

# Nefe Digest

November/December 2014



## Financial Education: Powered BY Stories



2014 Year in Review  
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*“Experience is the best teacher. A compelling story is a close second.”*

– Paul Smith, author

**O**f course we don't want our learners to stumble through calamitous financial experiences; many of us learn enough about money the hard way as it is. Financial educators, including NEFE, always have known the value of stories to teach, motivate and inspire their students towards better financial capability. Here we share the power of stories from financial educators, journalists and the general public.

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NATIONAL ENDOWMENT FOR  
FINANCIAL EDUCATION

## From Journalists

# Beyond the Numbers: Stories Enliven Data

**A**t the Society of American Business Editors and Writers fall workshop in October, NEFE President and CEO Ted Beck told financial journalists: “None of you have this on your resume, but you are all teachers.”

While data drives much of the news coverage in the Information Age, journalists are the ones educating their audiences on what it all means. Numbers might be the headline, but stories from real people provide relevance, build credibility and, most importantly, help the audience connect to the topic in a meaningful way.



Kelli Grant of CNBC, Blake Ellis of CNNMoney and Mandi Woodruff of Yahoo Finance (left to right)

For example, each month when the U.S. Bureau of Labor Statistics releases data on the number of jobs created, most news outlets run headlines that say: “Unemployment Up” or “Unemployment Down.”

The better employment story, said veteran journalist Bob Sullivan in his keynote speech at the NEFE-SABEW event, puts those numbers in the context of people’s lives. It introduces you to the 64-year-old mother working at Wal-Mart to pay off a \$100,000 student loan that she took out for her daughter to pursue a career in social work. It informs readers when \$30-an-hour jobs have been replaced with \$12-an-hour jobs, Sullivan said. And it speaks to the anxiety that Americans—employed or not—are feeling every day.

“There’s nothing worse than telling people everything is fine when they know it’s not,” Sullivan said. “We don’t have mass bread lines, but we have mass lines for Xanax.”

## Media’s Teachable Moments

Journalists are teachers not only in how they tell their stories, but in which stories they choose to tell.

“We keep hearing that ‘retirees are screwed,’ ‘Millennials are screwed,’” Beck says, “but these headlines don’t show the whole picture. Personal finance stories can engage and inspire people to change their behaviors. But negative pronouncements also can discourage people and scare them into inaction.”

Storytelling emerged as a theme throughout the SABEW event, which NEFE sponsored for the second year. Panel topics ranged from *Consumers in Credit Distress* to *Covering the Financial Impacts of Disaster* and *Aging and Finances*.

Hearing about other people’s experiences—whether good or bad—engages the audience in a way that statistics cannot. And when the audience is engaged, says NEFE Director of Education Billy Hensley, Ph.D., they are learning.

“NEFE has known for a long time that sharing personal stories plays a crucial role in financial education,” Hensley says. “It makes sense that the same can be seen in personal finance journalism. Stories help the listener—or the reader, or the viewer—have empathy and ask him or herself, ‘what would I have done if I were in that situation?’”

## Learning from Conflict

While personal stories help readers engage with financial issues on a deeper level, there also can be unintended consequences.



Bob Sullivan, Author and Journalist



Ted Beck, NEFE President and CEO

Sullivan, who spent nearly 20 years at MSNBC.com and NBC News, now covers consumer and technology issues as an independent journalist. In his ongoing series called *The Restless Project*, Sullivan posts a real family's budget on his blog each week to illustrate the stress felt by Americans in nearly every income bracket.

Recently Sullivan shared the budget of a Texas family struggling to make ends meet despite a six-figure annual income. The family was financially devastated when their infant son was diagnosed with a rare form of cancer. Their son recovered, but the family still lives paycheck to paycheck.

The response from readers was unsympathetic. In fact, Sullivan said, the vitriol directed at this family was unlike anything he has ever seen. Readers condemned the family's \$2,700-per-month mortgage as extravagant and irresponsible—some going so far as to say that the couple's son deserved to die.

Sullivan attributes these hateful responses to the heightened anxiety felt by nearly everyone at all economic levels—and the unfortunate tendency to attack people rather than addressing the structural roots of the problem. But, he added, telling real people's stories is still the best way to humanize personal finance issues and create better understanding of our common struggles.

Even a negative reaction can be a teachable moment, Hensley says. "Every learning experience doesn't have to be positive—conflict and disagreement are teaching opportunities too."

Financial educators can use the public's engagement with these topics to encourage self-examination and reflection. For example, financial educators could guide people such as the readers who criticized the Texas family's spending to apply the same critical eye to their own budgets.

