietnamese, Haitian-Creole, Portuguese, Chinese. Weakness was no long term vision & no plans when program became popular.	Institute's mission is to foster the success of immigrants & refugees by providing a range of comprehensive, professional, and cultural services. Program has grown to include more languages. Program is in Citizenship Cen-ter which offers programs for those who have been in country for a few years.	City of Boston funds 100%. Partner with CDCs or civic /cultural groups. Use volunteers. Because of housing prices & low vacancy rate, it has been a challenge to recruit participants & to utilize respondent's time to do outreach & counter myths held by immigrants that housing is unattainable.	Wanted 20 per class / 6 classes a year, now have 12+ per class (72/yr). Offered at 7-8 sites in community where language is spoken & based on community need. Offered to all non-Spanish speaking immigrants or refugees. City funds outreach only for those willing to buy in Boston.	Instructors are bi-cultural so add cultural perspective to presentations. Each instructor is involved & known in community, are aware of community's needs. Offered Saturdays for two 5 hr workshops, some weekday eves. Classes held in the community where language is spoken.	Are hoping to start an IDA program & have submitted proposal to Office of Refugee Resettlement. Because of expertise have become Dept of Neighborhood Development's #1 translator. Will do translations for any type of home buying or ownership brochures	Success attributed to the translation of documents, participation of students in discussion, use of success stories of graduates in class, change of management from Social Services to Citizenship Center. Given certificate by City & receive $500 toward closing costs City does not report tracking results.
Nuestra Comunidad Community Development Corporation; Roxbury, MA Home Owner Services Respondent: Director of Home Owner Services	First offered in 1996. Program begun by Executive Director through national campaign of Neighborhood Reinvestment. Nuestra Comunidad began in 1981.	Community determined need. Assessment at intake. 5 purchased homes in '96; 6 in '97. In '98, 47 purchased homes, 7 saved from foreclosure, 200 counseled on managing debt. In '99, 130 purchased , 4 saved from foreclosure, 600 counseled. Greatest challenge is lack of staff.	Initial planning included Neighborhood Reinvestment, HUD, MHFA, Exec Dir.. There were many programs in community but none of same quality. Strengths: getting message to low income community; reputation for quality, product; success due to quality not advertising methods.	Mission is to advance the physical, economic, & social well-being of Roxbury through a community-driven process that promotes self-sufficiency, neighborhood revitalization, & stability. In Homeownership Dept. Have 7 departments. Final authority is Exec. Dir.& Board.	Neighborhood Reinvestment covers 60% of costs. Other funders are MA Housing Finance Agency (MHFA), HUD, FreddieMac. Many community partnerships. Uses vols. Area housing stock is depleted, few apartments for rent. Challenge to put people into housing	Wanted 20 homeowners & 160 counseled. Now 130 purchased home & 600 counseled. Used to travel through community, but other orgs offer homeownership. Participants attend classes in Community Room Current goals are to grow Center, start landlord-tenant ed.	Talk to area residents to determine needs. In 6 languages & for the deaf. Cultural sensitivity achieved with diverse staff, ESL interpreters, good communication with Vietnamese & Haitian. Weekday-10 hrs; weekend - 8 hrs; deaf-12hrs. Monthly but break for sum-mer.	Planning to open Home Ownership Center in June for all. Nationally certified by Lenders; awaiting seal of approval by MA Housing & Finance Authority; newspaper write-ups; org has been recognized by other groups.	Success attributed to ability to bring message to community & create a more sophisticated consumer. Use down to earth approach & people feel more comfortable. Tracking shows success. Contact participants monthly about where they need help & how helpful classes are.

COMMUNITY-BASED PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BY-PRODUCTS	PROGRAM EVALUATION AND FOLLOW UP
Women's Opportunity and Resource Development (WORD); Missoula, MT HomeWORD Respondent: Executive Director of HomeWORD	First class held in 1994. In-house conversation about being more involved in housing. Faced a lot of homelessness in welfare to work program. Economic Dev arm of WORD was also interested in housing, so launched a new non-profit arm – HomeWORD.	Did a series of needs assessments in community & saw pressure with families on welfare. Created Missoula Housing Task Force to establish needs & potential solutions (5 non-profit members). In 1996 began pilot IDA – 1:3 match from banks. Have 32 slots in 2000 with 8 banks.	5 non-profits, in-house divisions (organization wide), & focus groups with families in need – all part of planning process. Looked at First Bank's curriculum & met with NHS of Great Falls to discuss their model; attended national trainings; gathered materials & workbooks.	Mission is to develop affordable housing and asset building strategies for those most in need through innovative, sustainable & replicable methods; to raise social - economic justice consciousness of the community. HomeWORD is separate 501C3 div of WORD with own Brd.	Funders are CBG funds, local banks, Neighborhood Housing Service, Missoula Housing Corp, community fundraising. Many partnerships. Use volunteers. Hard to find consistent funding source because it is an on-going need.	15-20 per class. Reached 100 in 1999 expect 150 in 2000. Offer programs in Missoula office walk-in center. 74% of participants must be below 80% AMI. Want to expand employer outreach. Goals are to stabilize funding, expand visibility, improve quality of services, improve database & survey techniques.	Use interactive activities & ice-breakers to talk about goals. Find more class differences than cultural, since area is primarily white. Have quarterly meetings & annual potluck at a successful home-owner's. Offered monthly on Sat for 9 hrs, but vary times to meet schedules. Each session is 3 hrs.	Federal Home Loan Bank recognized them as model trainer in region. HUD best practices award for entire Housing Division arm.	Success is attributed to experience of org's staff, access to national models & national training, support from non-profits & community, commitment of staff. 3 yr survey begins 6 mos after completion of program to 3 yrs after. Also newsletter about community activities. Database tracks attendance.
Neighborhood of Affordable Housing (NOAH); Boston, MA Homeownership Counseling and Education Respondent: Director of Real Estate Development	First offered in 1993. Found that local real estate agents were taking advantage of low income immigrants who did not understand process. Received state grant to provide homebuyer education.	No needs assessment because lack resources. Only had 5 staff members. Challenge is always finding future funders after first year. Must be an organizational priority to find continuous funding.	Planning by Director of Real Estate & Board which includes 22 neighborhood residents. Wanted to promote homeownership in area & discourage outside real estate speculation. Multiple models including MHFA, Fannie Mae, employee ed. models, Neighborhood Reinvestment.	Mission is to create affordable housing opportunities for all residents. Focused 1st on foreclosures, because of low property values, Increased values mean predatory lending. People seek fin. ed. when in crisis. Now seperate div. under Dir. of Housing Pro-grams. Brd is final authority.	FannieMae Fdn. 50%, Neighborhood Reinvestment (NR) 25%, program rev. 25%. $25 program fee, is returned in neighborhood. Partner with NR. Often require 1-on-1 counseling because of crisis situations. Funders often don't want to support this. Banks pay to teach 1 session.	Wanted to reach 50 participants per year. Are reaching 300/yr. 30 per year receive intensive counseling on financial literacy issues. Offered at NOAH's office in community. Half of classes are in English & half in Spanish. Many immigrants in community.	Try to structure program so it complements other offering, like mortgage lending, home improvement loans, etc. Meet with staff to discuss how to improve effectiveness. Staff is Latino & can connect with clientele. Total of 10 hrs with 5 sessions. Every 3 mos hold a weekend seminar.	N/A.	Success attributed to wonderful staff, making homeownership a top priority, dedicating time & attention early on. Use participant eval. forms & informal evals by instructors. Try to track first time homebuyers Monitor those who have mortgages with NOAH but will not contact unless delinquent.

