Partnerships have been a hallmark of the Take Charge America Institute’s operations since its founding seven years ago. Not only do good partners expand what we can accomplish with limited resources, but they also make projects more fun and rewarding for everyone involved. In this issue I’d like to tell you about several of our key partnerships, including two exciting new initiatives that have developed over the past year.

Without question, our oldest and broadest partnership has been through our Family Economics and Financial Education (FEFE) project. This nationwide collaborative effort brings together content experts, school administrators, and teachers to create activity-based personal finance lessons for high school and middle school students. Classroom teachers provide an endless stream of creative ideas for new activities that we incorporate into revised lessons in an ongoing cycle of program development and improvement. An interactive FEFE educator website helps to sustain an ongoing dialogue between FEFE staff at the University of Arizona and teachers nationwide who put the material in front of their students. As a result, the FEFE lesson plans and materials are constantly changing and improving based on teacher feedback about what works. As of January 2011, the curriculum has over 23,000 registered educators nationwide who can access and download all parts of the curriculum, free of charge. FEFE’s success and popularity is largely attributable to a project model built on a true partnership with teachers and schools.

The quality of FEFE lessons was acknowledged by the U.S. Treasury Department when it recently announced its 2011 National Financial Capability Challenge and accompanying teacher toolkit. This year’s Challenge is intended to help high school educators motivate and teach students the critical skills to improve their budgeting, saving and investing capabilities. The Challenge culminates in a voluntary online exam for high school students that will provide a yardstick for measuring their financial knowledge and decision skills. The educator toolkit on the Treasury’s website contains lessons from a select group of financial education curriculum providers, including three FEFE lessons (Understanding Your Paycheck; Types of Insurance; Protecting Yourself Against Identity Theft). Readers can learn more about the Challenge and the educator toolkit at www.challenge.treas.gov.

In another important partnership, TCAI has been collaborating with several national organizations to develop and pilot-test a professional development program for teachers to improve their core knowledge of personal finance concepts. Beginning in March, 2010, the National Endowment for Financial Education (NEFE) took a leadership role to create a financial literacy training institute for K-12 teachers. NEFE brought together representatives from the Council on Economic Education, the FDIC, FEFE/University of Arizona, the National Jump$tart Coalition, and Junior Achievement to discuss a collaborative training effort. Discussions also included input from both the U.S. Departments of Education and Treasury. An initial pilot training event was held for the Chicago Public Schools in August 2010. Based on feedback from that event, the curriculum agenda for a full 3-day training program was created during the fall of 2010. The pilot test of the 3-day “institute” hosted 150 Colorado teachers in Denver in January 2011. The local partners, including Colorado Jump$tart, the Colorado Council on Economic Education, and of course the NEFE team did a marvelous job in pulling together an ambitious event on a relatively short notice. Sample materials from all of the collaborating organizations were made available to teachers (in a scaled-down version of the Treasury Challenge toolkit mentioned above), but the focus of the three days was on content training, not curriculum options.

Organizers of an event like this one always hope that the program hits the mark with the audience. There is reason to think the demand is there. NEFE-funded research conducted at the University of Wisconsin in 2009 found that fewer than 20% of teachers surveyed nationwide felt competent to teach financial education topics, and 70% said they were willing to get formal financial education training. Having attended the entire January pilot institute (during which I led a half-day “Credit and Debt” training module) I can attest to both the enthusiasm of the teachers and the high value they placed on the content, as revealed in their comments and questions. I am convinced that these types of professional development opportunities are much needed and worth the effort. Note to potential funders: Resources devoted to training the trainers leverage very quickly into widespread impact on students. Future pilot opportunities (and the inevitable need for funding) are under discussion. TCAI will continue to do what we can to support this important effort. Stay tuned – as the concept evolves there may be a version of the training institute opening near you.
After the financial crisis: Helping young people navigate a new economic reality

By Joyce Serido, Assistant Research Scientist, APLUS

Although higher education sets young people on a pathway to adulthood often associated with financial success and well-being, the demands of funding a college education, particularly in an era of tight credit and rising costs, increase the risks to young adults’ well-being.

How are college students faring in the post-financial crisis economy? Ninety-five percent of college students say the economic crisis impacted their family’s finances, and 93 percent reported a negative impact on their own financial lives.

