



Certified Financial Education Instructor

Professional Development Training Program



Financial Educators Academy
Transform Tomorrow® through financial education.



“Maximize the results your participants receive, make a lasting difference in the lives of those you touch and boost your confidence while teaching financial literacy.”





Certified Financial Education Instructor Training Manual



Published by the National Financial Educators Council

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How to Complete the Certified Financial Education Instructor Program

Step 1: Watch the online training videos in each lesson of your online learning center. You received an email just after your order that contains your log in information.

Step 2: Complete the training manual found on the first 65 pages of this guide.

Step 3: Take the CFEI test. This is found on the last lesson of your online learning center.

Step 4: Upon completion we will send out your Certificate and logo for your use.

Step 5: Participate in ongoing training events – We will notify you by email when required.

Step 6: Complete your annual Certification requirements.

Step 7: Teach financial literacy and make a lasting difference in the lives of those you touch.

Introduction

Welcome to the National Financial Educators Council's Certified Financial Education Instructor Training Course! You must have a passion for helping people—that's why you've decided to spread the message of financial literacy. We at the NFEC share that passion, and we're excited to help you learn how to teach financial skills. Our program helps you not only to teach the material effectively, but to use fun, interesting methods that keep your audience engaged and involved.

You have a big job ahead of you. In this country we're exposed to years upon years of advertisements urging us to "Buy, buy, buy!" When you teach financial literacy, that's what you're up against. But you're about to learn how to motivate students to take positive steps toward financial health. The money skills you teach will influence every area of their lives. Over time, you'll hear back from them—calls, letters, and emails will start rolling in saying, "When I first started the coursework, I was in a tough situation, I was really struggling. But after taking your class, I'm happier, healthier, and excited to live again. I can sleep through the night!" The students' responses will touch and amaze you. That's what will keep you motivated to follow your passion.

The NFEC's goal is that you have fun, your students have fun, everyone has an experience to remember, and all your lives are changed for the better.

About the NFEC

The National Financial Educators Council (NFEC) is dedicated to creating a world where people are informed to make qualified financial decisions that improve their lives, the lives of their loved ones, and the lives of people they reach—around the globe.

The NFEC offers financial education resources to organizations and individuals worldwide; tailored to any age or socioeconomic background. NFEC products and services are credited with revolutionizing how financial literacy is taught. The organization has developed practical resources to serve a wide range of needs, including:

- Turnkey financial literacy solutions
- Signature large-scale financial education events and promotions
- Financial literacy curriculum
- Educator training
- Customized programs
- Camps and workshops
- Multimedia learning centers

- Comprehensive financial literacy campaigns
- Financial literacy education standards

All these resources are crafted to motivate participants to take positive action toward financial wellbeing. The NFEC places heavy focus on measurement to ensure that participants achieve long-term behavioral change for a positive future. Our commitment is to benefit people's lives in the long run.

We work with top-notch financial and educational professionals to develop our materials, people who understand first-hand the money pitfalls into which our country's citizens so often fall. That way we can show people how to proactively address typical money issues and solve problems before they happen. Our collaborators are experts in debt consolidation, sub-prime mortgage foreclosures, retirement planning—all those topics that keep people from sleeping at night. We believe deeply in collaboration, partnership, and strategic relations to guide educational materials that participants can truly apply to “real-world” situations.

The NFEC Curriculum Advisory Board comprises expert members, award-winning educators, financial advisors, authors, bank auditors, realtors, professors, mortgage professionals, debt experts, attorneys, and nonprofit leaders. This expert group has reviewed financial statements of more than 50,000 and interviewed more than 100,000 people about their personal finances. The Board reaches over one million individuals each year via books, training programs, podcasts, and more. According to our research, no other organization in the financial literacy space even comes close to the NFEC's scope and outreach.

What brings you here today?

Imagine a young man 20 years ago. Let's say this young man bought some real estate at age 18. By age 23, he had purchased several more pieces of property, made some stock investments, and started a small business. He wasn't rich, but he lived the lifestyle he wanted at the time. He was able to spend time with family and friends, take small trips, and satisfy his desire for fun and adventure.

Then the young man made a few mistakes with his money—mistakes that could easily have been avoided if he'd possessed even the most basic financial knowledge. But this young man had never received any money skills training, so he had no financial goals or plan for the future. He failed to create a savings plan; he got way over his head in debt. He sold off his assets. He was forced to take a low-paying job he didn't really want, and he began lying awake at night worrying about how the bills would get paid. Constant worry strained his relationship

with his girlfriend and eventually she broke it off. He saw his friends taking fun trips without him—he couldn't afford to go, and his work schedule wouldn't allow it.