COMMUNITY-BASED PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BY-PRODUCTS	PROGRAM EVALUATION AND FOLLOW UP
DeVaan and Associates, Inc.; Minneapolis, MN FAIM, Minnesota's IDA Respondent: CEO	Conceptualized in September 1997 and launched on January 1, 2000. IDA seen as an authentic way to move people out of poverty. Wanted to target working poor with set of strategies. DeVaan and Associates implements, staff and coordinates the state-wide IDA.	No needs assessment. Challenges were: 1) collaborating with legislators & community orgs; 2) getting state funding after governor vetoed money; 3) finding private funds without state support to secure investment; 4) coordinating orgs to agree on rules, curriculum, policy, procedures, funding. Took 1 yr.	Initially involved American Indian tribes & 23 community action agencies. Examined Tulsa IDA & ADVACAP. Formed task force with reps from all participating orgs & other experts. Needed stronger lead agency to pro-vide more tech-nical assist. to the tribes, a better strategy to get councils to endorse plan, better outreach in rural areas.	Mission is to show effectiveness of asset-building as a strategy to increase economic independence in rural, urban, and suburban MN. Want to remove penalty that bars those whose income rises. Best to build a collaborative & have staffing handled outside of agency. Fiscal agency is Ramsey Council.. Council has final authority.	Of matched funds, $1.5 million is public money: total is $2,666,880 and $140,000 for Ramsey's administrative costs. No child care funds. Need more funding partnerships. Need vols. Some funders are unwilling to fund admin.costs. Need money for financial coaches who meet once a month with clients for problem solving.	Want 700 clients & have 466. There are 8 regions in state w/ lead agents coordinating them. Hold monthly statewide meetings with all coordinators to problem shoot. ½ of clients are in housing, ¼ in ed, and ¼ in small business track. Must save $30/mo. 4 year pilot.	Program is DollarWorks. 18hrs of training with an addi-tional 10 hrs of training in asset track: Home Stretch, Higher Education, MicroEnterprise (10hr min and 40hr max).Focus on building peer networks. Client contracts are in Spanish & each group has mater-ials in their own language. Each class is 3 hrs & is scheduled to meet clients' needs.	In CFED's National Assets Newsletter. Named by Dr. Sherridan from Center for Social Development as a best practice. Had calls for info from those who want to model their program after MN's. Would like to receive the Minnesota's Council of Non-Profits Award.	Partners handling analysis. U of M will track clients for 4 yrs. Qualitative eval by CSD: random sample of clients in various regions will be followed for 1 yr after program ends & then interviewed. Will show what made coaches, classes & collaboration succcessful. Dean of Humphrey Institute & CSD will show economic return to community.
The Cherokee Nation in Oklahoma; Tahlequah, OK IDA Respondent: IDA Coordinator	Began Sept 1998. Initiated internally by the Econ Dev. Specialist & Interim Dir. of Commerce; many families who needed to learn to save or gain assets. Economic literacy aspect is an important tool for program. Asset specific classes begin 6/2000	No needs assessment. Saw a need to learn how to save money & make deposits monthly. Did surveys during 1st year & surveyed for 3 yrs about their savings habits, demographics, investments & credit. Are able to watch changes.	Interim Director of Commerce did most of planning. Modeled fin. ed after CAP's IDA in Tulsa, OK. Strengths were connections with established IDA programs. Weakness was in applying them to target population. Had to determine the tribe's needs & goals.	Mission is to show the power of asset accumulation & to find ways to encourage economic self-sufficiency IDA is placed within the Credit & Finance Dept. Cherokee Nation super-vises itself & the Director has final authority.	Multiple community funders. Lack money for admin. Now in 2nd year & have funding for 3. OSU Extension taught classes 1st yr. Partnered with CCCS. Use vols. Must save $30/mo. Assets include 1st time home, small business, post-secondary ed, home improvement.	Pilot program with 68 participants & 75 total slots. Will add 75 more fall 2000. 3 classes in 3 locations based on where participants are. Only for federally recognized tribal members in the Nation's 14 county jurisdiction. Difficult for Indian people with no English.	Program content began with informal survey of participants Used curriculum from Purdue Extension in 2nd year. Culturally sensitive, but not designed for Cherokee. Weekday eves & Sat for 1 ½ hrs.; 6 sessions, 1 - 2 times/ mo. Asset tracks - 12 hrs.	Nominee for Harvard Project Award. No other recognition. Are testing including investing info in classes.	Success is attributed to dedication of employees, developing relationships with clients, participants' acceptance & hard work. Eval forms at end of series – had them each session for 1st yr to see likes & dislikes Participants tracked for 3 yrs after completion.

COMMUNITY-BASED PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BY-PRODUCTS	PROGRAM EVALUATION AND FOLLOW UP
New York Association for New Americans; New York, NY IDA Respondent: Program Manager	First offered in Oct '99. Participants are only taking fin. ed. because it is linked to IDA – that is the carrot. Program initiated by Business Dept of NYANA. Assets include: 1st home purchase or renovation, car or computer purchase, micro-enterprise capitalization, or higher ed, vocational training, and/or re-certification.	No needs assessment. Surveyed 50 families when applying for grant. Both newly arrived & those here for several yrs need financial education about American financial system. Need to convince participants that pro-gram is not too good to be true & they will get matched funds.	Initial planning from staff in Business Dept & Grants Dept. Manual by CFED purchased about IDA development. Used "Basics of Money & Assets" from Women's Self-Employment Project in Chicago. Goal is to assist refugees in accumulating assets & understanding financial system.	NYANA's mission is to help newcomers achieve economic self-sufficiency, social integration, & citizenship in the shortest possible time. It is very important to show that this program is good for community. Program is in Business Center – IDA is 1 of 2 main programs.	Funded by US Dept of HHS, Office of Refugee Resettlement 5 yr $400,000 grant with $300,000 for matched funds rest for operating expenses. Asset specific workshops ensure clients acquire assets in an intelligent way. Sometimes use vols. Home buying is most complicated as they are expensive & limited.	Wanted up to 360 clients based on savings projections. Now want 160 per yr because clients are saving more than anticipated. Are saving $25-200 /mo. with more at upper end. Classes are held at NYANA's office in Manhattan. Have community partnerships.	Use Knowing & Understanding Your Credit & How to Buy a Home in the US from Fannie-Mae, NEFE materials. Program is practical & deals with what client needs. Offered week-day eves for 3 hrs. Fin. ed. is 6 hrs total, home-buying - 6-9 hrs extra, & micro-enterprise is 9+ hrs. Offered twice a month.	None. NYANA has the largest IDA in New York City.	Success attributed to abil-ity to provide workshops & seminars that support the core program & provide substance. Participant eval forms used in asset-specific training, but not for fin lit sessions. Do show increases in household income, but no monitoring tool in place. Need more staff to do follow-up on IDA clients.
Mi Casa Resource Center for Women; Denver, CO Respondent: Project Manager	Financial education is embedded in multiple programs. 1st year of funding: building low income housing; 2nd yr: homeownership financial education; 3rd yr: economic literacy for teens & adults.	Informal assessment based on classes with adult women. Believe that homeownership creates stability and self-sufficiency. Feasibility challenges were staffing issues & deciding who would do what; multiple programs, so one approach wasn't warranted.	10 person planning group. Used materials from NEFE. Strength was staff experience with the barriers to financial literacy that face Latino women; org's history with population & reputation; existing cooperation with community. Have difficulty tracking participants in agency.	Mission: to provide quality employment & educational programs for self-sufficiency of primarily low income Latino women & youths. Program offers a starting point for women. Project manager is coordinator, but each project su-pervisor super-vises own program.	Contracts & gov't grants cover 55%, Fdns 21%, United Way 11%, program fees 1%. Partner with CCCS. Use vols. Challenges: changes in political environment that shift focus, but need stays; to follow laws & regs but meeting needs; avoiding competing requirements by funders.	Goal : reach 100 adults & 100 youth a year, have reached 448 in fiscal year. Offered in 4 different loca-tions in Denver. Target Latino population, low income women & youth, but open to all. Located in Latino neighborhood.	Program content determined through feedback & experience. Fannie Mae provided materials & advice. Begin with literacy, meaning what words mean & how documents are read. Content is culturally sensitive. Offered wkdays or eves. Aver. program is 7 hrs, either once a month or once a quarter.	N/A	Success attributed to programs being tailored to fit participants' needs; using a personal approach to money by embedding it in other programs & waiting until they're ready to listen & have trust; availability of 1-on-1 counselors. Will do follow-up between 1 to 3 yrs after program.

COMMUNITY-BASED PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BY-PRODUCTS	EVALUATION
Central Brooklyn Partnership; Brooklyn, NY Sister's Lending Circle Respondent: Senior Program Coordinator	First offered in 1995. Initiated by Central Brooklyn Partnership's (CBP) board, which is com-posed of 5 members from the community. Program is part of initiative of economic justice.	Unsure if needs assessment was done. Respondent believes that there was a needs assessment of clients done. Feasibility challenge was how would invest in program – what would be its costs & how would it be sustained.	Planning was done by Board and CBP staff. Looked at other unspecified programs in community & metro area as well as the Grameen Bank. Not sure of strengths & weaknesses of planning process, since wasn't there at time.	Mission is currently being revised. Basic goal is to organize for economic justice. Program is one initiative - others are youth empowerment & community organizing. Respondent supervises program & has final authority.	Funded by grants from philanthropy foundations & private donations. Many community partnerships. Partnering orgs provide grants to clients to start businesses. Use volunteers. Challenges have been getting increased funding for a bigger staff. Childcare offered by volunteers.	Wanted 12 in Lending Circle & now have 34. Offered only at CBP. Program has 36 sessions for 9 months. Target women who are making less money, are unemployed & on public assistance. Goals: 1) to educate about financial literacy; 2) to have them achieve self-sufficiency; 3) to create a platform for organizing.	Determine con-tent by assessing what people know & want to know; what is it they want to learn. Have skeleton of financial literacy issues based on self-help design. Is sensitive to cultural differences because addresses population itself which is mixed. Offered week-day evenings for 2 hrs, once a week.	CBP received award from the city. CBP has run 4 cycles of the Lending Circle.	Having only one staff person & finding funding are main challenges. Program starts with their personal goals, & is interested in their success. Do strength assessment, meaning CBP assumes that there are no lacks but strengths that need to be built. Are forming advisory team to analyze findings.
Emporia Diversity Task Force Emporia, KS "Basic Financial Services" Respondent: Program Chairperson, Emporia State Bank	Iowa Beef Processors with coalition of 3 banks in Emporia, FDIC and Migrant Community Resource Agency started 1st class in June 1999	Need identified by informal assessment of IBP and Emporia's Diversity Task Force – a coalition of Chamber, Police, local & county government. Initial challenge was financing courses.	Planning group made up of bankers, Migrant Resource Coordinator and FDIC reps., Used consultant who provided model. Challenge to write proposal with no prior program history; Strength of planning was tack force members conviction	Program was to introduce banking services to immigrant/ Hispanic IBP workers and move them toward home ownership & permanence in community; Placed within IBP – Plant manager 1st to head training, final authority is Task Force and IBP	Received grant & in-kind from community & bank; bank paid for consultant. Task Force was all volunteer effort; no other sponsorships.	Did not know what kind of participation to anticipate, 1st class started with 50; offered to all employees; IBP sent letters to employees homes, put notes in paychecks, advertised with posters & word of mouth; started pilot 6/99 now quarterly	Offers basics of using banking services, budgeting & money management, use of credit & debt reduction ,housing decisions & mortgage financing; courses in Spanish; classroom setting & peer led; series of 5-1 hr. classes originally offered once a month, now given on 5 consecutive Fridays to improve retention; class times accommodate shift workers.	FDIC spin-off programs using this model; Bank added brochures, bank by phone services, ATMs &loan applications in bilingual – Spanish/ English formats, hired some bilingual staff	Used participant survey, reports of achievements and increased skills and knowledge as indicators of success (80% of graduates said they were more comfortable walking into a bank, several opened checking accounts)