"These stories are teaching tools," Hensley says. "Journalists can't always capitalize on the teachable moments, but financial educators can." 📌

## More Stories in Personal Finance Journalism

- Blake Ellis, a senior personal finance writer at CNNMoney.com, said if not for the insights she gained writing about one same-sex couple's difficulties filing joint federal taxes, she might have never investigated similar issues faced by same-sex couples with regard to health and life insurance benefits—reporting that earned Ellis numerous awards and brought to light the financial challenges unique to lesbian and gay couples.
- Joe Ryan of *Newsday* said he didn't know where to begin reporting on the effects of Hurricane Sandy until he walked the ravaged neighborhoods of Long Island knocking on doors. He found families caught in red tape and insurance loopholes—such as the Amityville, N.Y., couple who discovered when they went to cash the \$20,000 check from their insurance company that the couple's mortgage lender also had to endorse the check—which the bank refused to do until the repairs were completed.
- For her reporting on Millennials, Mandi Woodruff of Yahoo Finance, a 20-something herself, said she draws upon her own experience as a recent college grad who was laid off and had to scramble to make it in a big city. Woodruff said real stories—such as a young woman Woodruff profiled who works six jobs to support herself—often run counter to perceptions of Millennials as lazy and entitled.
- During the *Aging and Finances* panel, Lauren Young of Reuters, who has been gathering personal stories from retirees, was asked if she has uncovered any positive news about getting older. Young replied that, in contrast to the bad news in the media about the prospects for comfortable retirement, the retirees she has interviewed are "the happiest they have ever been." 📌

## From Educators

# Why and How Stories Work

“Stories serve an important purpose,” says NEFE’s education director Billy Hensley, Ph.D.

“They remove the power dynamic in education, which tends to be ‘instructor knows everything’ and ‘learner knows nothing.’ Relating to a story helps a learner realize that he or she actually does know something about the subject.”

“Stories are unforgettable and people recall the details whenever they encounter a similar situation. When that happens, we have accomplished a snippet of lifelong learning,” says Susan Sharkey, director of the High School Financial Planning Program.

### Stories work. Use them to:

1. Provide a frame of relevance or purpose.
2. Help develop rapport with learners.
3. Help build credibility.
4. Connect with your audience.
5. Connect your audience to the educational material.

### Best practices

1. Choose timely and appropriate stories for the material and audience.
2. Be conscious of your audience to avoid missteps.
3. Use stories to enlighten, never to embarrass.
4. Use your own personal stories as well as the stories of others.
5. Be aware of the risk of using stories to generalize; your learners may have completely different experiences. 📌

## From Broadcasters

# NEFE and RTDNA Honor Outstanding Work in Radio, TV and Digital Media

2014 was a remarkable year for journalism exploring personal finance and for the third annual Excellence in Personal Finance Reporting Awards, co-presented by NEFE and the Radio Television Digital News Association (RTDNA). Not only did the competition receive more entries than ever, among them were submissions from titans of journalism, including Bloomberg, the *New York Times*, and *USA Today*.

**Radio Honoree:** Alisa Parenti for *Housing on Fire*, aired on *MarketWatch*

Parenti's story looks at how today's hot housing market can mean costly bidding wars for buyers, how buyers can face pitfalls with low-cost distressed sales and how home sellers can better connect with potential buyers to get the most for their homes.

"Through this last recession, we've really learned that it is important that people become well educated in personal finance to be successful," Parenti says. "I like to think that we're helping to empower a whole group of folks to live better lives."

**Television Honoree:** Laurie Cipriano for *What it Costs You to Use Cash in America*, aired on NBC affiliate KUSA in Denver

Cipriano's story challenges the idea that "cash is king" by looking at the various costs of using cash versus plastic—from missing out on credit card rewards to time spent in ATM lines and limited protection for problem purchases—all with a caveat that cash still is a better option for people who have trouble managing credit.



Hirsch, Cipriano, Parenti and NEFE CEO Ted Beck (left to right)

"It's really important for us, as journalists, to simplify what can sometimes be very confusing," Cipriano says. "If you can take an idea or something you think will help others and simplify that in a message that everyone can learn from, I think you're really serving the public well."

**Digital Honoree:** Patrick (Paddy) Hirsch for his ongoing *Whiteboard* series, produced for *Marketplace* by American Public Media

The *Whiteboard* series is a visual sidecar to APM's *Marketplace* radio program, using short videos of Hirsch drawing on a whiteboard to distill complex information such as the concept of a yield curve or how large banks earn money.

"Personal finance is often seen as a really boring topic by a lot of people, and a lot of the reason for that is because it can be quite hard to understand," Hirsch says. "But if we don't learn to manage our money properly as individuals, then we have all sorts of problems when it comes to managing the economy." 📌

See the winning stories at [http://www.rtdna.org/content/nefe\\_award](http://www.rtdna.org/content/nefe_award).

## From All of Us

# First-Person Confessional: Spendster Stories Teach and Entertain

The granddaddy of NEFE storytelling is Spendster.org, where people post videos of wasteful spending.