One day the young man started studying personal finance and signed up for a few free workshops. He wasn't sure if he believed in it, but he decided to go. And what he learned there changed his life.

He found out not only how to climb out of the hole he was in, but that he could take positive action steps to make sure he never fell down that hole again. He learned how to set realistic financial goals and work toward them. He discovered the magic of compounding interest and investment skills.

The young man's real estate work put him in touch with thousands of people going through struggles of their own. As he reviewed one personal financial statement after another moving through the home loan approval process, he realized that his pitfalls were nothing compared to what others were facing. He heard stories that broke his heart: foreclosure, crippling debt, bankruptcy, even homelessness and death. These stories touched him. He began to think, "What legacy do I want to leave behind? Is there some way I can pay forward what I've learned?" And his passion began to grow—the passion to help others gain those basic skills that had pulled him out of his financial pit. He decided to follow that passion and become a financial literacy instructor.

This is just a story, but it's based in reality. Each of you has a story too. What brings you to the table to learn how to teach financial education today? Think about your personal story, the story behind your passion. You bring your own special background and motivation to this training. You are unique, but you're not alone.

Your story forms the basis for your core values, beliefs, and identity. Take a moment now to reflect on why you're here. Write down a few reasons why you're motivated to learn how to teach financial literacy.

Why are you interested in teaching financial literacy? Why is it important to you?

Now think about the specific things you'd like to learn during this course, and write them below.

What do you want to learn today?

Here are some answers we've often heard as to what people want to learn from this course:

- 1) How to have more impact when I teach.
- 2) How to teach more effectively.
- 3) How to teach in a way that my students enjoy.
- 4) How to improve my own financial situation.

We have two more questions to ask you, questions that will be answered in the next section. Write your answers below:

Why is financial literacy important?

What difference do you think you can personally make in the lives of those you reach?

Chapter I: The Financial Illiteracy Epidemic

This section will take you deeper into what financial literacy means, the benefits of becoming financially literate, the epidemic proportions financial illiteracy has reached, the problems a lack of money knowledge can cause, and what you can do about it.

Financial literacy defined

Financial Literacy (fi-nan-shuhl lit-er-uh-see): *Possessing the skills and knowledge about financial matters to confidently take effective action that best fulfills one's personal, family, and global community goals.*

In other words, financial literacy means having the skills to become able to afford your goals, lifestyle, and aspirations.

Benefits of financial literacy

To be most effective, instructors need to show students how financial literacy will improve their individual lives. People want to understand the benefits of doing this coursework on a personal level. So let's start with you. Following is a list of the benefits of financial literacy. Think about what each of them means for you.

- **Ability to live your desired lifestyle.** Imagine that you could spend all your days doing exactly what you love. What would you be doing? How would you spend your time? Whom would you see, and what activities would you choose?
- **Free time.** Achieving financial freedom means you can spend more of your day doing those things you enjoy.
- **Independence and self-sufficiency.** Do you wish you didn't have to report to work every day? Or maybe you love your job, and just want to work a three-day week once a month. Either way, financial literacy helps you achieve the independence to work when and how you want.
- **Security.** Whether you're working toward getting your first job or planning for retirement, having your finances secured is critical to your future success.
- **Making a positive impact.** Once you become financially literate, you can afford to give back—you can make a real difference in the world.
- **Helping family and friends.** Many high school students tell us they want to learn about money so they can help out their families. And lots of adults want to help others too. Imagine being able to pay a loved one's rent during a tough time. How good would that feel?

- **Fun.** Buying toys, traveling, gaining status in the community—all these are benefits of becoming financially literate too.

So people want to learn money skills not because they want to become financially literate, but because of what financial literacy will give them. Knowing these benefits and being able to share them with students is an important first step toward becoming an effective instructor.

The American Dream

“The American Dream is that dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement.”

~James Adams

At the NFEC we view the American Dream as a global concept. Whether you’re from Kenya, Vietnam, Ireland, New Zealand, or Pakistan, you dream of freedom, independence, happiness, and wellness for yourself and for your loved ones. As stated so eloquently by James Adams, the American Dream is a vision the whole world can embrace.

Your task is to effectively teach people how to live the American Dream. In order to do that, you first need to understand the problems people are facing.