COMMUNITY-BASED PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BY-PRODUCTS	EVALUATION
Port Gamble S'Klallam Housing Authority, (tribal housing authority) Kingston, WA Respondent – Program Manager	First offered in Feb. 2000 as requirement for 1st time home buyers under state grant for new home construction	Needs assessment conducted in 95-96 (housing needs) and has been updated; challenge - could low income renters become responsible home owners	Planners researched other models but found no real models for this type program within "Indian country", used Fannie Mae guide, no written plan/goals used for financial literacy piece	Mission is incorporated in that of IHP (Indian Housing Plan) Homeownership training is run by housing dept. staff, Director has final authority	Funding through block grant (for housing) fin. ed. part of prerequisite for home buyer. No other sponsorships developed; volunteers helped to teach different aspects of home acquisition	Hoped to attract 30 participants; 20 started but dropped to 11; offered at several locations - most effective when held on reservation, targeted only to potential 1st time home buyers, advertised by mail & follow-up phone calls; planned as short term to help people understand the responsibilities of homeownership	Combined state certified courses & Fannie Mae guide. Covers money management, credit & debit issues, housing decision/ mortgage financing; Expert-led; classroom setting. Pre-packaged materials, not culturally sensitive; Course is 12 hrs, over 3 weekends; offered quarterly. Felt due to tribal differences there could not be a generic Native American program.	None	Succeeded in making participants aware of credit & purchase power; most have reduced their credit debt; would be more successful with more time to develop curriculum & have better qualified trainers; follow-up with homeowners is 1-on-1 as needed; respondent felt there is a tremendous need for more fin. lit education for tribal members.

Appendix A-4 – Faith-Based Financial Education Program Matrix

FAITH-BASED PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BYPRODUCTS	EVALUATION
Gospel Rescue Ministries Washington, DC Transforming Lives Respondent – Director of Education	Transforming Lives (IDA) program begun 7/99 from transitional residential program – works to develop 5 areas of men's lives: spiritual, psychological, physical, educational and vocational; fin lit part of educational element	Clients had no skills or education about money, needed to learn "stewardship" before moving into wage-earning, job situations. Biggest problem "poverty" mind set – overcoming psychological inertia from life of poverty (things will never be any different) & when things improve, preyed upon by others in need	Combined info from many programs – Larry Burkette, Crown Ministries, Dwight Nichols' *Freedom from Financial Bondage*, added ongoing 1-on-1 counseling , this most important component for program success	Overall mission: Transforming lives of people without hope by modeling the character of Jesus.; initially, men were resistant to being told what to do with their money, now program very popular, waiting list for classes; program is part of GRM school, respondent is head of ed. programs and has final authority over content	CAAB consortium supplies most of funding, GRM supplies small match; funders include: JOVID, Cafritz, Mayer and Washington Post Fdns., church partners provide volunteers to teach and provide classroom materials	Started with 3 individuals, now 5, offered to men in the mission and all full time staff; planned as long term program; "graduates" go thru homebuyers ed. at MANA, save $25 /mo for 1 yr (IDA 9:1 match), plus transitional home gives back $50 per mo on rent fee if remain in mission. Planning to start program for crack-addicted women.	Full range of topics excluding housing (done by MANA), insurance & health care; expert-led discussions (for all men at mission), some classroom, mostly independent & 1-on-1, prayer emphasized; custom designed curriculum, no "culturally sensitive" piece; classes offered on weekday evenings, 6-8 classes; 1 hr 2x/mo. for 3 mo.	Requests from other organizations for classes and invited to work with other leadership initiatives.	Too early for complete evaluation, some positive change in attitudes; challenge to make the "paradigm shift" in thinking; feed back from participant evaluation forms, instructor feedback, evidence of increased skills & knowledge, none are totally out of program –continue to keep up phone contact for min. 1 year after completion
Christian Financial Concepts (CFC); Gainesville, GA Respondent: Staff Trainer	1976; by Larry Burkett; because financial literacy was not being taught anywhere	Informal assessment came from Bill Bright's Campus Crusade for Christ; challenge was to find enough instructors.	Original planning by Larry Burkett; there were no models available; details not known because it was 24 years ago	Mission statement in website; grown in scope and importance; program is stand-alone, judged very favorably, and lead by Larry Burkett plus set of directors	Sale of teaching materials (c. 50 books); instructors are volunteers; no sponsors; some donations by those who have benefited.	35,000 people trained to date; 220 seminars of c. 40 participants each reported in 1999; offered to all parishioners of contracting churches; all denominations; materials available in Spanish; program publicized in newsletters and on 1,500 radio stations	Full range of topics covered; long-term program; constantly updated; emphasis on attitude changes; state-of-the-art a/v techniques; can be customized; see website; self-study & counseling materials; Fri. night & Sat. 6-hr seminars; typically offered once a year.	2-1/2 day teacher conferences; role-playing approach; career testing and guidance workshops (plus career website); talks at denominational colleges; outreach to Hispanic audiences, single parents, etc.; cooperation with consumer credit counseling	Evaluation forms of participants; feedback from letters received; follow-up with participants is responsibility of local congregations

FAITH-BASED PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BYPRODUCTS	EVALUATION
Catholic Charities Bureau; Jacksonville, FL Respondent: Housing Counseling Coordinator	1997, jointly by HUD and Catholic Charities Bureau (CCB) (Molly Johnson).	Informal by HUD and CCB; Perception of community need; this was a grant area that needed to be covered.	Did not investigate other models; written plan.	Offers instruction on all aspects of home buying; no formal mission statement, Program is seen as valuable. Part of emergency assistance program of CCB, but administration is autonomous	Educational materials come from HUD, learning tools & instructors from HUD & CCB, meeting space provided by CCB. HUD pays for a reduction in mortgage insurance for participants. Paid staff.	Hoped for 50, now 100 participants. 20 new participants each time. Must attend all sessions, ½ drop out. Offered at 1 site to community at large; non-homeowners only, advertised to HUD and CCB clients.	Content is HUD's H.E.L.P. (Homeowners Education & Learning Program); Includes virtually all topics & teaching methods. Culturally sensitive. Offered on weekends 16 hr total, offered according to demand.	None.	No formal evaluation overall; survey sheets submitted after each quarter of the course. No statistics kept, but almost all of our assessment criteria are used.
Crown Ministries, National Capital Area; Washington, DC Respondent: Assoc. Area Director	1987 by Howard Dayton, Orlando, FL; perceived need for Christians to be wise stewards of finances; community need	Small groups started in Orlando, Florida; challenges were finding available instructors; recruitment.	Howard Dayton saw need for small-group study, rather than lectures offered by others like Larry Burkett, Ron Blue	Mission has not changed; need for the program has grown; program directed by Howard Dayton and Board; areas have associate directors	Private donations, foundation support, participant fees (students buy materials); trainers are all volunteers; some churches may pay for participants who cannot afford materials; meeting space provided by churches	Small-group study for adults, teens, designed to be implemented by churches for their members; city team planning; church coordinators; <u>in each area</u>, 75-100 participants each time the program is offered (1-3 times a year); offered to church members.	Program entails 12 sessions/ 2 hrs each; weekday evenings; 2% dropouts; content biblically inspired; covers most financial skills; hands-on exercises, discussion groups, workbooks; small-group study held in homes or churches; challenge finding and retaining volunteer leaders, recruiting participants.	Crown Ministry instructional materials are used by other Christian financial education organizations.	Volunteer leaders as well as participants evaluate the program; surveys are conducted by the organization; there is follow-up with participants; giving to church is one criterion of evaluation

