Credit-Wise Cats is a group of Students in Free Enterprise (SIFE) trained in money management principles. Members teach financial literacy to their peers and all age groups in the greater Tucson community.

This year, the 12 members (shown above with their advisors) presented workshops to dorms and clubs at the University of Arizona, high school students, and after-school groups at local libraries. To date, 292 people have participated. Pre- and post-tests demonstrated a 41% increase in knowledge.

Several Credit-Wise Cats have been involved in special projects. Kara Karlson (on the right above with people she is helping) is working with the International Rescue Committee. The Committee pairs student counselors with refugee families to teach them money management basics and job preparedness skills. Refugees come from Liberia, Cuba, and assorted Eastern European countries. Once the families are comfortable with their newly attained abilities, they become mentors to new arrivals.

Kara designed an in-depth pre- and post-assessment instrument that will help measure skills acquired by a family over a six-month period.

Junior Duel in the Desert, a personal finance case study competition for high school students, is another project. Shannon Bruce is providing leadership. Students in seven area high schools will participate in an eight-week training session on money management principles and presentation and PowerPoint skills.

At the end of the training session, the high school students will be given a case study describing a family in financial distress. The students will analyze and solve the case. They will present their solutions to a panel of expert judges on April 29, 2006.

The judges will determine which team best identified the family’s problems and offered the most creative, practical, and workable solutions. Hughes Federal Credit Union will provide trophies, prize money, and food.

Marcia Klipsch, CWC Coordinator, TCAI
Outreach

“Dueling” Across the Country

Funded by Phoenix-based Take Charge America, 12 universities with Students in Free Enterprise (SIFE) have been chosen to host regional, personal finance case study competitions. The 12 sites are:

- University of Wisconsin: “Duel in Dairyland”
- Marshall University: “Duel in Appalachia”
- Drury University: “Duel in the Ozarks”
- Purdue University: “Battle in Boilerland”
- St. Cloud State University: “Duel on the River”
- Arizona State University: “Duel in the Devil’s Den”
- University of North Carolina, Charlotte: “Duel in the Queen City”
- University of South Carolina: “Duel in the South”
- University of Nevada, Reno: “Duel in the Sierras”
- University of Utah: “Duel in the Rockies”
- Metro State and Colorado State: “Duel at 5280”
- Boston University: “Duel on the Heights”

Each university will host six, four-member teams from schools in their region. As of January 1, 2006, six “duels” were completed. Winners of these competitions are:

- University of Wisconsin, Eau Claire: “Duel in Dairyland”
- Southwest Minnesota State: “Duel on the River”
- Glenville State College: “Duel in Appalachia”
- Anderson College: “Battle in Boilerland”
- Evangel College: “Duel in the Ozarks”
- University of California, Bakersfield: “Duel in the Devil’s Den”

The winners and host team will travel to Tucson, AZ March 2-5, 2006 for the 4th annual “Duel in the Desert.” There will be 85 SIFE teams and over 400 students participating in this annual event. Thousands of dollars in prize money will be awarded, and students will have the opportunity to learn and apply basic money management principles.  

Marcia Klipsch, Duels coordinator, TCAI

Take Charge America Institute for Financial Education and Research  
The University of Arizona  
John & Doris Norton School of Family & Consumer Sciences  
P. O. Box 210033  
Tucson, AZ 85721-0033  
Phone: (520)621-1715  
Fax: (520)621-3209  
E-mail: tcai@email.arizona.edu

Jing Jian Xiao, Director  
Melinda Burke, Director, Terry J. Lundgren Center for Retailing  
Linda Block, Extension Coordinator  
Marcia Klipsch, Education Coordinator  
Susan Sasiadek, Program Specialist  
Kim Brooke, Senior Program Coordinator  
Annette Horn, Administrative Assistant  
Emmanuel Morales Camargo, Lecturer  
Richard Serlin, Instructor  
Jayyun Wu, Research Assistant  
Yuan Li, Teaching Assistant  
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Money Conference

The first State of Arizona Money Conference will be held May 4, 2006 in Phoenix. David Peterson, Arizona State Treasurer, approached the Take Charge America Institute at the University of Arizona to coordinate this statewide event. Format includes workshops, keynote speakers, credit report analysis, and time to speak to money management vendors.