Problems of financial illiteracy

“Financial illiteracy is not an issue unique to any one population. It affects everyone: men and women, young and old, across all racial and socioeconomic lines. No longer can we stand by and ignore this problem. The economic future of the United States depends on it.”

~ President’s Advisory Council on Financial Capability

As we continue to move towards a more globalized economy built upon interdependencies and cooperation, it is clear that improving the financial literacy of every nation’s populace will define the world’s economic future.

Every nation has its own unique economic problems. However, many similarities exist amongst nations. Similarly, every individual or family has a unique set of financial problems, yet, when taken in aggregate, show similarities across borders and cultures.

Here are some of the problems financial illiteracy is causing among Americans right now:

- Regardless of their income, 70% of US citizens are living “paycheck to paycheck” (*The Wall Street Journal*).
- One in every 45 households (2,824,674 properties nationwide) was in mortgage default in 2009 (*RealtyTrac*).

- 40% of Americans will never gain a net worth in excess of \$10,000 (*American Dream Education Campaign*).
- In 2010 there were more than 1.5 million bankruptcy filings (*National Bankruptcy Research Center*).
- More than 50% of pre-retirees underestimate their life expectancy; 40% of Americans are counting on the lottery, sweepstakes, getting married, or an inheritance to fund their retirement (*Walter Updegrave, Senior Editor, Money Magazine*).

At the NFEC, we know there’s a chance you may be going through one or more of these problems yourself. You have worries and concerns; maybe you can’t sleep through the night. If that’s true, you can turn it around. The key is to build your knowledge and skill set—gaining financial literacy gives you the courage to make the right moves.

Take a moment to write down any financial stresses you’re experiencing right now:

Write down the financial stresses and concerns of those you will be serving. If you’re not exactly sure, take a moment to dwell on possible circumstances they may be going through:

Example: The kids I serve see their parents going through challenging financial circumstances. Many of them feel the stress in the household and are upset when they aren’t able to do things their friends are able to do.

Go ahead and dwell on your financial stressors for a minute and empathize with those you will be serving.

Now that you're done thinking about your worries, take a deep breath and let them go. This program will help you relieve that stress. Knowledge brings confidence, and confidence banishes stress. Each section of this course will build a piece of your confidence.

The more we learn about how people get into money difficulties, the better prepared we are to teach people of all ages how to avoid or get out of those situations. We've defined five main financial problem areas: assets, income, credit, debt and insurance. Take a look at the following diagram that illustrates these problem areas.

Five Main Problem Areas

Assets

- Retirement shortages
- Lack emergency money
- Minimal savings
- Lack college funds

Debt

- Large amounts of debt
- Increased payments
- Credit issues
- Reduce cash flow



Income

- One income source
- Unreliable income
- Paycheck to paycheck
- Tax issues

Credit

- Credit issues (late pays, etc)
- Increased payment
- Incorrect information, theft
- Inability to access capital

Insurance

- Lack proper insurance
- Lack estate plan
- Unprotected for emergencies

In the asset area, poor planning causes retirement shortages, forcing people to work until age 75, even 85; people lack funds for college or to fall back on in an emergency. Income problems stem from relying on a single income source which may be unreliable, living

paycheck-to-paycheck; many face the burdens of back-owed taxes. Credit issues include late fees, judgment filings, and incorrect information on credit reports. Our minimum payments go up because creditors raise interest rates when we pay late. Heavy debt burdens raise our payments, make it difficult to obtain credit, and reduce our cash flow. Finally, lack of understanding in insurances opens individuals up to increased liabilities and anxiety.

All these problems work together in a circle, as the diagram shows. When our financial health fails in one area, it affects another.

Let's say you lose your job unexpectedly. You have no income, or you must live off the minimal amount you receive from unemployment. Maybe you delve into your assets: cash in your 401K or raid your savings account. Or you apply for loans or credit cards and use them to meet household expenses. Perhaps you borrow from family or friends—a situation very dangerous to your relationships. You begin to cut back on insurance premiums; increasing your liabilities. Your lack of income has now thrown off your debt, credit, asset and insurance areas as well. That's how the circle works.

Next think about it from a positive viewpoint. Say you get a big raise, promotion, or a second job. Your income is higher; you use the extra to pay off debt, clear up judgments and improve your credit score, and put money into savings to build assets. Now the circle is expanding in a positive way.

The Positive Cycle

Assets

Emergency fund, risk capital, investments, and a plan to grow their wealth.