FAITH-BASED PROGRAM S	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BYPRODUCTS	EVALUATION
National Council of Jewish Women; St. Louis, MO CHAMP (Career Help And Mentoring Project) Respondent: CHAMP Program Chair-person	NCJW concerned about impact of welfare to work on women with children; talked with East-West Gateway Coordinating Council (administers regional jobs initiative) ; 1st offering Oct 1999.	NCJW started from assessing needs of welfare to work mothers, IDA program available but Fin. Lit piece needed, planning slow due to lack of staff assigned to project in beginning	Planning started in 97, NCJW-St. Louis, E-W Gateway, MO Div. of Social Services and state Treas. office involved; used Indiana CES curriculum "Making Your Money Work", goal - to serve min. 100 individuals in 3 yrs. (by June 2001)	Mission is incorporated into overall IDA plan, all parties very pleased with program, comes under NCJW-St. Louis' community service/ volunteer programs. NCJW Board and CHAMP program chair supervise program.	NCJW provides partial funding over 3 yr. period and meeting space, child care, volunteer mentors, transportation, Annie E. Casey Fdn. Grant covers other major IDA program cost; did not anticipate ancillary needs in planning, another local group has offered to partner and help with those expenses.	Goal - 100 participants in 3 years, 10-15 per session, 4 sessions per year, offered at NCJW center only for jobs initiative participants (previously receiving TANF), participants are recruited by E-W Gateway Council through jobs training program. Considered a pilot or trial program –IDA	Researched other programs; focus on attitudes, values & choices in managing money; all topics except home buying, health, education & retirement; Classroom setting with role playing, 1-on-1; Pre-packaged & custom designed materials; 5 - 11/2 hr sessions, every other wk in evening.	Course graduates have started a Savings Club which meets monthly	Success measured by increased enrollment, achievements of those who have completed course (IDA program has evaluation standards) NCJW is developing evaluation tool. Course currently uses participant evaluation form.
Salem Baptist Church of Chicago Chicago, IL Debt Free by 2003 Respondent – Program Trainer	Program 1st offered in 1991. Respondent and John Cummuta who developed the program started the classes.	Informal assessment by Christian Ed. Director expressed need – feed back from parishioners who were having financial problems, low tithes as a result of heavy debt. Initial challenge was if the church members would attend such a seminar.	Debt-Free and Prosperous Living Basic Course is a "turn key" package – course outline, textbook and audio tapes provided. No other programs explored. No planning process involved.	Program received rave reviews from those who have taken it and they have sent their friends and co-workers to attend the seminar. Part of Christian Ed. Dept., Director supervises the program, Pastor has final authority.	No external funding required, covered as part of Christian Education Dept, Contributions pay for materials, sponsorships pay for the seminar when given at other churches. Volunteers distribute flyers, help with registration	Originally hoped to attract $\pm$ 500, now have 4,000 participating at many locations; advertised within the church and offered to all parishioners; targeted to anyone who wants to eliminate their debt. Program is long term, considered a ministry of the church.	Pre-packaged program, regular updates from publisher, some custom designed in addition. Covers all topics except saving and investing; teaching methods include all categories	Program as used at the church has been written up many times and some radio interviews – created increased interest in other churches.	Program considered very successful, challenge has been in getting exposure to more members – positive feed back from participants, increased skills and knowledge; follow up includes mailings and personal consultations

FAITH-BASED PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BYPRODUCTS	EVALUATION
Mid-America Leadership Foundation; Chicago, IL Respondent: Executive Director	Faith-based fin. lit program launched in May '99 (as part of CED –IDA program), group of faith-based orgs. got together to plan & launch program in response to dire economic situation in core city areas. CED program incl. asset bldg (IDA), fin. lit. training, community bldg, workforce prep & enhancement, business & entrepreneurial opportunities.	Need was determined thru assessment of indicators in area – drop in investments, high unemployment, increased crime, etc. & influence of "consumerism" on individuals feelings of self-worth. Greatest challenge is too keep unity of focus with a divergent group of program sponsors & to provide real opportunities for extremely low income group	Initial planning in 1998 by group representing faith, business, econ. dev. experience; Fin. lit. program used some concepts from IL CES program; Program's strength is that commitment grew step by step, no one big funder (sugar daddy), but by faith, trail & expert input; curriculum developed around set of goals & objectives for each session.	Mission: revitalize existing & establish new partnership w/ leaders & orgs committed to rebuild Chicago communities thru the ministry of asset building"; some division over the *transformational & solidarity* pieces; some criticism of the cost; one of 5 initiatives at MLF, may spin off as 501 c 3; Exec. Dir & Prog Mgr have authority	FY01 funding $175,000 –51% contracts for services,22% community fdns, 17% churches & denominations, 8% gifts; partnerships include fin. institutions, comm grps, faith grps; most fin. lit classes taught by volunteers; developing name recognition for program a challenge.	Now 153 in fin lit. classes at 3 sites, IDA at 2, still expanding; fin. lit classes open to all, IDA for TANF, EITC filers & low/ mod inc. only; advertise locally in newspapers, thru churches; viewed as long term, intend to "plant" more programs. Goals: increase individual assets, dev basic econ. knowledge & increase econ activity in area	Researched basic money management topics, added faith-based aspects, tested material & used feedback to develop curriculum.; Covers wide range of issues & faith-based topics related to stewardship/economics; expert-led, classroom setting, small peer grps , custom & prepackaged; 1.5-2hr sessions 1 - 2x per wk for 1 yr. Addresses cultural diversity	None as yet, however many requests from others for a faith –based financial literacy curriculum; may spin off CED into its own 501c3 organization.	Program's strength to some degree resides in relationships developed – what they learn from each other, MLF has developed list of goals and indicators and use follow up form – "first year update"; IDA program is 3 yr and contact is maintained with participants, for non IDA, phone follow ups and minor surveys.
Seventh-Day Adventist Church in North America; Silver Spring, MD Respondent: Stewardship Director,	1987; Developed internally, but some influence from Christian Financial Concepts; Biblical foundation (avoiding debt, etc.); planning ahead financially minimizes stress	No formal needs assessment, but focus groups conducted in 12 cities: what help could people use from the Church?		To foster good stewardship, part of which is financial; Mission has not changed over time; Position is quite autonomous within the church organization; Program is self-justifying; it has made possible more mission trips to churches across the country	Funded by central church budget & occasional collections; Participants pay for books; 1/3 of budget for materials, 1/3 for office space, 1/3 for salaries; Paid staff at national level; locally mostly vols; Informal partnering with other fin. ed. orgs	More participants than expected; 1,000 of 4,700 churches; Director has visited 40 of 58 districts to introduce the program; presented at summer camp meetings; outreach to all church members; some churches are in minority communities.	Combines biblical messages & fin. ed. Almost all topics covered; wide range of teaching methods. Often use videos. Custom-designed, culturally sensitive materials. Taught in churches & camps. 7 hrs min., typically offered yearly	Various publications, videos. A 2-week seminary course offered	Annual report, no other formal evaluation. Evaluation form for seminary class. Informal evaluation via feedback. It is expected, but not actually measured, that tithing increases after financial education has been promoted.

Appendix A-5 – U.S. Military Financial Education Program Matrix

US MILITARY PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BYPRODUCTS	EVALUATION
Air Combat Command ; Langley AFB, VA Respondent: Command Level Personal Fin. Program Mgr.	PFM - 3-track fin. Ed. program; education, information & counseling , developed by Accounting & Fin. Directorate	At first informal assessments indicated need (# of requests for hardship dispensation, etc.) now AF conducts annual needs assessments.	Respondent unfamiliar with what had transpired in planning process	Mission is to identify PFMP issues, seek resolutions, increase program awareness, address congressional concerns & gather data to direct PFMP objectives, promote economic well-being & financial readiness of service members. Major commands tailor for specific needs, final authority is Air Staff - Pentagon.	Funded 100% by Dept. of Defense budget; no partnerships or sponsorships with others, some volunteers used to teach or do one on one counseling, money for programs tight as must compete with other programs.	In '99 $\pm$ 11,000 (10% of force); offered at all bases to all personnel; advertised thru base media; targets younger airmen & those leaving service; long-term program; Goal is to promote financial readiness & well-being, increase participation, develop outcome measures, develop training for Gen.X & Yers	Full range of topics; all types of interactive teaching techniques plus 1-on-1 counseling; content is custom designed, some parts prepackaged. Not culturally sensitive. Offered days & evenings, av. class is 2 hrs., each topic offered once per quarter	3 hour multimedia financial training developed for all new service members.	Challenges: find time to offer classes, provide child care, adequate funding for training & staff; success due to contributions from AF Charity for training & materials; indicators – increased participation, evaluation forms, decrease in reported NSF checks, court martials & rescinded security clearances.
Navy Family Services, Naval Air Station, North Island; San Diego, CA Respondent-Chief of Services, NAS North Island	1st offered Nov. 1990; initiated to establish comprehensive Personal Financial Management Program (PFMP), new program designed after 1997 Marywood study results	Formal assessment via Marywood University study – "Scope & Impact of PFM Difficulties of Service Members in the Dept. of Navy" & study recommendations to improve training program	Planning by Navy Personnel Command; protocol & program regs. covered in OPNAVIST 1740.	OPNAV governs program; Mission is to establish comprehensive PFM Program emphasizing personal fin. responsibility & accountability; certified PFM specialists train Command Financial Specialists, give classes & counseling. CFS is 1st pt. of contact for 1-on-1; Final authority is Nav. Personnel Cmnd	Dept. of Navy funds entire program.	Program is part of required training for all personnel. Over 10,000 annually in program; Offered to retirees & families of service members; Goals are to provide basic principles & practices of sound money management, counseling tools & referral services.	3 main elements: financial ed., training & info, counseling. New program covers full range of topics (except housing, health & ed.); Methods: Expert-led, classroom, cd rom & 1-on-1; offered at many levels: shipboard for returning tours, basic training, command level counseling; offered monthly	Newly designed program and website includes interactive "games" and self-tests; Website: *lifelines4qol.org*	Program has full support of military & Navy leadership; use size of enrollment, participant evaluation forms, input from instructors & evidence of increased skills and knowledge; follow-up done by phone or e-mail

