

TAKE CHARGE NOW



July/August 2009



Michael E. Staten

Take Charge America Institute Director Michael Staten recently told more than 100 educators, bankers, regulators and administrators attending an invitation-only conference of the Philadelphia Federal Reserve Bank that the future of the consumer credit counseling industry lies in education.

Dr. Staten was keynote speaker for the two-day July event, sponsored by the bank's Payment Cards Center. Staten warned attendees that while consumer education has been a hallmark of services provided by nonprofit credit counseling agencies, there is no guarantee that it will be there in the future. So educators need to provide consumers with the information and training they need, he said, to ensure they will be able to weather financial difficulties without access to nonprofit credit counseling and debt-relief services.

"Competition from a rapidly growing for-profit debt settlement industry is offering consumers the illusion of a quick and cheap solution to credit card debt by withholding payments from credit card companies until issuers agree to settle debts for a fraction of the amount owed," he said. "Despite persuasive advertising by those companies, the truth is that consumers are often worse off with their help than they would have been partnering with a nonprofit counseling agency that could help them through their problems."

The survival of counseling agencies depends on their ability to create products that both satisfy the educational missions that are the foundation of their nonprofit, tax-exempt status as well as the creation of debt-relief products that appeal to consumers and creditors alike, he added. ■

Capturing, Analyzing and Sharing Information: TCAI'S Contributions to Recession-Busting

By Dr. Michael E. Staten

Throughout our nation's history, America's institutions of learning have been at the forefront of progress. We've challenged people to think, and opened doors to GIs returning from wars, desperate to return to school and re-assimilate into the world of 9 to 5. We've encouraged diversity of ideas, and accommodated students from many lands and cultures, seeking better lives through quality education.

Perhaps more so today than at any time in recent memory, we're also being called upon to shape future generations of leaders who understand what it takes to govern in a multicultural global economy. But the reality is that many universities are being forced to reinvent themselves, first, just to survive the recession.

While the University of Arizona hasn't escaped these economic realities, we've always had leaders who understand that education is the cornerstone of overcoming challenges. And we've drawn upon our

strengths, as a land-grant institution committed to service to the public, to continually improve our educational output.

As a result, the Take Charge America Institute (TCAI) has had the good fortune of being co-located within the Norton School of Family and Consumer Sciences, alongside two other forward-thinking organizations: the Frances McClelland Institute (FMI) for Children, Youth and Families, and the Terry J. Lundgren Center for Retailing (TJLC).

Together, we are at the nexus of change in American education. Our students are actively engaged in cross-disciplinary programs that impact the health of individuals, families and our communities, and learn personal money management skills that might prevent future global financial meltdowns.

Through our classes and internship programs, Norton students are able to forge relationships with business leaders and retailers who provide us with everything from the food on our tables to the clothes on our

backs. And they join an educated labor pool of outstanding UA graduates who know not only the business side of the retail industry, but also have insights into how to provide customer value and preserve corporate profitability, while strengthening the fiber of the global marketplace.

In other words, we have programs that impact where Americans live, sleep, shop and interact. Our students understand the knowledge they gain here has the potential to influence lives. And, we're confident that with the ongoing support of the community and our individual and corporate benefactors, we will be able to continue providing innovative educational programs that will keep our communities strong.

Enjoy this first issue of *Take Charge Now* and watch for ongoing announcements in our newsletters about exciting initiatives we'll be rolling out later in the year. ■

Dr. Staten is TCAI's director and the Take Charge America Endowed Professor.

'Consumer Jungle' Merges Into TCAI Program

By Nicole Chinadle-Wanago

TCAI and Consumer Jungle, a nonprofit organization dedicated to helping young adults become responsible, informed consumers, have agreed to merge.

As of press time for *Take Charge Now*, plans were underway to combine Consumer Jungle's Web technologies with TCAI's Family Economics & Financial Education program as a mutually beneficial way of extending both organizations' reach and to better serve target audiences.