Three hundred State employees are expected to attend and participate in workshops that cover topics; such as, (a) Arizona $AVES, Saving for Your Future, (b) Effective Use of EITC and IDAs, (c) The Roadmap to Financial Success, (d) Understanding Your Credit Report, and (e) Predatory Lending. Vendors include credit unions, banks, investment specialists, and the Arizona Department of Finance.

In the future, this conference is expected to take place in other parts of the State. This will enable us to bring personal finance and other important issues to State and military employees and other interested Arizona citizens.

For information on workshop presentations, vendor applications, and conference registration, contact Marcia Klipsch at: mklipsch@email.arizona.edu.

Marcia Klipsch, Money Conference Coordinator, TCAI

Financial Issues Faced by Financial Caregivers

Being a family caregiver comes with many responsibilities. Serving as a caregiver may stir up feelings of guilt as families struggle with what is best for the person in need and how it affects the rest of the family.

Dr. Celia Hayhoe, Ph.D., CFP™, and Family Financial Management Specialist with Virginia Cooperative Extension at Virginia Tech presented a special workshop on the financial decisions involved with becoming a caregiver on November 22, 2005 at Pima County Cooperative Extension office.

Information included strategies for decision making and resources available through Virginia Cooperative Extension. For more information and how to order materials, see: www.ahrm.vt.edu/familycaregivers.htm.

Linda Block, Pima County Cooperative Extension and TCAI
Health and wealth are resources for living a happy life. Each attribute affects the other. On one hand, people in poor health spend thousands of dollars on health care—money that could have been invested. On the other hand, those who practice recommended health behaviors will likely exceed average life expectancy and need a large retirement nest egg. Another health and wealth relationship is the cost of unhealthy habits. For example, eliminate a $5 a day smoking habit and you can save $1,825 annually, plus interest.

For the most part, health and personal finance subject matters are addressed separately by educators. Each field also has its separate research literature, staff, and curricula. This is unfortunate because there are many parallels between factors that affect good health and financial success.

Rutgers Cooperative Research and Extension (RCRE) and the Take Charge America Institute for Financial Education and Research at the University of Arizona are launching a new program called Small Steps to Health and Wealth™ (SSHW™). The goal of SSHW™ is to encourage participants to set simultaneous health and financial goals and to implement behavior changes to achieve them. Participants can attend SSHW classes at a Cooperative Extension office and/or register their goals, report their progress, and receive periodic motivational messages online.

RCRE has developed a workbook that describes 25 SSHW™ behavior change strategies with a personalized worksheet for each. Program participants are advised to select three or four strategies to improve their health and finances. The book chapters will be available online. For further information, visit www.rcre.rutgers.edu/healthfinance.

Barbara O'Neill, Ph.D., CFP™, Rutgers Cooperative Research and Extension and TCAI Collaborator were very pleased with the interface and expressed a strong interest in participating in similar events in the future.

Emmanuel Morales Camargo, TCAI

The Take Charge America Institute hosted an expert panel conference at the University of Arizona Student Union September 29, 2005. Nationally recognized authorities on the subject of consumer finance covered a wide array of topics, sharing with the audience the findings of their surveys and the results of their research. They highlighted some of the most salient trends in consumer financial behavior today and pointed out some of the most promising areas for research in the field.

Among the distinguished individuals participating in the conference were John Grable, George Haynes, Jeanne Hogarth, Angela Lyons, Lewis Mandell, and Michael Staten. While it was the first event of this nature sponsored by TCAI, the conference was a great success. Both panel participants and the large number of educators in attendance were very pleased with the interface and expressed a strong interest in participating in similar events in the future.

Emmanuel Morales Camargo, TCAI
Research

Applying TTM to Credit Counseling

The Transtheoretical Model of Change (TTM) is a framework integrating major psychological theories to help people effectively change their behaviors to improve their quality of life. Developed by James Prochaska, the framework was first used in cigarette cessation, then in other areas to promote positive health behaviors. Recently, TTM has been applied to financial education and credit counseling.