US MILITARY PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BYPRODUCTS	EVALUATION
University of California, for US Marine Corps Financial Fitness Program Respondent: Cooperative Extension Program Leader	First offered in September 1996. US Marine Corps requested that a program be developed to train civilian & military personnel for use on Marine Corps bases worldwide	A Marine Corps quality of life study indicated that many families were having financial problems including NSF checks, outstanding credit, etc. Initial challenge was to develop a program that – could be taught by others with varying educational backgrounds in varied settings	Planning involved Marine Corps HQ and Univ. of CA staff. USMC wanted a standardized package for all installations. USMC had no prior program & no professionals working in this area, so CES helped them to define needs.	No written mission statement. Criticism from officers who didn't want to schedule time for training. Program now viewed positively as they have seen the difference it makes. Program is part of Human Resources Area, supervised by respondent but final authority is USMC HQ	Funding is provided by USMC. Volunteers are trained as peer financial advisors. No funding difficulties at present.	Marine Corps determined scale and targeted 2-3 individuals per base. Individuals on all 10 installations worldwide are now participating. Offered only to military community. Recruiting done by USMC.	Content based on CES research & experience with military audiences. Sensitive to military culture. Program is offered on various days & hours. Length depends on setting – from 30 minutes to 4 days. Program is offered continuously.	Have won several special awards. Have just revamped same curriculum for Air Force.	Main challenges have been making materials appropriate for both single & married young military personnel. Success attributed to offering a variety of materials & training approaches to the trainers. Follow-up done by Marine HQ, CES does not keep up.
Army Community Service Center (ACS), Alexandria , VA Respondent – Consumer Affairs Program Manager, US Army Comm & Family Support	Established 1970 in response to Congressional Hearings, now mandatory	Need determined by widespread frequency of financial problems especially among enlisted personnel, requests for assistance; Challenge over the long-term – to maintain sufficient funding for program	Established by HQ Dept. of Army, based on needs of soldiers; Financial Counseling program founded 1965; Cooperative Extension Service and other outside consultants gave input to program design	Mission - educate soldiers & their families about their roles & rights as consumers, assist with financial affairs & enhance deployment readiness, reduce command time in addressing soldiers' personal financial problems; Program is under ACS; authority is DOD & US Congress	Appropriations from Congress fund program; partnerships often created with private Corps or community orgs., e.g.: CCS or CES groups help augment ACS staff; few volunteers in program, ongoing challenge to funding staff	Mandatory for new personnel, over 100,000 FY99 in one or more programs, including enlisted, officers, civilians, retirees & family members; advertised broadly; Goal is to reach as many soldiers & their families as possible	Program covers full range of financial ed. topics & emphasizes deployment readiness; Methods: Expert-led, classroom, seminar, cd rom & 1-on-1; training ranges from entry to senior level classes; custom designed materials; available weekdays & weekends, all hours, every day.	Cd-rom training tools; Plan to develop additional training for officers and senior service members; Developing entry survey to access new service members level of financial knowledge.	Program highly successful; main challenge is getting troops & letting them know what is available, convince leadership to recommend/ refer to services; Follow-up counseling for 1^{st} term class participants; Pre & post-testing; participant eval. forms, 6mo. follow-ups, command level feedback all used.

Appendix A-6 – Community College Financial Education Program Matrix

COMMUNITY COLLEGE PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BYPRODUCTS	EVALUATION
Montgomery College, Rockville, MD Respondent: Senior Program Director	20 years ago; probably developed within the college; it was believed there was an audience in the community for personal finance courses.	No knowledge about this because it was so long ago.	Same problem.	Mission: Help adults learn about providing for own financial stability & security; has become more workplace oriented; seen as a small piece in a large continuing ed. program; Program Dir. makes most decisions, under Deans' authority; position good due to connection with career skills offerings.	5% by County, 95% by tuition/ fees; All members of program staff are paid employees.	6 courses, offered twice a yr (1-2 in the summer); about 10 participants per course (would like 20); 90% of participants are new to continuing ed.each time; few dropouts; targeted to the general public; all ages; advertise in 3 bulletins per year.	Instructors design courses; reviewed by program dir.; Topics cover almost full list; Expert-led, classroom, hands-on, discussion, some computer; materials are custom-designed; offered on campus, some at office sites; weekday evenings & Sat. afternoons; each course 6-12 hrs.	N/A	Evaluation Program director evaluates; criteria are enrollment and finances; participants evaluate the courses at the end; Currently, the college is formally evaluating all courses; five-step process over 6-month period; statistics are compiled.
Community College of Southern Nevada; Las Vegas, NV Respondent: Program Coordinator	Fall 1996, initiated by Financial Education Institute of Nevada; perception of community need.	Informal, done by coordinator at that time, who saw a need for classes; did not study feasibility	Investigated existing programs elsewhere, specifically "Financial Strategies for Successful Retirement"	Outside vendor determined purpose, but position is within Division of Continuing Education of the College, which supervises and has final authority.	Participant fees pay for course , but vendor pays for educational materials, learning tools, instructor, and speakers. College pays for meeting space; Program staff is paid, no volunteers.	30 participants per class of four sessions. Attracts 30 new participants each time; participants attend all sessions; dropout rate 5-10%; Offered to community at large; targeted to people planning for retirement; advertised in class schedule & flyers.	Content written by vendor; prepackaged; mainly on retirement planning; classroom setting, seminars, workbooks offered on weekday evenings, on three campuses; 10 hours per course; offered once a month.	N/A	By students at end of course (evaluation form); Division evaluates size of enrollment; no other statistics.

COMMUNITY COLLEGE PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BYPRODUCTS	EVALUATION
Renton Technical College; Renton, WA Respondent: Community Education Coordinator	2000; initiated by the instructor; perceived revenue source	By the Community Education Coordinator; she assessed the years of experience of instructor(s); challenge was designing the curriculum.	Community Education Coordinator and instructor; used a written plan; did not investigate other programs.	Offer general introduction to financial courses. Covers debt reduction & planning for the future; written mission statement; under Div. of Community Education; supervised by Coordinator; final authority -V P of Instruction	Participant fees : Comm. Ed. shares materials costs; College pays for learning tools; Instructor pd 40% of profit; meeting space pd by College; 1 paid educational program staff; no volunteers; Challenge finding space and recruiting participants.	10 persons now enrolled, somewhat fewer than expected; Offered to the community at large; but most are from college population; advertised in class schedule.	Determined by the instructor; includes mainly saving & investing, money management, use of credit & debt reduction, holistic life planning; Workbooks, some prepackaged materials; culturally sensitive; offered weekday evenings; quarterly; hours vary.	N/A	Questionnaires on last day of class. At the end of quarter, success is determined by number of participants and comments on evaluation forms.
Glendale Community College, Glendale, CA Respondent: Community Services Education Director	"Successful Money Management" was initiated in 1994	Community members requested the course. Challenge was to find instructor who would not try to sell products to students.	By Director of Community Services Education and instructor. Trying to cover broad subject matter within a short period of time (under 10 hours).	To assist community members in budgeting, financial planning, and retirement planning. There is no written mission statement. Placement is within Community Services Education. Director reports to Dean of Adult Education.	Program is fee-based, self-supporting; no sponsors, no volunteers. Challenge is receiving enough registrations to cover the cost of offering the course.	15-50 participants each time. Offered to the community at large; advertised in course catalog; registering by phone and mail.	Covers almost all topics; expert-led, classroom setting, seminars/ workshops. Combined prepackaged & custom-designed; culturally sensitive. Offered evenings & weekends, quarterly, 9 hrs ; at local high school & College's district office.	N/A	Program is considered successful; participant evaluation forms used; random phone evaluations; criteria are enrollment size and instructor's judgment.