Income

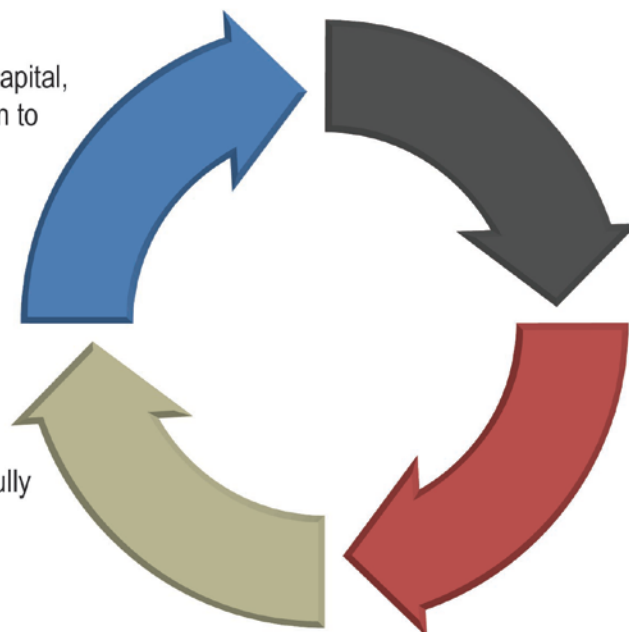
Multiple income sources and are developing skills to grow their income.

Debt

No bad debt and carefully manage good debt.

Credit

An excellent credit rating, proper insurance in place and the ability to qualify with the best terms.



If you are working with adults answer this question - How did the adults you are serving end up in their current financial position? If you are working with kids, teens or young adults answer this question – What is the current financial position of the adults in the community and demographics you serve and how did they get there?

There are lots of money mistakes a person might make, but most people tend to fall into a common set of pitfalls. Here’s a list of common mistakes people make with money:

- Failing to clearly define how much money they need to live their desired lifestyle.
- Lack of a clear financial plan.
- No trusted financial mentor, advisor, or coach.
- Poor financial choices due to lack of financial knowledge (i.e., choices based on fear or greed).
- Taking advice from the wrong people (e.g., salespeople or friends).
- Problems snowball out of control.
- Unrealistic expectations of return on investment.
- Poor financial habits developed at an early age.

The value of finding a good mentor or coach cannot be overstated. When we want to get into physical shape, we hire a personal trainer. Personal coaching is invaluable to promoting one’s financial health too. Having a knowledgeable financial coach—someone you can trust—gains you confidence and prepares you to make good decisions on your own. When you lack financial knowledge, you begin basing decisions on your emotions. Most bad financial decisions are made out of fear (you get scared when an investment takes a temporary downturn) or greed (you risk everything on an investment that’s going well).

When you get advice about investments, be sure to find out your advisor’s background and training. Anyone can take the Series 7 exam and register to trade stocks or a real estate license and sell properties. But being registered doesn’t automatically mean that person is

knowledgeable enough to give you sound investment advice. What’s covered on the Series 7 and real estate exams is mainly protocol—how to meet governing board standards. Many so-called financial professionals have not been adequately trained to dispense advice you can trust. Fortunately, most have made a commitment to gain the knowledge on their own and make recommendations with the best interest of their clients in mind.

List any financial mistakes that you have made in the past and what you would do over if you knew the proper course of action to take then:

Working with youth

“Young people often fail at their first consumer purchase, saving, banking, or credit experience, and may continue to make bad financial decisions into adulthood. Habits that begin at a young age may carry on to adulthood and can cause financial problems unless there is some type of effective educational intervention; and this intervention needs to be in a format to which teens will pay attention and from which they will learn.”

~Association for Financial Counseling and Planning Education

If your goal is to work with young people, keep in mind that many youth already lack confidence in their own decision-making ability. When they fail at their first big financial decision, their confidence plummets. Money becomes tied to negative emotions, and the downward spiral begins. But if we can intervene with young people before they start tying money to negativity, bolster their confidence and back up that confidence with knowledge and skill, those first few money decisions may be successful and the spiral will trend upward.

