

Interim Director Notes



We hope you enjoy the first edition of the "Consumer Link" which brings you up-to-date on the activities of the Take Charge America Institute for Consumer Financial Education and Research (TCAI). Established

in 2003 with a \$10 million endowment from Take Charge America in Phoenix, Arizona, the Institute educates students and the wider community on all aspects of personal money management. The endowment will help fund cutting-edge research and the development of educational programs to increase the financial literacy of students, faculty and the community at large. TCAI brings together the resources and expertise of academia and the credit counseling industry to develop knowledgeable consumers. We are pleased that within the next few months a permanent Director will be named to develop a national research and program agenda. In the meantime, Marcia Klipsch, Assistant Director in the Center for Retailing, oversees the activities of our 'Credit-Wise Cats,' a student-run financial literacy educational program and coordinates special events such as the Financial Fitness Academy, the Money Talks Symposium and the 'Duel in the Desert' case study competition. With consumer debt on the rise, a serious need for financial literacy programming exists for all age groups. We hope the activities of TCAI will shed light on the path to financial security for consumers today.

UA Appoints Visiting Scholar



Jeanne Hogarth,
 Federal Reserve Board

Jeanne Hogarth, program manager for the Consumer Education and Research Section of the Division of Consumer and Community Affairs at the Federal Reserve Board has been appointed Visiting Scholar for the Take Charge America Institute for Consumer Financial Education and Research (TCAI) at the University of Arizona in Tucson, Arizona.

In addition to providing strategic direction to TCAI, Hogarth will make presentations to UA students, faculty and staff on the importance of consumer financial literacy and education. She also will assist in the identification and collaboration of relevant research in the field of financial literacy in support of the Institute's goals.

Hogarth joined the Federal Reserve Board in 1995. At the Federal Reserve Board, she is responsible for research and outreach initiatives related to the work of the division. Her recent projects include initiatives on: consumers' use of banking services, focusing on lower income households, the "unbanked," and adoption of electronic banking services; consumer protection strategies, focusing on consumer/financial literacy and education; credit, mortgage, and leasing products; and consumer privacy issues; and, consumer complaint behaviors.

Hogarth is responsible for the Board's consumer information materials on financial services, both in print and web-based. She is the author of numerous scholarly research articles as well as consumer education resources on financial management. Both her research and her consumer education programs have received awards for their excellence.

Her previous experience includes 13 years on the consumer economics faculty at Cornell University in New York. During her tenure at Cornell, she was responsible for community education programs related to family financial management and consumer economics through Cornell Cooperative Extension. She also taught at the University of Illinois and had seven years of teaching experience at the high school level.

She is an active member of the American Council on Consumer Interests and the Association for Financial Counseling and Planning Education and she volunteers in the IRS's Volunteer Income Tax Assistance program. Hogarth received a B.S. in education from Bowling Green State University, and an M.S. and Ph.D. in family and consumer economics from The Ohio State University.

FINANCIAL FITNESS ACADEMY

What's a budget? What's APR? When are credit cards beneficial? How can you stay financially healthy for a lifetime? These and other questions will be answered at the second annual Financial Fitness Academy, September 23, 2004 at the Fiesta Inn in Tempe, AZ. The Academy is presented by the University of Arizona's TCA Institute for Consumer Financial Education and Research (TCAI) and sponsored by Take Charge America, Inc. (TCA), the Greater Phoenix Chamber of Commerce and the Arizona Business & Education Coalition. This program is designed to provide personal finance information, materials and curricula to public school teachers and other agency personnel in order to teach financial literacy and provide effective tools to foster money management skills in youth and adults. Terry Goddard, Arizona Attorney General, will kick off the event with a keynote address. Bob Wynn from Asset Builders of America, a Wisconsin-based non-profit organization established to promote financial literacy and investor education, will share his success in teaching financial literacy to youth and families in Wisconsin. A variety of workshops throughout the day will offer detailed information and teaching techniques on successful financial education curricula from National Endowment for Financial Education, Montana State University and the Arizona Council on Economic Education.

A limited amount of funding is available for teachers to provide substitutes. All participants will receive a professional development certificate upon completion of the workshops. The cost is \$50 and open to the first 100 registrants. Registration is available through the website at: <http://cals.arizona.edu/fcs/tcai/index.htm>. For additional information call Melinda Burke, interim director of TCAI at 520-621-1715 or email mburke@ag.arizona.edu.

DUEL IN THE DESERT

Celebrating its second year, the University of Arizona SIFE team's Credit-Wise Cats hosted the Duel in the Desert on March 4-6, 2004. Eleven teams from across the country came to Tucson, Arizona to analyze a personal finance case study and present their findings and recommendations to a panel of expert judges.

From September 2003 through January 2004, SIFE teams at Texas A&M, Purdue University, Colorado State University and the University of South Carolina planned and executed four qualifying regional competitions. They named their events, "Duel in Aggieworld," "Battle in Boilerland," "Duel in the Rockies," and "Duel in the South" respectively. UA SIFE's Credit-Wise Cats chose the "Duel" sites, provided a regional criteria and potential solutions. A member of the Credit-Wise Cats team then traveled to the regional site (with case study in hand) to assist and support their regional partners. Student teams had 36 hours to analyze, research and prepare a 19-minute, multimedia presentation that demonstrated their understanding of the complex financial issues presented in the case. The top two winners and the host team from each regional then advanced to UA SIFE's second annual "Duel in the Desert."