COMMUNITY COLLEGE PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BYPRODUCTS	EVALUATION
Western Piedmont Community College, Morganton, NC	Don't know when; was a curriculum decision	N/A; didn't study feasibility	Planned by educational and	Basically one course, "Buying Your Own Home;" Positioned in Continuing Education; supervised by Director of C.E.; final authority with College administration.	Basic college infrastructure is available; instructors paid out budget; $50 tuition fee paid by participants; Indirect sponsorship as experts from community are relied upon	20-25 participants; targeted at community at large; advertised in C.C. bulletin	Varies per instructor (community specialist) Covers saving, budgeting, credit & debt reduction, housing decisions & mortgage financing; Materials pre-packaged; Offered weekday evenings, 10 hrs per course, once a year.	N/A	Judge size of enrollment, participant evaluation forms, listen to judgment of instructor.
North East Texas Community College, Mount Pleasant, TX Respondent: Director of Continuing Education	N/A	None, there has not been much demand	N/A	Offer: Money Management; Women Taking Charge of Finances; positioned in Section of Continuing Education; final authority with Head of College.	Paid out of college infrastructure; instructor paid out of budget; fees are $7-50, depending on workshops; Sponsored indirectly, by having experts from the community as instructors.	3-5 participants per course; targeted at community at large, one course at women specifically; Advertised in college bulletin; courses offered only intermittently	Content depends on instructor; Covers: saving, investing, budgeting and money management, debt reduction, insurance, housing decisions, retirement planning; Expert-led, seminars/ workshops; Materials designed by instructor; Offered weekday eves; 10 hrs per course, offered irregularly.	N/A	Look at size of enrollment; judgment of instructor

COMMUNITY COLLEGE PROGRAMS	INCEPTION	NEEDS ASSESSMENT	PLANNING	PURPOSE, POSITIONING AND AUTHORITY	FUNDING AND RESOURCES	SCALE, PARTICIPANTS AND STRATEGY	PROGRAM CONTENT, PEDAGOGY, DELIVERY	BYPRODUCTS	EVALUATION
Portland Community College; Portland, OR Project Independence Respondent: Instructor	Ran pilot from January 1987 to spring 1988. From May-June 1986 did needs assessment of displaced homemakers & single parents at request of State Dept Division of Vocational Education. 6 orgs joined together to do needs assessment & formed a steering committee.	Portland was targeted for needs assessment because it had the largest potential resource base to serve needs & largest percentage of displaced homemakers & single parents. Surveys found the following needs: self-esteem, goal-setting, problem solving, job finding, parenting skills, stress & time management.	Joint venture between Community College, public schools, State Dept of Ed, Washington Counties, Private Industrial Council of Portland, Adult & Family Services. Looked at another community college in OR which had a similar program.	No mission statement. Funded through Carl Perkins, but requirements are changing. Under Student Development Division in Women's Resource Center. OR Dept of Ed, division of vocational education now has control. Dean of Student Development receives & implements guidelines & coordinator carries them out.	Receive federal funds from Dept of Ed, Perkins gives $54,000 & Portland Community College gives $100,000. Kaiser Permanente provides health coverage during training for up to 2 yrs. Many students from welfare but this has changed as recipients go right to work. Use volunteers. Perkins will no longer fund faculty costs.	Initial goal was 6 classes with no more than 20 per session. Last class had 15-16. Now offer 3 classes with 15 participants because have moved into smaller space. Offered on 2 campuses. Current goal is to help individuals toward economic self-sufficiency because the need still exists.	Planning committee created materials from Northwest Regional Laboratory, Pathways, Puzzles & Patterns (Univ. of AZ textbook). Is a career guidance curriculum that focuses on life skills & career develop-ment. Students given 10 credits for program. Is sensitive to cultural differences. Seminar is 120 hrs per term, offered during working hours.	Ward received recognition from OR Health Dept in 1998. Newspaper write-ups.	Success is from its packaging, the support the students receive, & from addressing mental health issues. Have database & follow for up to 2 yrs - at 6 mos, 1 yr & 2 yrs. Use mailed survey & ask about employ-ment, level of income, satisfac-tion, continuing education, receiving benefits.

Appendix B
ISFS Survey of Financial Literacy Education Programs

PRELIMINARY INFORMATION

Date:______________________

Name of organization ____

Address:____

Telephone Number: ______________________Fax____________________

CIRCLE CATEGORY:

Workplace Military Extension Community College Church
Other__________

Respondent's Name:____

Position and responsibility with the program ________________________________

INTRODUCTION

We are conducting a national study of financial literacy education programs, which is sponsored by the FannieMae Foundation. We are interested in learning about the financial education program you have been offering, and thank you very much for taking the time to answer the following questions.

1. Do you offer more than one financial literacy education program?
   Circle One: Yes No

   1a. If yes, please let us know whether your answers to our questions will be generalized across programs (provided they are similar enough) or whether one particular program will be chosen.

INCEPTION

2. When was your program first offered?

3. Who initiated the program and why?

ASSESSMENT

4. How was the **need** for this program determined and by whom? (Was a formal or informal needs assessment conducted?)

5. Initially, what were the greatest challenges in determining the feasibility of the program?

PLANNING

6. Who was involved in the initial planning of the program?

7. Did the planners investigate other existing programs to use as a model?
   Circle one: Yes No
   7a. If yes, what is the source and name of model?

8. Did the planners use a written plan with goals and objectives?
   Circle one: Yes No

9. In your opinion what were the strengths and weaknesses of the planning process?

RATIONALE/PURPOSE

10. Is there a written mission statement?
    Circle one: Yes No
    10a. If yes, may we know what it is?

11. Has the mission or purpose of the program changed over time?
Circle one: **Yes** **No**
11a. If yes, how has it changed?

12. Initially, was there opposition to or criticism of the program?
Circle one: Yes No
12a. If yes, what were the reasons?

13. How is the program viewed now?

ORGANIZATIONAL POSITIONING

14. Where is this program placed within your organization?

15. In your opinion, is this the best positioning/placement for this program?
Circle one: Yes No
15a. If no, where would you rather see the program positioned?

GOVERNANCE/AUTHORITY

16. Who supervises your program?

17. Who has final authority regarding the direction of the program?

FUNDING & RESOURCES

18. What are the sources for program funding? If there is more than source, please indicate the approximate percentage of the program budget that each source contributes.

19. Does your program benefit from sponsorships, partnerships or contributions from other organizations?

Circle one: **Yes** **No**

19a. If yes, please explain:

20. If the program uses volunteers, what role do they play?

21. What challenges have you faced in regard to program funding and resources, and which ones were the most difficult?

SCALE

22. In the beginning, how many participants did you hope to attract? ________#

23. How many people are participating in the program now? ___________#

24. Is the program offered at more than one site or location? Please elaborate.

PARTICIPANTS

For the following, please choose appropriate category:

25. Is this program offered to <u>all</u> employees / service members / students /parishioners / the community at large?

Circle one: **Yes** **No**

25a. If no, to what groups of employees / service members / students /parishioners / community members is this program offered?____

26. How do you advertise the program and how do you recruit participants?

26a. Are these efforts targeted toward a specific population?
Circle one: **Yes** **No**

26b. If yes, please elaborate.

STRATEGY

27. When this program was started, was it planned as a pilot (trial), short-term, or long-term project?

28. What are the current goals of the program?

PROGRAM CONTENT & PEDAGOGY

29. How was the program content determined?

30. What topics are currently covered in the program curriculum?

30a. Saving and investing
30b. Budgeting and Money management
30c. Consumer education/protection
30d. Use of credit and debt reduction
30e. Insurance
30f. Housing decisions and mortgage financing
30g. Financing health care
30h. Financing education
30i. Retirement planning
30j. 401(k) investing
30k. Dealing financially with major life events
30l. Holistic or life planning (financial goals and financial planning in context of goals and plans in all areas of life)
30m. Other: ______________________

31. What teaching methods are currently used?
    31a. Expert-led
    31b. Classroom setting
    31c. Seminars/workshops
    31d. Technology: computers, CD Rom, Internet
    31e. Independent, self-paced
    31f. One on one counseling
    31g. Other

32. Were the educational materials
    32a. pre-packaged
    32b. custom designed for your organization
    32c. a combination of pre-packaged and custom designed?
    32d. Is the content designed to be sensitive to cultural differences?
    Circle one: Yes No
    (If yes, please elaborate)

DELIVERY

33. Is the program offered on
    33a. weekdays
    33b. weekends

34. If the program is offered on weekdays, is it held during
    34a. working hours,
    34b. during the lunch hour
    34c evenings

35. In total, how many hours long is each program? ________________

36. How often is the program offered?
    36a. Once a month
    36b. Once a quarter
    36c. Twice a year
    36d. Other (please specify):___________________________

EVALUATION

37. Do you regard the program as successful?
    Circle one: **Yes No**

38. Thinking back to when the program first began to the present, what have been the main challenges?

39. To what do you attribute the program's success, or if it is not successful, why?

40. What criteria are used to assess the successes or benefits of the program?

CIRCLE ALL THAT APPLY
40a. Size of Enrollment/Number of Participants
40b. Growing Enrollment in Program
40c. Participant Evaluation Forms
40d. Increased Participation in 401(k) plans
40e. Judgment of Instructors and/or Program Leaders
40f. Reports of Achievements Toward Program Objectives
40g. Increased Skills and Knowledge
40h. Other: ______________________

41. How do you contact or follow-up with participants after they have completed a program?

BY-PRODUCTS

42. Have any publications, exhibits, special recognition, or spin-offs developed as a result of offering this program?

Ending Instructions:

Have we missed anything? Please use space below to respond.
May we follow up later? ___________________________
Thanks.