Young people have difficulty envisioning their lives in old age. According to the American Institute of Public Accountants, only 11% of workers under age 35 currently participate in their companies’ 401K programs. And young adults lack financial knowledge: a survey conducted by the Center for Economic and Entrepreneurial Literacy found that 81% of young adults grossly underestimated the length of time it would take to pay off a credit card balance, and 79% fail to pay off their credit card balances in full each month. High school

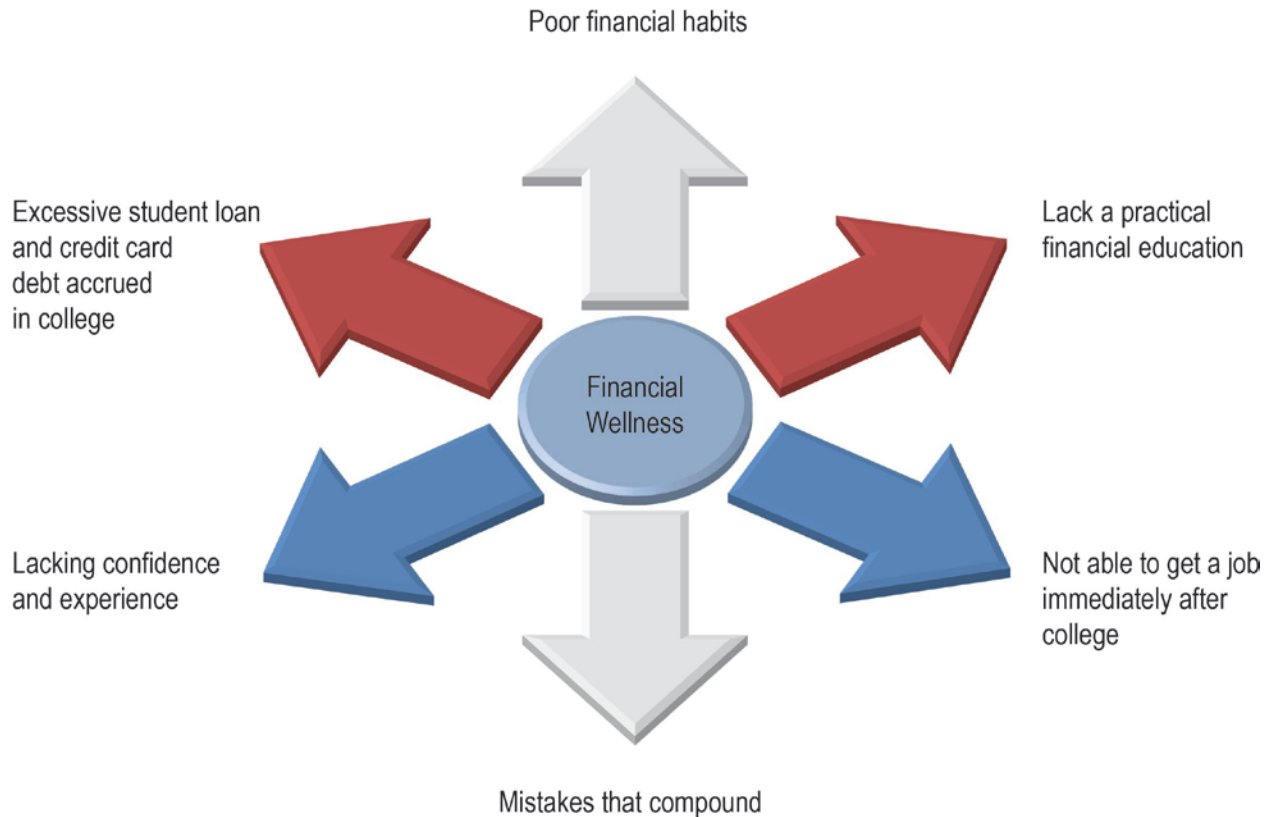
students are unprepared for the financial real world; a KeyBank study found that less than 25% of students and only 20% of parents said students are very well-prepared to meet the financial challenges that await them post-graduation.

Lack of financial preparation and knowledge has major impact on one's higher education experience. Here are some statistics illustrating that impact:

- The top reason students give for dropping out of college is financial constraints (*Public Agenda*).
- Of those college dropouts, 71% of those surveyed gave the reason, "I needed to go to work and make money," while 52% stated, "I just couldn't afford the tuition and fees" (*Public Agenda*).
- 62% of college graduates will have a student loan debt averaging \$27,236, totaling \$101 billion nationwide (*Student Monitor*).
- Among college graduate job seekers in 2009, 80% moved back home with their parents after graduation (*CollegeGrad.com Survey*).
- More than half of all college students have accumulated over \$5,000 in credit card debt while in school, and one-third have more than \$10,000 debt on credit cards (*Sallie Mae*).