TTM has several unique features:

- Integrates essentials of major psychological theories to form a framework offering more effective interventions.
- Refines stages of behavior change, which is different from traditional theory and has potential to reach more consumers in terms of targeted behavior.
- Matches intervention strategies with different stages of behavior change, making it more effective compared to other intervention programs.
- Focuses on enhancing self-control.

Major concepts of TTM include stage of change, process of change, confidence, and decisional balance.

TTM can help consumers who are having debt trouble and seeking credit counseling services. These consumers fall in three categories: (a) those in better financial shape and who can do something themselves to get out of financial trouble (FCO—financial counseling only), (b) those who need a debt management program (DMP) administered by a credit counseling agency, and (c) those whose financial situations are very bad and for whom bankruptcy is a better solution. A TTM-based counseling approach identifies such different needs and provides consumers targeted and effective interventions to help them get out of debt smoothly and achieve a better life.

For research papers that apply TTM to consumer financial education and credit counseling, please contact Dr. Xiao at: xiao@email.arizona.edu.

Jing Jian Xiao & Jiayun Wu, TCAI

Financial Education and Program Evaluation

Many financial education providers still do not have a basic level of evaluation capacity and are unable to identify program outcomes and to design effective evaluation instruments. This is the major finding of research reported in “Are We Making the Grade? A National Overview of Financial Education and Program Evaluation,” in an upcoming issue of The Journal of Consumer Affairs. Consequently, it is difficult to propose a national evaluation strategy without a basic understanding of current evaluation capacity and of the critical gaps in program evaluation. Also, there has been little discussion about the challenges facing financial professionals and educators who are on the “front lines” delivering evaluation programs.

Using qualitative and quantitative data collected from a national sample of financial professionals and educators, the researchers identified methods and indicators currently being used to collect impact data and to present and disseminate findings. They also include a discussion of the availability of re-evaluation resources within and outside organizations and common barriers and challenges to conduct program evaluations. Finally, the researchers identify ways in which the field of financial education can build evaluation capacity and more effectively conduct outcome-based program evaluations.

For more information, please contact Dr. Lyons at: anglyons@uiuc.edu.

Angela Lyons, Ph.D., University of Illinois at Urbana-Champaign and TCAI Research Council
How to Forge Customer Relationships in the Credit Counseling Industry: Antecedents and Consequences of Consumer Commitment

The credit counseling industry has undergone rapid growth due to the increased needs of consumers who have financial trouble. However, relationship quality between clients and these credit counseling agencies appears problematic. On one hand, newcomers’ entry into this industry makes competition more intensive and retaining customers becomes more difficult. On the other hand, consumers doubt the credibility and capability of these agencies and quitting becomes more common. These phenomena worry counseling agencies, and they call for research to determine how to forge more stable and healthy relationships with credit counseling customers.

This study will examine a mechanism of enhancing consumers’ commitment to the service relationship as well as the consequent behaviors in the credit counseling service context.

Commitment is conceptualized as a three-dimension construct including calculative, normative, and affective components. Based on the perceived cost of terminating the relationship with a credit counseling agency, opposed to the benefits of remaining, calculative commitment derives from consumer’s cognitive comparison of the two.

Normative commitment occurs when consumers feel a sense of moral obligation to the service provider. Social pressures arising from families and peers are likely to make these consumers with financial trouble stay in the debt management program much longer.

Affective commitment is characterized by a strong emotional attachment to the agency. A common goal and in-depth trust makes consumers feel connected to the organization.

Calculative commitment and normative commitment are probably easy to decline because both are motivated extrinsically. Affective commitment can overcome obstacles that prevent relationship continuity in that it is motivated intrinsically.

Thus, credit agencies should put efforts into converting their consumers from the stage of calculative and normative commitment to affective commitment, so as to develop a long-term relationship and induce more positive behavioral consequences of consumers. The study is funded by TCAI and will be completed in the summer of 2006.

Lin Guao and Eric J. Arnould, University of Arizona

Consumer Satisfaction and Retention in Credit Counseling

The theory of planned behavior focuses on a person’s motivation and ability, factors that determine his/her actual behavioral choices. Behavioral intentions are influenced by three antecedents: the positive or negative valence of attitudes about target behavior, subjective norms, and perceived behavioral control.

