Note from Jing Jian Xiao

I am very excited to become the inaugural Director of the Take Charge America Institute (TCAI) for Consumer Financial Education and Research, Norton School of Family and Consumer Sciences, University of Arizona. I am fortunate that many people have done a lot to make TCAI a success before I came. Mr. Michael Hall and his Take Charge America have provided substantial support to make this endowed position and the TCAI possible. The University of Arizona and College of Agriculture and Life Sciences provided additional support to make the position and the institute a reality. Dr. Soyeon Shim, the Director of the Norton School; Ms. Melinda Burke, the Interim Director of TCAI and the Director of the Retailing Center; and faculty and staff in the Norton School have worked very hard to start and build TCAI and make it visible and viable in the field of consumer finance. As the Director of TCAI, I will work with these colleagues to help TCAI achieve more successes and to make TCAI the leading authority of consumer financial education and research locally, statewide, nationally and internationally.

As the Director, I envision my role as a leader, a communicator, a coordinator, an organizer, a teacher, and a worker. As a leader, I will work with colleagues in Norton School to develop long term, measurable and achievable goals for the institute. As a communicator, I will identify and connect TCAI with potential partners within the University of Arizona. As a coordinator, I will actively participate in and, whenever possible, initiate and organize major outreach and research projects in consumer finance statewide and nationwide. As a communicator, I will attract both undergraduate and graduate students to TCAI projects and help them learn through outreach and research activities. As a worker, I will work with colleagues in the Norton School to plan and implement major outreach and research projects that have broad impacts on society, improve quality of life, and contribute to economic development.

Consumer finance is a critical component of quality of life. Many current issues, such as credit counseling, retirement planning, college education planning, consumer protection in financial services, etc., are important and need attention from multiple aspects of society. I will identify strategic partners in business, government, academia, communities, mass media, and publication to cooperate with projects that help consumers effectively deal with these issues to improve their quality of life. The most important mission of TCAI is to develop and conduct research-based, evidence-based effective educational programs on various consumer financial management topics targeting diverse consumer populations, such as college students, minorities, non-English speaking new immigrants, military personnel, low-income consumers, etc. TCAI will become the clearing-house of existing educational materials and curricula, serve as an information broker and compiler in this area, create its own material and curricula if unique niches are identified and supported, and take full advantage of information technologies and distance learning methods for educational purposes. TCAI will continue to enhance its website to provide unique benefits for consumers who are interested in financial information and education and for professionals who are in the field of consumer finance. Consumers and professionals working with consumers in Arizona will rely on comprehensive information provided by us for various personal financial topics. Consumers and professionals in the US will find major financial educational websites, materials, and curricula through our website.

TCAI will conduct applied research projects that will benefit consumers and professionals in the field of consumer finance. We will encourage research projects from multidisciplinary and interdisciplinary perspectives. Both qualitative and quantitative approaches are encouraged to be used in the research projects. TCAI will foster and promote research projects on consumer behavior in credit counseling, financial planning, effectiveness of consumer financial education and information, consumer financial behaviors of special populations such as college students, minority consumers, low-income consumers, military personnel, etc., and student development in participating in personal financial outreach and research projects. All TCAI sponsored projects should have both outreach and research components and all projects should involve undergraduate and graduate students whenever possible.

I look forward to working with colleagues in the Norton School and other departments at the University of Arizona and with the TCAI advisory board and other partners in business, government, academia, and communities statewide, nationwide, and worldwide through outreach and research projects to improve quality of life, to contribute to economic development, and to benefit local, state, national, and international communities.