Part of the problem is that our society asks young people to make decisions about higher education before they understand the concept of return on investment. Ask students: "Why do you want to attend college?" Many will answer, "To get X degree." But we need to dig deeper to uncover the real motivation—again, our goal is to discover the root values driving decisions. "Why do you want that degree?" The answer is likely to be, "To make more money." Then we should ask, "Why do you want to earn more?" A student will probably say, "Oh, to travel and do the things I love doing." So the core value is being able to live one's desired lifestyle. We need to ingrain the idea of return on investment into young people's heads, to help them make qualified decisions. How does the expense (and debt load) of attending college balance against one's potential earnings upon graduation? This concept is extremely important. Help kids do the math and make better decisions.

This diagram shows how young people move away from financial wellness. In a tough economy, many college grads have trouble finding a job. They lack education and have already formed bad habits (like credit card and student loan debt). Bad decisions made early serve to undermine their confidence, and fear of failure makes them reluctant to address financial issues. Their mistakes compound and snowball out of control.



Practical financial education offers the solution to all these problems. And although we’ve been talking in terms of teens and young adults, that solution applies to adult problems equally well. If you’re planning to instruct adults or seniors, just replace “student loan debt” with “retirement;” replace “unable to get a job after college” with “lost one’s job unexpectedly.” The educational tools to turn one’s financial situation around are the same for all ages.

Concerns for the future

So far we’ve been discussing the past—we’ve presented a host of ways that past behavior can affect one’s financial health. Now let’s talk about the future.

To become a great financial educator, you need to understand the future trends that will have an impact on our lives. Consider the following projections:

- The Social Security Trust Fund is projected to be exhausted by 2033 (when a 20-year-old today reaches age 41). After that, SSA taxes will be sufficient to cover only about three-quarters of scheduled benefits through 2086 (*Social Security Administration, 2012*).
- The Medicare Trust Fund faces depletion by 2024 (*Social Security Administration, 2012*).

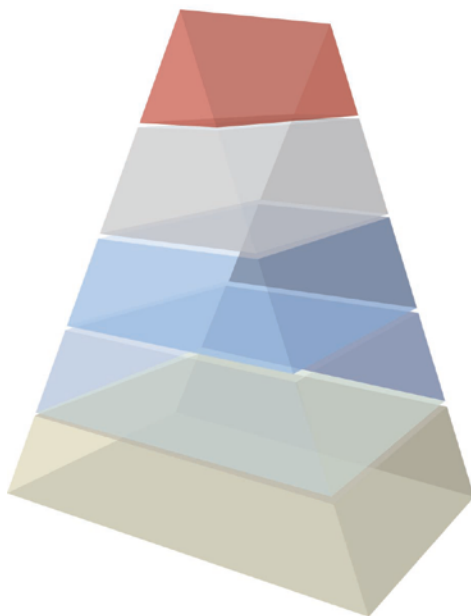
You can make a difference

We've presented a lot of statistics. Now look beyond the numbers, because it's not the numbers that matter. What really matters is the personal stories. When you teach financial education, you will hear these stories—you'll hear about the single mom with three kids who's being foreclosed and evicted. You'll hear how the sheriff escorted the whole family out the door, slammed it shut, and installed a new lock. You'll hear stories that haunt you for a lifetime.

It's never too late to live your dreams. Stay focused on that idea, because that's what financial literacy is for: to help people live their dreams. Our job is to empower people to live their dreams, avoid the stress and agony of financial problems, and enjoy the life experiences they crave.

Maslow's Hierarchy of Needs*

Developed by Abraham Maslow in his 1943 paper A Theory of Human Motivation.



Self-actualizing Needs. The highest level of Maslow's Hierarchy of Needs is self-actualizing. This is when people focus on personal growth, legacy, and making a positive difference.

Esteem Needs. Fourth on Maslow's Hierarchy of Needs includes the desire for personal achievement, accomplishment, status, and earning respect.

Love and Belonging Needs. These social needs include the desire to be accepted, loved and share affection.

Security Needs. The next level of Maslow's Hierarchy of Needs include the desire for safety and security.

Physiological Needs. Maslow believed that needs such as food, water, air, and sleep are basic, fundamental, and instinctive. All other needs described in this hierarchy become secondary until core physiological needs are met.

*Please note: This coursework is not validating Maslow's theory; however it gives us a good framework to understand the impact of finances on our lives.