Because of the generous endowment provided by Phoenix-based Take Charge America, Inc. (TCA), the Take Charge America Institute (TCAI) at the University of Arizona was able to offer grants of up to \$20,000 to each regional site and to UA SIFE to host the national competition. Teams who participate in the event collectively walked away with \$42,000 in prize money, but more specifically learned the importance of developing a life-long personal finance plan.

More "Duels" are on the horizon. TCAI will sponsor eight regional "Duels," which will expand the competition to 48 SIFE teams across the country. This year, the top winner from each regional and their host team will travel to Tucson on March 10-13, 2005 to compete in the third annual "Duel in the Desert."

"This competition has been an exciting way for SIFE students to learn the logistics of major event planning coupled with an increased understanding of personal financial management skills," said Marcia Klipsch, UA SIFE Sam Walton Faculty Co-Fellow.

To learn more about the 2005 competitions go to duelinthedesert.net

Michael Hall Receives Honorary Alumnus Award



Michael Hall, founder and CEO of Take Charge America, Inc. (TCA), one of the nation's oldest and largest non-profit credit counseling organizations, is the recipient of the UA Alumni Association Honorary Alumnus Award for his many years of exceptional loyalty and service to the UA. Mike had a vision of creating a nationally recognized institute at the University of Arizona to educate consumers in the area of personal finance. His vision helped create the **Take Charge America Institute for Consumer Financial Education and Research** established at the University of Arizona with a \$10 million endowment from Take Charge America in Phoenix, AZ. The Institute is expected to become the preeminent center in the nation for the development of research-based financial literacy programs.

Mr. Hall's goal was to create a company that could assist individuals who were struggling financially. This company provides remedial solutions while also developing pro-active educational programs in financial literacy. His past experience in the financial field and commitment to excellent customer service set the groundwork for the company.

Enlisting the help of several family members, Mike and his family started small, performing every job themselves from providing budget and credit counseling and financial education to clients, to administering debt management plans, to writing checks manually to creditors and working in the mailroom.

Averaging over 20 years of service, every one of the original Hall family employees is still working on behalf of nearly 200,000 American households annually. In addition, through the management of nearly 65,000 debt management programs, the company returns over \$500 million annually to the national economy.

RESEARCH PROJECT 2004

TCA Institute for Consumer Financial Education and Research is proud to sponsor the following research projects for 2004-2005 at the University of Arizona.

Demographic, Social and Longitudinal Predictors of Financial Responsibility, Bonnie L. Barber-Family Studies and Human Development. The size of the debt of the average America citizen has reached epic proportions. While the topic of our indebtedness has become the basis for many talk shows and the cause of much economic alarm, surprisingly little is known about the characteristics of people who fall into debt. The findings of this study can be used to inform efforts to identify and assist individuals who are at risk for poor financial responsibility, and aid in the development of financial counseling programs.

Best Friend or Worst Enemy: Debt Consumption of College Students, Mealanie Wallendorf Department of Marketing. This study aims to investigate debts accrued by college students. College students are beginning to take on adult

financial debt responsibilities. Debt accrual at this stage of life is important to understand. Research focus is on two categories of factors hypothesized to influence college students' attitudes toward and accumulation of debt; structural features of the position in society and the extent to which individual values influence students' accrual of debts. Practical applications of this knowledge for both college students and consumer counseling practitioners will be developed. **Influencing the Financial Knowledge of College-Aged Students through Participation in Credit-Wise Cats, Lynne M. Borden-Arizona Cooperative Extension and Family Studies and Human Development.** It is clear from the research that credit card use on today's university campuses is truly a problem. One university asserted that their institution loses more students to credit cards and debt than to academic failure. Conducting educational programs has been identified as key to addressing this issue. This pilot study will offer an understanding of the influence of the Credit-Wise Cats educational programming in changing students' attitudes and behavior toward credit card use.

Take Charge America Institute For Consumer Financial Education and Research Advisory Board

Contact Information
TCA Institute for Consumer Financial Education and Research
The University of Arizona
School of Family and Consumer Sciences
College of Agriculture and Life Sciences
Email: tcai@cals.arizona.edu
Web site: cals.arizona.edu/fcs/tcai
520-621-1715 FAX: 520-621-3209
PO Box 210033 • Tucson, AZ 85721-0033
1110 E. South Campus Dr #120 • Tucson, AZ 85721

Melinda Burke *Interim Director,*
520-621-1140 • mburke@ag.arizona.edu

Marcia Klipsch *Advisor*
520-621-3403 • mklipsch@email.arizona.edu

Kim Brooke *Program Coordinator, Sr.*
520-626-8090 • kbrooke@u.arizona.edu

Advisory Board

Linda Block *Pima County Cooperative Extension, The University of Arizona*

Lynne Borden *Youth Development Specialist, AZ Cooperative Extension*

Melinda Burke *Interim Director, TCA Institute, The University of Arizona*

Robert Fleming *Attorney, Fleming & Curti*

Michael Hall *President, Take Charge America, Inc.*

Ron Junck *Attorney, Take Charge America, Inc.*

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Soyeon Shim *Director, School of Family & Consumer Sciences, The University of Arizona*

Michael Sullivan *Director of Education, Take Charge America, Inc.*

Thomas E. Brown *Senior VP, Bank One*

2004-2005

Credit-Wise Cats

Juan Ciscomani *Political Science*

Alicia Englestad *Family Studies & Human Development*

David Galindo *Finance*

Brendan Holve *Marketing*

Dan Huff *Finance*

Edward Mitchell *Finance/Engineering*

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Alejandra Valdez *Law*