"This is my \$3,000 ornament and teddy bear holder," says the owner of an unused piano who

can play "Mary Had a Little Lamb," but not much more.

"I have a bit of a shoe problem," says the Shoe Queen as she shows us 122 pairs of shoes and boots.



"I have sweaters for every occasion. The money I have spent is unreal," says the Sweater Lady.

"We had a little band we thought might start playing places... wouldn't it be awesome if we had something to travel in," says Sweet Van of Glory, who spent



\$6,200 for a "tricked-out" van in 2002. "It got about 10 miles to the gallon and we never played a single show. We never drove anywhere in it, except to the store."

The Associated Press called Spendster "the place to bare your frivolous soul." It's also a lesson: many NEFE High School Program teachers assign students to create their own Spendster videos and calculate how much money they have wasted. 📌

# Telling More Personal Stories in 2014

In the past year, NEFE also has begun telling more personal stories. In our monthly newsletter from SmartAboutMoney.org, *SAM Says*, we have highlighted personal essays about financial choices Americans face every day—such as prioritizing debt payments when approaching retirement, and why four-year college may not be right for everyone.



Jeronna Bolden and her son Jaevon



Lindsey Armentrout and Troy Skinner



Chris and Nikky Holton

CashCourse regularly includes success stories from its 800 participating colleges, universities and community colleges in its newsletter, and the High School Financial Planning Program recently has begun featuring firsthand accounts from teachers on how they are implementing the HSFPP modules in their classrooms.

And personal profiles are the cornerstone of our blog for young adults, OnYourOwn.org, where we regularly share stories of financial mistakes and successes. Here is a sampling of On Your Own profiles in 2014:

## From Homeless to Hopeful: Jeronna's Story

The inspiring story of a 30-year-old single mother named Jeronna Bolden who—despite doing everything “right”—found herself homeless after a job fell through. Bolden turned her situation around with a lot of personal strength and the help of nonprofit service agencies such as Dress for Success.

## How I Did It: Filed for Bankruptcy

Writer Erica Bradley tells of her difficult decision to file bankruptcy after racking up credit card debt and failing to find a job after college graduation.

## Love and Money: Lindsey and Troy's Story

This young couple had been living together for two years when one of them discovered that their joint checking account was overdrawn by \$700, revealing a much larger financial infidelity issue.

## Lessons from My Parents

Nontraditional college student Keve Brockington reveals how frivolous spending forced him to drop out of school when he was 19, and how he returned to higher education after his father's death in 2011.

## How I Did It: Became Husband Material

When 25-year-old college dropout Chris Holton met his future wife, he knew he had to get his finances in order. He joined the Army and changed the course of his life and his career.

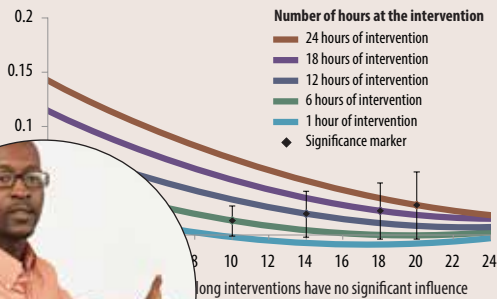
Visit [OnYourOwn.org](http://OnYourOwn.org) to read more and visit [SmartAboutMoney.org](http://SmartAboutMoney.org), [CashCourse.org](http://CashCourse.org) and [HSFPP.org](http://HSFPP.org) to sign up for program newsletters.



# 2014 Year in Review

NEFE sponsored, supported and contributed to a variety of financial capability initiatives in 2014. Here are some of the highlights.

## Interventions Decay: The Case for Timely Financial Education



### Study Challenges Financial Education to Evolve

We kicked off 2014 by reflecting upon the NEFE-funded research project *The Effect of Financial Literacy and Financial Education on Downstream Financial Behavior*, an unprecedented meta-analysis of existing financial education research led by John G. Lynch, Jr., Ph.D., of the University of Colorado—Boulder. Lynch and his colleagues examined the connection between financial education, financial literacy and the choices that people make about their finances.



### Survey Reveals Widespread Financial Infidelity

One in three Americans who have combined finances with a partner also have hidden or lied about some relevant money matter, ranging from concealing a purchase to lying about debt or personal income, according to a February 2014 NEFE survey of more than 2,000 adults. These findings continually capture interest, with mentions in *Woman's Day*, *Chicago Tribune*, *MSN Money*, *Consumer Reports*, *Men's Health*, *Forbes*, *USA Today* and more.