Psychologist Abraham Maslow developed his Hierarchy of Needs theory in 1943. The higher people climb up the Need Hierarchy, the better their lives will be. But where does a person fall on the pyramid when he or she is suffering from heavy financial stress? If you're about to lose your home, you're probably not thinking about self-actualization. Financial issues place you in the lower levels of need, and you must address them before you can make a

positive difference in the world. Spreading financial literacy is a vital step toward making the world a better place.

Research has proven that financial literacy does make an impact on people’s behavior. The greater a person’s exposure to financial literacy materials, the more positive financial and lifestyle choices he or she is able to make. A recent study by the US Department of Treasury indicated that individuals who have taken a financial education course have a higher savings rate, larger net worth, and make greater contributions to their 401K programs.

How do you think helping people get to the point where their focus is on ‘self-actualizing needs’ will benefit the world?

What you’re doing is much bigger than money. Think of it this way: if you save one single person from making a credit mistake, you’ll be saving that person \$10,000 off their next car purchase. And good decisions have a snowball effect. As a financial literacy instructor, you won’t just change people’s financial skills; you’ll improve their health, their relationships, and their lives. You’re going to make a true difference in the world, and that’s a reality in which you can take pride.

Chapter Questions

1. What are some ways in which money affects people's lives?

2. What are some of the common financial pitfalls into which people fall?

3. Name five benefits associated with possessing practical financial knowledge.

4. Do you want to help people avoid money problems and live rewarding, fulfilling lives?

- Yes No

Chapter II: The Holistic Approach to Teaching Financial Literacy

You've taken a big step forward: you've learned the benefits of possessing financial skills, the common money pitfalls people face, and some future trends for which everyone should be planning. Next we will present the NFEC's holistic approach to delivering financial literacy education.

Holistic (hoh-lis-tik): *based on the theory that a whole system has properties greater than the sum of its parts.*

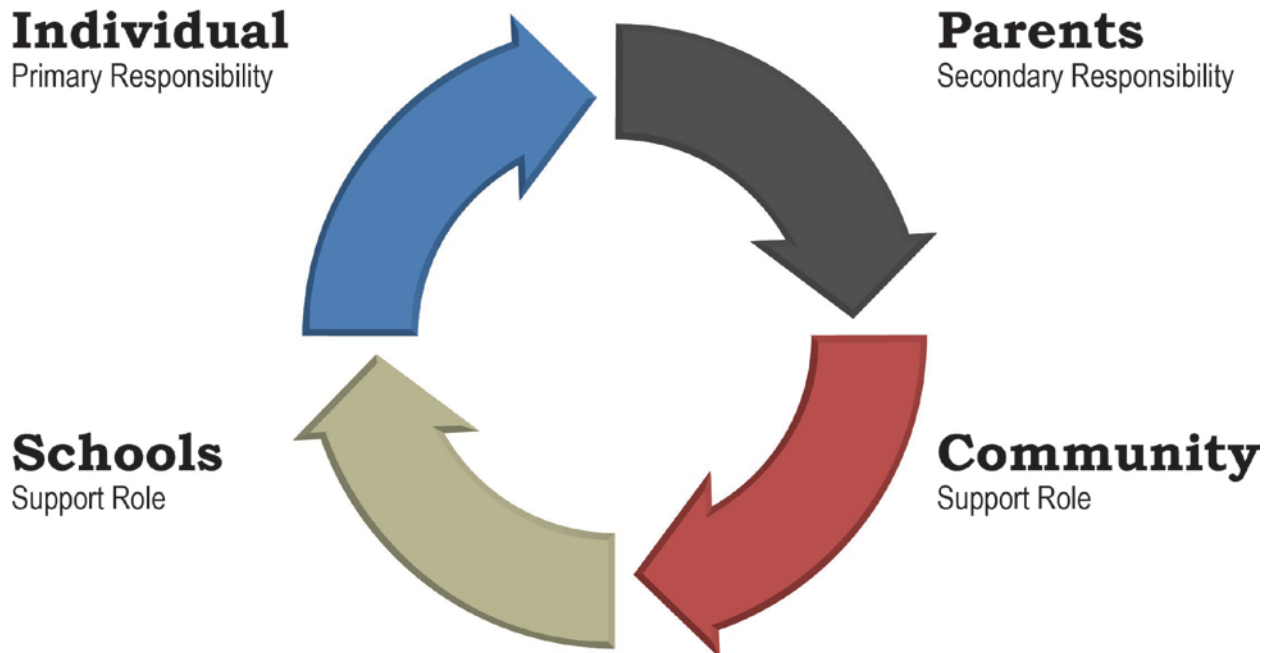
Our teaching approach is holistic because the different pieces of the program, when joined together, create a campaign that has more impact as a whole than would the sum of its individual sections. The NFEC strongly believes in creating sustainable programs with maximum outreach. We don't want to present just one course or a single event; our goal is to continue reaching more and more people. We seek to empower participants with financial literacy, while building community support to sustain the campaign and increase the reach and frequency of its message. Reach, because we want to get the word out to the largest number of people; and frequency, because people need to hear something repeated an average of five times before it sinks in. The bottom line outcome is to improve results, raise test scores, and ensure the effectiveness of financial literacy training.