Behavioral intentions influence the behavior patterns one chooses. Attitude toward behavior is recognized as a person’s positive or negative evaluation of a relevant behavior and is composed of a person’s salient beliefs regarding the perceived outcomes of performing a behavior. Subjective norm, a function of normative beliefs, refers to a person’s perception of whether significant referents approve or disapprove of a behavior. To capture nonvolitional aspects of behavior, the theory of planned behavior incorporates an additional variable. This variable, which represents how easy or difficult the performing of the behavior is perceived to be—reflecting past experience as well as anticipated barriers—is called perceived behavioral control.

Researchers in TCAI are applying this theory to consumer satisfaction and retention behavior. Credit counseling clients are recruited to participate in the study and results will have implications for the credit counseling industry to better meet consumer needs. For more information, please contact Dr. Xiao at: xiao@email.arizona.edu.

Jing Jian Xiao, TCAI
Did you know that there are nearly 600 Family and Consumer Sciences (FCS) teachers in Arizona who teach adolescents about resource management? On December 7, 2005, we facilitated a workshop for 25 FCS teachers in Phoenix.

In the first part of the workshop, we invited the teachers to share how they are teaching resource management. They provided many specific teaching resources and approaches that are beneficial for both teachers and us, as researchers.

In the second part of the workshop, we demonstrated financial education curricula developed for high school students by several organizations. For example, Family Economics and Financial Education (FEFE) developed by Family Economics Professor, Debby Haynes at Montana State University and sponsored by Take Charge America. We introduced the content of the curricula and demonstrated several specific ways of teaching in the classroom.

We also introduced several other commonly used curricula, such as the High School Financial Planning Program (HSFPP) developed by the National Endowment for Financial Education (NEFE) and Money Skills, developed by Finance Professor Lewis Mandell.

The teachers were enthusiastic about the topic and planned to integrate more financial education material into their resource management teaching. They also provided many insightful suggestions on what they need from financial educators to benefit their classroom teaching. Many of the teachers left their e-mail addresses so they could receive more information.

If you are interested in knowing more about financial education curricula and opportunities that may help your teaching, please contact Dr. Kelly at: mekelly@ag.arizona.edu.

Maureen Kelly, Family Studies and Human Development, and Jing Jian Xiao, TCAI

Meet Our New Editor

Vicki R. Fitzsimmons, Ph.D., is our new editor. Vicki is associate professor emerita at the University of Illinois at Urbana-Champaign where she taught Personal Finance and Financial Planning and Counseling for 16 years. Prior to that, she was on the faculty of the University of Kentucky and Michigan State University. During her career, Vicki wrote many publications in the fields of personal finance and resource management.

Vicki has a B.S. degree in Home Economics Education and an M.S. degree in Family Economics and Management from the University of Arizona. Her Ph.D. is from the University of Illinois with a major in Family and Consumption Economics.

Currently, Vicki resides in Green Valley with her husband, Jim. They are very involved in volunteer work in Green Valley and Nogales. Vicki is Editor of the quarterly newsletter, La Clínica, for St. Andrew’s Children’s Clinic in Nogales, AZ.
Personal Finance Online: INDV 102

This summer I taught the inaugural internet version of the Personal Finance course, INDV 102. I found it one of the most gratifying experiences of my life, given the great importance of the material and the outstanding feedback from students.

The online format offered some wonderful advantages, many of which surprised me. For example, class discussion can sometimes be better through an online discussion board than face-to-face because students—and the instructor—have more time to think about and craft their input. Also, they can present supporting facts, data, graphs, pictures, and articles.

There are, of course, disadvantages. For more details, please see my paper, "The Advantages and Disadvantages of Online Courses: Based on Experiences in Teaching Net-Delivered INDV 102: Money, Consumers and Family," at http://www.u.arizona.edu/~serlin/Teaching/Papers/The_Advantages_and_Disadvantages_of_Online_Courses.pdf.

Richard Serline, Instructor, TCAI