Financial Fitness Academy 2004

This year’s Financial Fitness Academy took place on September 23, 2004 at the Fiesta Inn in Phoenix. This event was hosted by the Take Charge America Institute at the University of Arizona and was sponsored by Take Charge America, a non-profit debt management organization in Phoenix. The Arizona State Attorney General, Terry Goddard, addressed a group of 40 teachers and community members on the importance of consumer education and protection. Mr. Goddard’s remarks stressed that fraud, identity theft and predatory lending are at an all-time high and offered some practical tips:

- Don’t put paid bills in a residential mailbox
- Never give anyone you don’t know or haven’t solicited financial information such as your bank number, credit card number, mother’s maiden name, etc.
- Use a shredder
- When making purchases or agreeing to interest rates, Arizona has no anti-predatory lending laws, so consumers must remember

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Financial Fitness Academy 2004
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The goal of the Academy was to provide inspiration and resources to teach personal financial management skills to others. Attendees heard Bob Wynn, of Madison, Wisconsin-based Asset Builders, talk about the importance of building net worth and Erica Tohe, of Michigan State University, speak on the importance of financial education. Breakout sessions and a panel discussion included the following:

- Credit and Debt Management, Mike Sullivan, Take Charge America
- Montana State University Financial Literacy Teacher Training, Deborah Haynes and Nicole Chinadle
- Jump Start and Arizona Saves, Julia Ogden
- NEFE, Erica Tohe
- Financial Fitness for Life, Amy Willis
- University of Arizona, Credit-Wise Cats, Juan Ciscomani

The day ended with participants gathering multiple options to teach personal financial management with the goal of spreading the word about money management education.

Duel in the Desert Offers Financial Solutions

The Duel in the Desert is a personal finance case study competition hosted by the Credit-Wise Cats, a project of the award winning University of Arizona Students in Free Enterprise (SIFE). This annual national competition will be held in Tucson on March 10-13, 2005 at the University Marriott.

From November 2004 to January 2005, nine SIFE schools from across the country were given $20,000 grants to host qualifying regional competitions. Six teams of four vied for rank, prize money, and the opportunity to advance to the national competition. The host schools were Purdue University, Colorado State University, Marshall University, Drury University, Boston College, William and Mary, University of South Carolina, Metro State University and Texas A&M.

Winners from each of the nine regional sites, along with a team from the host school will attend the national competition. The competition will begin with dinner and a special keynote address by Jean Chatzky, editor of Money Magazine. Following dinner, competitors will receive the case and have 36 hours to analyze and solve the financial dilemmas described in the scenario. They will then prepare and present a PowerPoint, verbal, and written argument to a panel of distinguished judges who will choose the winner based on the strength of the solutions that were offered. To end the event, there will be a Sunday morning seminar on how to start a “Credit Wise” team. Sponsorship is provided by Take Charge America, a non-profit credit counseling company located in Phoenix. The University of Arizona Credit-Wise Cats provide money management education to University of Arizona students, faculty and the greater Tucson community.

Are the Credit-Wise Cats Effective?

Dr. Lynne Borden is conducting a pilot evaluation of the Credit-Wise Cats’ workshops to determine what kind of influence these student credit counselors are having on the financial knowledge of their peers. The study has just begun, but there are already some interesting statistics to report. Some of the highlights include: Attendees are diverse in age, ethnicity, academic goals, and socio-economic status. Fifty-four percent hope to earn advanced degrees (MD, PhD, LLD) but only 3% reported a parent with this level of education. Students expect to have large incomes after they graduate!

The majority of the students have 1-3 credit cards with credit lines over $1000. Approximately 30% of these students use credit cards to pay for non-emergency expenses when they have no cash.

After the Credit-Wise Cats give a money management workshop, post-test data suggests that more students want to have savings accounts and to invest in equities rather than just save. After absorbing the information shared by the Credit-Wise Cats, participants’ understanding of credit cards is somewhat greater. Students report that they will no longer ignore collection agencies, will use the cards for emergencies and credit building, and see the need for smaller credit lines.

Student participants also verbalized that they “now intend” to stay home or find something free to do when they are out of money.

In all, there is the implication that Credit-Wise Cats’ workshops may influence students’ intention to use credit cards more wisely. Ninety percent of the students who took the workshops said they would recommend it to a friend and about half the students would like more information on personal financial management. More information will be forthcoming as this study progresses.

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

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