### NEFE Counsels Washington Leaders

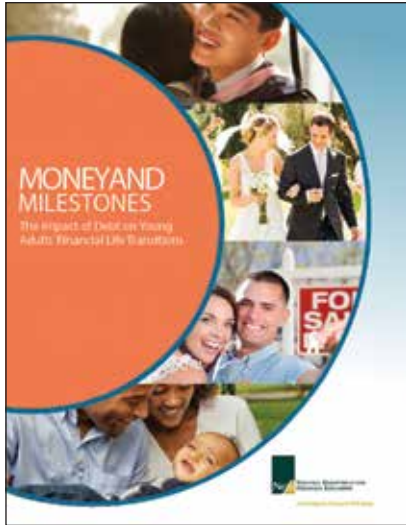
NEFE President and CEO Ted Beck joined the President's Advisory Council on Financial Capability for Young Americans in February, which, under the direction of the U.S. Department of Treasury, will advise President Obama and his administration on ways to improve the financial skills of young Americans so that they can make smart decisions about going to college, using financial products and beginning to save for their retirement.



### New Kits Empower Formal and Community Educators

Our Financial Workshop Kits continue to provide educators and other professionals with free, quality resources for teaching money management. Presentation materials, scripts, handouts and other resources give educators everything they need to make a difference in their communities. New kits in 2014 include *Risk and Protection*, *Problem Gambling*, *First-Time Homebuyers*, *Protecting Against Common Types of Fraud* and *Money Management for Adult Learners*.





### NEFE-Funded Research Explores Financial Realities, Behaviors and Capabilities

NEFE-supported research in 2014 continued to advance our understanding of financial issues and what drives financial behaviors. The third wave of the long-term APLUS study from the University of Arizona continued to report on the employment and financial lives of young adults. Researchers at the Ohio State University examined the nature and impact of debt among Millennials. Columbia University completed an ambitious inquiry to better understand how financial behaviors relate to cognitive ability and financial literacy among normally aging adults. Look for more on these research findings in 2015.



### HSFPP at 30: Serving all 50 States at 11.5 Million Students and Counting

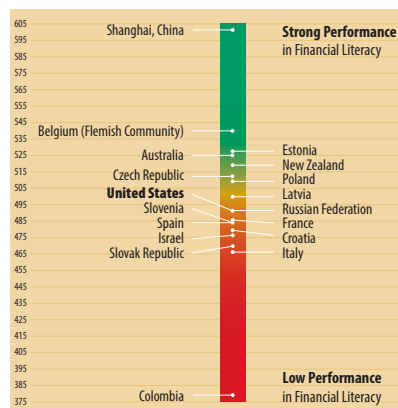
In 1984, the organization that ultimately would form NEFE launched the High School Financial Planning Program. This year, as HSFPP turns 30, we celebrate its reach of 11.5 million students across all 50 states and at more than 100 military bases nationwide. The celebration will continue into 2015.

### CashCourse Partners with California Community Colleges

In August, NEFE began working with the California Community Colleges Chancellor's Office to build financial literacy campaigns for all of the state's 112 community colleges. The project will span at least five years, incorporating the financial tools at CashCourse.org and giving NEFE another way to reach nontraditional student populations.



### Lackluster PISA Scores Spark Teachable Moment



Building on the July announcement of results from the first Programme for International Student Assessment (PISA), NEFE helped energize a national conversation around financial literacy and capability. American students placed ninth in financial aptitude among PISA's 18 participating countries—putting them in the middle of the pack and underscoring the need for better teacher training and continuous program evaluation and improvement.

### Moneywise Events Spread Financial Capability Message

NEFE continues its involvement with the *Moneywise* Empowerment Tour, a national outreach program of the *Moneywise with Kelvin Boston* public television series. The tour has served more than 35,000 minority consumers and military members since 2006, providing needed financial information to African-American communities disproportionately impacted by the recession.



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# HOLIDAY CLOSINGS

NEFE will be closed Nov. 27-28 for Thanksgiving, Dec. 24-26 for Christmas, and Jan. 1 for New Year's Day.

## Stop by our booth or look for us at the following conferences:



- JumpStart National Educator Conference . . . . . Nov. 8-10 Los Angeles
- National College Transition Network (NCTN) Conference . . . . . Nov. 12-14 Providence, R.I.
- Independent Sector National Conference . . . . . Nov. 16-18 Seattle
- Association for Financial Counseling and Planning Education (AFCPE) Conference . . . . . Nov. 19-21 Bellevue, Wash.
- Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA) Conference . . . . . Nov. 19-22 Denver
- National Council for Social Studies (NCSS) Annual Conference . . . . . Nov. 21-23 Boston
- Community College League of California (CCLC) Conference . . . . . Nov. 21-22 Rancho Mirage, Calif.
- Consumer Federation of America Financial Services Conference . . . . . Dec. 4-5 Washington, D.C.
- Michigan JumpStart Educator Conference . . . . . Dec. 10 Detroit

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The mission of the National Endowment for Financial Education is to inspire empowered financial decision making for individuals and families through every stage of life.

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