This data stems from the landmark study Arizona Pathways to Life Success in University Students (APLUS), sponsored by the Take Charge America Institute and funded by the National Endowment for Financial Education® (NEFE®). At the height of the economic crisis (February 2009 to April 2009), researchers at the University of Arizona completed Wave 1.5 of a longitudinal study of how young adults in college develop financial attitudes and behaviors.

“We had a remarkable opportunity to study the before-and-after impact of the financial crisis on a population of Americans in the middle of their journey to financial independence,” says Dr. Soyeon Shim, professor and director at the Norton School at the University of Arizona and the study’s principal investigator.

One of the most significant outcomes from the study relates to students’ perceptions of their financial capabilities. Although students’ factual knowledge of financial basics held steady, students rated themselves less knowledgeable, 19 percent less, in just one year.

With ongoing media attention and continuing reports of economic uncertainty, it is not surprising that 95 percent of student respondents said they had changed their financial behaviors in response to the recession. While budgeting rose roughly 3 percent among students, the study found alarming increases in high risk behaviors:

- 169 percent increase in the number of students who report dropping classes
- 106 percent increase in those taking a “leave of absence” from school
- 78 percent rise in the number of students who report postponing health care
- 26 percent increase in students using one credit card to pay off another

Learning to adapt to economic ups and downs is a part of life. But the magnitude of the current recession prompts us to take a more active role to help young people manage their personal finances. Regardless of their background, the life pathways for this generation have taken a turn - whether for better or worse depends perhaps on how well we help them through the next few years.

To download the 32-page APLUS Economic Impact Report, please visit http://aplus.arizona.edu/wave1_5_report.pdf
Small business success has been a priority for Jim Pfeiffer for more than 25 years. As Area Manager for Wells Fargo Metro Business West Banking, Pfeiffer oversees a team of 51 staff members that serve the needs of small businesses throughout the Phoenix metropolitan area. Pfeiffer understands the critical role a vibrant small business community plays in building the economy. In an effort to fortify this sector, he seeks to support local businesses through Wells Fargo’s resources. With revenues of up to $20 million per year, Pfeiffer’s department is skillfully linking the financial sector with small businesses in Arizona.

Pfeiffer’s financial services career began in the early 1980s. He joined First Interstate Bank, a predecessor of Wells Fargo in Arizona, in 1984. Since the merger of Wells Fargo and Norwest Bank in 1998, Pfeiffer has managed teams in Wells Fargo’s Business Banking group in the Phoenix area.

Pfeiffer is passionate about financial education as it relates to consumer behavior, as well as its correlation with business decisions. “The way a consumer functions with his personal finances is directly correlated with how he or she will behave as a business owner”, said Pfeiffer. “If an individual is handling his personal finance well, he will most likely handle his business well also.”

Pfeiffer’s unique interest in financial literacy led him to offer his expertise on the advisory board of the University of Arizona’s Take Charge America Institute (TCAI) for Consumer Financial Education and Research. As a TCAI board member for the past eight years, Pfeiffer has been a passionate advocate for consumer research and youth financial literacy outreach. “The research TCAI conducts is very applicable to my industry”, Pfeiffer explains. “An individual’s personal credit history, along with other factors, affects their chances of getting approved for a business loan. Since most small businesses are owned by a sole proprietor, their individual FICO scores are important in the loan approval process.”

TCAI’s youth outreach is another of Pfeiffer’s focal points. “Technology plays a huge role in the way that people learn, interact, and conduct business today.” Pfeiffer especially appreciates young consumers’ demand for instant access to information and media resources. For this reason, he is a strong advocate for TCAI’s youth financial education ambassadors, the Credit-Wise Cats, as well as the Institute’s new youth-oriented financial information website, Consumer Jungle, to be launched in spring 2011. One of Pfeiffer’s favorite roles as a TCAI board member is taking part in TCAI’s youth personal finance competitions because they provide the unique opportunity to see young people’s thinking patterns when solving financial dilemmas.

Pfeiffer is excited about TCAI’s work because Wells Fargo’s future customers and entrepreneurs are being reached by TCAI’s research and positively impacted by TCAI’s outreach. “It’s been a fantastic journey to watch TCAI grow the way it has in less than a decade.”