FEFE provides more than 100 free lesson plans in personal financial management for students in grades 7 through 12. Since its inception, FEFE has developed outreach programs across the nation, and has a network of more than 15,000

educators. To date, they have helped FEFE reach more than 500,000 students in school districts across the nation that have incorporated FEFE's interactive and activity-based curriculum into their classrooms.

"As successful as we have been, both Take Charge America Institute and FEFE are aware of the low levels of financial literacy among our nation's youths," said Michael Staten, TCAI director. "So we are pleased to have this opportunity to work with Consumer Jungle and achieve even greater results than either of us could independently."

One of the combined organization's first goals will be to develop new ways to use the power of the Internet to meet growing demand for consumer



financial education, he added. "Over the next several months, we are confident that Consumer Jungle's online expertise will lead to the development of innovative tools and features on FEFE's Web site, that will both captivate the attention of the Millennial generation and meet their needs for self-paced education and visually exciting online experiences."

Look for more details on this development online at: <http://fefe.arizona.edu/> ■

Landmark University of Arizona Research Involves Longitudinal Study of Freshman Financial Habits

By Kimberley A. Brooke

The Take Charge America Institute is participating in a landmark longitudinal study of freshman university students to identify milestone events and activities that impact their ability to make smart financial decisions.

The project, called Arizona Pathways to Life Success for University Students, or APLUS, will follow University of Arizona students for a decade or more to determine how to best cultivate positive financial attitudes and behaviors for healthy adulthood. APLUS is funded by the National Endowment for Financial Education and includes program management and leadership from the Norton School of Family & Consumer Sciences, the UA College of Agriculture and Life Sciences, and TCAI.

It was launched about a year ago, and already offers promising data for how, as a culture, we can begin to move toward healthier personal finances, said principal investigator, Soyeon Shim, Ph.D., professor and director of the Norton School.

With the help of TCAI staff and researchers, the first wave of research began with the recruitment and surveying of freshmen students in spring 2008. They completed a survey on financial behaviors and behavior intentions, plus broad questions that captured demographic information, life-outcome variables, and factors that might affect financial intentions and attitudes.

"It was launched about a year ago, and already offers promising data for how, as a culture, we can begin to move toward healthier personal finances,"
— Dr. Soyeon Shim, professor and director, the Norton School

According to preliminary findings:

- Most students averaged \$169 in credit card debt
- 58 percent had at least one credit card
- Hispanics had the highest balances overall
- The sample averaged

\$2,046 in outstanding educational loans with some as high as \$75,000

- 73 percent, however, reported a zero loan balance after their first year
- 18 percent reported using extreme measures, such as high-interest payday loans, to pay debts
- A third worked an average of 15 hours/week & 20 percent worked 20 hours/week
- APLUS students averaged a failing grade of 59 percent on a financial knowledge test. ■



To download the 32-page APLUS report, which was released in April 2009, please visit <http://aplus.arizona.edu/finalReport.pdf>



Nicole Chinadle-Wanago is TCAI's Family Economics & Financial Education Project Director.

TAKE CHARGE NOW

Take Charge America Institute
The University of Arizona
P.O. Box 210078
McClelland Park Building
Room 427
650 N. Park Avenue
Tucson, AZ 85721-0078

Publisher & TCAI Director, Michael E. Staten, statenm@email.arizona.edu

Editor & Assistant Director of Marketing
Kim Brooke, kbrooke@u.arizona.edu

FEFE Director, Nicole Chinadle-Wanago
chinadle@email.arizona.edu

FEFE Programming Manager, Kristy Ruiz
kruiiz@email.arizona.edu

Educational Programming Manager
Jennifer Warner
jswarner@email.arizona.edu

Senior Program Development Specialist
Juan Ciscomani, jc3@email.arizona.edu

Program Coordinator, Tiffany Kiramidjian
tiffanyk@email.arizona.edu

Program Assistant, Annette Garcia
amgarcia@email.arizona.edu

Program Assistant, Kari Steffens
kariw1@email.arizona.edu