Appendix C - PROGRAM CONTENT, DELIVERY, AND EVALUATION MATRIX

WORKPLACE PROGRAMS	CONTENT													DELIVERY							EVALUATION CRITERIA							
	Saving & Investing	Budgeting & Money Management	Consumer Education/Protection	Use of Credit & Debt Reduction	Insurance	Housing Decisions & Mortgage Financing	Financing Health Care	Financing Education	Retirement Planning	401(k) Investing	Dealing Financially w/ Major Life Events	Holistic or Life Planning	Other	Expert-Led	Classroom Setting	Seminars/Workshops	Technology: Computers, CD Rom, Internet	Independent, Self-Paced	One-on-One Counseling	Other	Number of Participants	Growing Enrollment	Participant Evaluation Forms	Increased Participation in 401(k) Plan	Judgement of Instructors and/or Program Leaders	Reports of Achievements Toward Program Objectives	Increased Skills and Knowledge	Other
Blue Shield of CA	X	X				X		X	X	X	X			X	X	X	X						X					
UAW-GM	X		X		X		X		X	X	X	X		X	X	X			X		X	X	X	X	X		X	
EMC Insurance	X	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X		X	X	X	X	X	X	X			
Shell Oil	X	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X				X		X	X	X	
Weyerhaeuser	X	X	X	X	X		X		X	X	X	X	X	X		X					X	X	X		X			
Medical Fdn. (Anon.)	X								X	X		X		X	X	X	X		X		X	X	X	X	X	X	X	
Dow Agro-Sciences	X	X		X	X			X	X	X		X		X		X					X		X				X	
PERA of Colorado					X		X		X	X					X	X			X		X		X	X				
Kemper Insurance	X	X	X		X	X	X	X	X	X				X		X			X		X	X	X	X		X	X	
ITT Canon	X	X	X	X	X	X	X		X	X	X	X	X	X		X	X	X	X		X	X	X					
The Univ. of TN	X	X	X	X	X		X		X	X	X		X	X	X	X			X		X	X	X					
US Postal Service	X	X							X	X	X	X	X			X	X				X	X	X	X			X	X
VA Retirement System	X	X			X	X			X			X		X	X	X	X				X	X	X		X	X	X	
Graduate Schools, USDA	X	X		X	X		X		X	X	X	X		X	X		X				X	X	X		X	X	X	
United Parcel Service	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X	
Insurance Co. (Anon.)	X	X		X	X		X	X	X	X	X	X	X	X		X					X		X		X		X	X
Southwest Chemical Co.	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			X		X		X	X		X	X	X
Financial Education, Inc.	X	X							X	X	X			X	X	X	X				X	X	X	X	X	X	X	

Appendix C - PROGRAM CONTENT, DELIVERY, AND EVALUATION MATRIX

COOPERATIVE EXTENSION SERVICE PROGRAMS	CONTENT													DELIVERY							EVALUATION CRITERIA							
	Saving & Investing	Budgeting & Money Management	Consumer Education/Protection	Use of Credit & Debt Reduction	Insurance	Housing Decisions & Mortgage Financing	Financing Health Care	Financing Education	Retirement Planning	401(k) Investing	Dealing Financially w/ Major Life Events	Holistic or Life Planning	Other	Expert-Led	Classroom Setting	Seminars/Workshops	Technology: Computers, CD Rom, Internet	Independent, Self-Paced	One-on-One Counseling	Other	Number of Participants	Growing Enrollment	Participant Evaluation Forms	Increased Participation in 401(k) Plan	Judgement of Instructors and/or Program Leaders	Reports of Achievements Toward Program Objectives	Increased Skills and Knowledge	Other
University of Arkansas	X	X		X									X	X	X						X	X	X			X		
Auburn University, AL	X	X	X	X	X		X		X	X		X	X	X	X					X	X	X			X		X	X
University of Arizona	X	X		X								X			X				X									X
Univ. of IL	X	X		X	X							X		X	X													
Univ. of IL - Manteno	X	X	X	X								X	X			X							X		X		X	
Purdue University, IN	X	X	X	X									X			X			X				X		X		X	X
Iowa State Univ.	X	X	X	X				X	X		X		X			X	X	X		X	X	X	X		X	X	X	
Louisana State Univ.	X	X	X	X	X	X							X	X	X	X					X	X	X		X			
Minnesota CES	X	X		X	X	X							X	X					X				X		X			
Univ. of Minnesota	X	X		X									X			X			X				X		X		X	
Univ. of MN--Wilkin Co.													X	X	X	X		X	X		X	X	X			X	X	X
Mississippi State Univ.	X	X		X		X						X		X		X			X				X		X			
Univ. of Missouri	X	X	X	X	X	X						X			X		X				X		X			X		
Nevada CES	X	X	X								X							X		X		X	X		X	X	X	X
Rutgers Univ., NJ	X	X		X										X	X	X	X	X	X	X	X	X	X		X	X	X	
N. Carolina CES	X	X	X	X								X				X		X					X		X	X	X	X
N. Carolina State Univ.	X	X	X	X	X	X						X	X	X	X								X				X	X
Texas A&M, Univ.	X	X							X					X						X			X				X	
Virginia CES	X	X		X								X	X				X	X		X		X			X			X
Oregon State Univ.		X	X		X				X		X	X	X	X		X			X				X					X
Univ. of Rhode Island	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X						X		X	X	X	
Fort Berthold, ND CES	X	X	X	X		X							X		X		X		X		X		X			X		X
Oklahoma State Univ.	X	X	X	X		X		X	X			X	X	X	X				X				X					X
Wisconsin CES	X		X	X	X				X	X	X	X		X	X	X												

Appendix C - PROGRAM CONTENT, DELIVERY, AND EVALUATION MATRIX

COMMUNITY-BASED PROGRAMS	CONTENT													DELIVERY							EVALUATION CRITERIA							
	Saving & Investing	Budgeting & Money Management	Consumer Education/Protection	Use of Credit & Debt Reduction	Insurance	Housing Decisions & Mortgage Financing	Financing Health Care	Financing Education	Retirement Planning	401(k) Investing	Dealing Financially w/ Major Life Events	Holistic or Life	Other	Expert-Led	Classroom Setting	Seminars/Workshops	Technology: Computers, CD Rom,	Independent, Self-	One-on-One	Other	Number of Participants	Growing Enrollment	Participant Evaluation Forms	Increased Participation in 401(k) Plan	Judgement of Instructors and/or	Reports of Achievements Toward	Increased Skills and Knowledge	Other
Union Bank of CA	X																			X								X
Operation Frontline	X	X	X	X			X	X			X	X	X	X		X			X				X		X		X	
INOKA Green Purse	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X	X	X	
Amethyst Inc.	X	X				X					X	X		X	X				X				X			X	X	
Keeping Track, Inc.	X	X	X	X	X	X	X	X			X	X	X	X	X	X			X	X		X	X			X		X
Knoxville Habitat	X	X	X	X	X				X		X	X	X					X	X	X					X	X	X	X
AHECI	X	X	X	X	X	X					X	X	X	X	X						X	X	X		X		X	
VHDA	X	X		X	X	X					X			X	X	X			X		X	X	X		X	X	X	X
WSHFC	X	X	X	X		X		X			X		X	X	X	X			X		X	X	X		X	X	X	
Brick Capital CDC		X		X		X							X			X					X		X			X		
Home Ownership Cntr	X	X	X	X	X	X								X	X	X	X		X		X	X			X	X	X	X
MNHFA	X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X		X	X	X		X	X		X
Kansas City Neigh. All.	X	X	X	X	X	X		X	X	X	X	X		X	X				X		X		X				X	
The Women's Center	X	X	X	X		X	X	X	X	X	X	X		X		X	X		X		X		X		X			
Ethopia Community Dev	X	X	X	X								X				X			X				X					X
Asian Neigh. Design	X	X	X	X	X					X	X	X	X	X		X	X	X	X			X	X			X	X	
Maine Centers	X	X	X	X		X		X			X	X			X				X				X				X	
Women's Resource Cntr	X	X		X							X	X	X	X		X	X	X	X	X								X
Int'l Institute of Boston	X	X	X	X	X	X								X	X				X		X		X		X		X	
Nuestra Comunidad	X	X	X	X	X	X	X	X	X	X	X	X		X		X	X	X	X		X	X	X				X	
WORD	X	X		X	X	X						X	X	X		X			X		X		X		X	X	X	
NOAH	X	X	X	X	X	X								X	X	X			X		X	X	X		X	X	X	
DeVaan & Assoc., Inc.	X	X	X	X	X	X		X				X	X		X				X				X		X			
Cherokee Nation	X	X	X	X	X	X		X			X	X	X	X		X		X	X				X		X	X	X	
NYANA	X	X	X	X	X	X		X			X			X		X			X				X					X
Mi Casa Resource Cntr	X	X	X	X	X	X	X	X		X	X	X	X	X	X		X		X				X				X	
Cntrl Brooklyn Partnersh	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X		X	X			X	X			X		
Emporia Initiative		X		X		X							X		X					X						X	X	
Port Gamble Housing		X		X		X								X	X													X

Appendix C - PROGRAM CONTENT, DELIVERY, AND EVALUATION MATRIX

FAITH-BASED PROGRAMS	CONTENT													DELIVERY							EVALUATION CRITERIA							
	Saving & Investing	Budgeting & Money Management	Consumer Education/Protection	Use of Credit & Debt Reduction	Insurance	Housing Decisions & Mortgage Financing	Financing Health Care	Financing Education	Retirement Planning	401(k) Investing	Dealing Financially w/ Major Life Events	Holistic or Life Planning	Other	Expert-Led	Classroom Setting	Seminars/Workshops	Technology: Computers, CD Rom, Internet	Independent, Self-Paced	One-on-One Counseling	Other	Number of Participants	Growing Enrollment	Participant Evaluation Forms	Increased Participation in 401(k) Plan	Judgement of Instructors and/or Program Leaders	Reports of Achievements Toward Program Objectives	Increased Skills and Knowledge	Other
Gospel Rescue Ministries	X	X	X	X	X			X	X	X	X	X		X	X	X		X	X				X		X		X	
Christian Fin. Concepts	X	X		X	X	X		X	X	X	X	X		X	X	X	X	X	X		X	X	X		X	X		
Catholic Charities	X	X	X	X	X	X		X	X		X	X		X	X	X			X		X	X	X		X	X	X	
Crown Ministries	X	X		X	X	X			X		X	X											X			X		
Nat'l Cncl Jewish Women	X	X	X	X	X		X	X	X	X	X	X			X	X				X	X		X		X		X	X
Salem Baptist/Chicago		X	X	X	X	X		X	X	X	X	X		X	X	X	X	X	X							X	X	
MidAmerica Leadership	X	X	X	X	X	X						X	X	X	X	X				X			X					
Seventh-Day Adventist	X	X		X		X		X	X	X	X	X	X	X	X	X	X				X	X			X	X		

Appendix C - PROGRAM CONTENT, DELIVERY, AND EVALUATION MATRIX

MILITARY PROGRAMS	CONTENT													DELIVERY							EVALUATION CRITERIA							
	Saving & Investing	Budgeting & Money Management	Consumer Education/Protection	Use of Credit & Debt Reduction	Insurance	Housing Decisions & Mortgage Financing	Financing Health Care	Financing Education	Retirement Planning	401(k) Investing	Dealing Financially w/ Major Life Events	Holistic or Life Planning	Other	Expert-Led	Classroom Setting	Seminars/Workshops	Technology: Computers, CD Rom, Internet	Independent, Self-Paced	One-on-One Counseling	Other	Number of Participants	Growing Enrollment	Participant Evaluation Forms	Increased Participation in 401(k) Plan	Judgement of Instructors and/or Program Leaders	Reports of Achievements Toward Program Objectives	Increased Skills and Knowledge	Other
US Air Force	X	X	X	X	X	X		X	X	X	X	X		X	X	X	X	X	X		X	X	X					
Navy Family Services	X	X	X	X	X	X			X	X	X	X		X	X		X		X		X		X		X		X	
USMC--Calif. CES	X	X	X	X	X	X					X	X		X	X	X	X		X	X	X	X	X		X		X	
Army Com. Service Cntr	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X		X		X		X		X	X

Appendix C - PROGRAM CONTENT, DELIVERY, AND EVALUATION MATRIX

COMMUNITY COLLEGE PROGRAMS	CONTENT												DELIVERY								EVALUATION CRITERIA							
	Saving & Investing	Budgeting & Money Management	Consumer Education/Protection	Use of Credit & Debt Reduction	Insurance	Housing Decisions & Mortgage Financing	Financing Health Care	Financing Education	Retirement Planning	401(k) Investing	Dealing Financially w/ Major Life Events	Holistic or Life Planning		Expert-Led	Classroom Setting	Seminars/Workshops	Technology: Computers, CD Rom, Internet	Independent, Self-Paced	One-on-One Counseling	Other	Number of Participants	Growing Enrollment	Participant Evaluation Forms	Increased Participation in 401(k) Plan	Judgement of Instructors and/or Program Leaders	Reports of Achievements Toward Program Objectives	Increased Skills and Knowledge	Other
Montgomery. MD	X	X		X	X	X	X	X	X	X		X		X	X		X				X	X	X		X	X		
CC of Southern NV															X	X					X		X					
Renton Technical, WA	X	X		X								X									X		X					
Glendale, CA	X	X	X	X	X	X	X	X	X	X	X			X	X	X					X		X		X			
Western Piedmont, NC	X	X		X		X								X	X	X					X		X		X			
N.E. Texas	X	X		X	X	X			X					X		X					X		X		X			
Portland, OR	X	X		X	X			X	X			X	X	X		X							X					X

APPENDIX D
ABOUT THE INSTITUTE FOR SOCIO-FINANCIAL STUDIES (ISFS)

The **Institute for Socio-Financial Studies** takes a cross-disciplinary approach to its research and education by illuminating the financial factors, needs, dynamics and concerns in society, organizations and people's everyday lives. It also highlights the human and social concerns within finance and business. **ISFS** has worked in areas of financial education, the finances of aging, employee workplace financial education, American Dream studies, and it has sponsored "Mattering Studies" to measure whether and how much people feel valued by organizations as employees and consumers.

Through its research and cooperative programs, ISFS has assisted leaders in business, academia and the public sector in meeting today's socio-financial challenges. Since its inception in 1991, ISFS has had a far-reaching impact. The results of ISFS research on homeownership have been presented in the US, Canada, Europe, Japan, and China, and have been translated into at least three languages. Inter-disciplinary curricula in financial sociology and financial gerontology were introduced and taught at universities, and a Certificate Program in Financial Gerontology has been created for universities having gerontology institutes and programs.

ISFS has expanded its work in personal financial literacy research and education for consumers, both in the workplace and in community settings.

APPENDIX E
ABOUT THE AUTHORS

Lois A. Vitt, Ph.D. is founding director of the Institute for Socio-Financial Studies (ISFS), an organization engaged in research and socio-financial education development since 1991. She pioneered interdisciplinary education that combined the social and behavioral sciences with finance, and she has taught financial sociology and financial gerontology at American University, Washington, DC. She compiled, and is an editor-in-chief of the *Encyclopedia of Financial Gerontology.* She is a consultant to financial services corporations and to the National Council on Aging (NCOA), and she was an advisor to the Ethics Resource Center in connection with its 1999 National Business Ethics Survey. She pioneered the development of financing instruments for home purchases and for the capital markets, and she was founder and CEO of financial companies whose objective was to make homeownership more accessible. Dr. Vitt has been an advocate of homeownership for her entire career and has been invited to share her research findings on homeownership with international and national audiences. Dr. Vitt received an Executive MBA in management from Pace University, New York, and M.A. and Ph.D. degrees in sociology from American University.

Jurg K. Siegenthaler, Ph.D. is professor emeritus at American University and executive director of the Institute for Socio-Financial Studies (ISFS). His research encompasses the finances of aging, and social policy analysis with an emphasis on women, older workers, retirement issues, and income security. He has conducted comparative studies on poverty and social provision, including an appreciation of differences in economic well-being caused by homeownership. He is an editor-in-chief of the *Encyclopedia of Financial Gerontology*, and he has been a visiting researcher with the International Social Security Administration and the U.S. Social Security Administration.

Carol A. Anderson, M.S. is a researcher, educator and consultant specializing in issues of retirement preparation, financial planning education and economic security for women. She has a diversified background in business, education and research, and is experienced in research design, information/data gathering and synthesis, interpretation of findings and report preparation. Ms. Anderson is also experienced in developing educational materials. Her clients have included the National Center for Women and Retirement Research, Long Island University, where projects on which she worked were funded by Prudential Securities, Scudder, Stevens & Clarke and Dreyfus Mutual Fund Company. She is the editor of *Perspectives on Retirement,* the newsletter of the International Society for Retirement Planning, and serves on this association's Board of Directors.

Jamie L. Kent has more than 20 years of experience in project administration, planning and resource development with local governments and regional agencies, as well as nonprofit organizations in the areas of community and economic development. Ms. Kent has a special interest and expertise in housing issues. She has worked as executive director of Habitat for Humanity affiliates in Virginia and South Carolina, and as senior project director for several home-repair and neighborhood rehabilitation efforts, including the Christmas in April program in Northern Virginia. Ms. Kent is a research associate with ISFS.

Deanna M. Lyter is a doctoral student in the Sociology Department of the American University. Her areas of research concentration are social stratification and macrosociology. She works as a research associate at the Institute for Socio-Financial Studies (ISFS). She has been an interviewer and editor for the Smithsonian Institute, and formerly was an intern in the Office of Corporate and Financial Affairs of the Union of Needletrades, Industrial and Textile Employees, where she researched corporations and aided in the creation of databases.

Jeremy Ward enjoys a varied professional background with particular expertise in computer technology and writing. He provided Internet research and computer support for the Institute for Socio-Financial Studies (ISFS), and he is working currently for Getronics, Inc., in the capacity of an associate systems engineer supporting the company of Booz-Allen and Hamilton.

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