Where did you learn about money?

Very few people receive financial education in school. Most young people rely on their parents to teach them money skills, but unfortunately not many parents actually discuss money with their children. Parents lack the confidence in their own knowledge to pass it along. Kids learn by watching, so they pick up their parents' bad habits.

Too many of us learned financial lessons at the "school of hard knocks." At the NFEC we often hear, "I wish I had learned about money when I was growing up." When mistakes lead to a credit card being canceled or your interest rate goes up, you're forced to learn the hard way. Others seek financial education from the wrong advisors—salespeople or friends. That salesman's commission is based on getting you to choose his product. Do you really trust his motives? And the guy in the next cubicle at work probably is not a financial professional. Why would you ask him for investment advice?

The “Ideal” Situation for Financial Education



Primary responsibility for receiving a financial education rests with the individual. No matter whether a person is a teenager, adult, or senior, that individual is responsible for learning to manage his or her own money. But as parents, community members, and educators, we do share that burden of responsibility. Once individuals know how important it is to become financially literate, we can point them in the right direction. While we don't have to shoulder their responsibility, we must take the initiative to show them how money affects their lives.

Addressing emotions

Most people do want to learn about money. A 2006 survey conducted by StrategyOne on behalf of Charles Schwab and Boys & Girls Club of America came up with these findings:

- 92% of respondents agreed that it is important to have good money habits to be successful in life.
- 93% said it is important to know how to manage money to live within one's means.
- 89% agreed that saving and investing can help one achieve freedom in life.

In the 2008 “Back-to-School Survey” by Capital One, half of the teens surveyed expressed interest in learning more about managing money; 76% said they want to learn the basics of finance now to help them make better financial decisions down the road. But as people grow older, they become less interested in learning financial skills. Why? Their egos and emotions become involved; they’ve made mistakes, they have scars, and they want to avoid the stress they’ve lived through in the past. When we teach money, we’re not just teaching practical math. We become counselors who must overcome the psychological barriers people have built up over a lifetime.

When you run a class or event, you need to read people’s body language to discover where their barriers lie. While you teach, you must also learn—dredge up the emotions people have attached to their past money experiences.

Involving parents

Parents should have a strong supportive role in their children’s financial education. As instructors, how can we encourage parents to become involved? Staging live events that bring parents and students together is a powerful method with often amazing results. Assigning homework that requires parental input is another good tool: you might have parents show kids the phone or electric bill for three months. If they can think of a way to reduce expenses, the whole family will go bowling. Make it fun and rewarding.

One way to motivate parents is to gently remind them that 80% of college graduates now move back home. Does that parent really want a son or daughter living there at age 35? Encourage parents by letting them know *any* financial conversation is better than avoiding the issue. They’ve had experiences, and even sharing mistakes has value.

Many parents are excited to become involved but lack the resources to do so. Give them educational materials and tips for starting money conversations with their kids. The NFEC makes such resources available complimentary for educators to pass along. One cool, effective tool is our guide to team conversations over dinner. It may not be a complete financial education, but it helps get families talking and increases message frequency.

Involving the community

The holistic approach encourages maximum involvement from influential community members. The more alliances we form, the more people we have working together, the greater our results.

We suggest forming partnerships with a cross-section of community leaders and organizations. Community centers, colleges, financial professionals, and politicians all are good

partners for a financial literacy event. Nonprofit organizations can help you build a volunteer force, and Chambers of Commerce may yield sponsors or professionals willing to donate time to speak at your event.

We also want to involve the media. The problems of financial illiteracy—bankruptcy, foreclosures, business failures—those topics make headlines. Yet we have the solution to those problems and no one hears about it. It’s time to get the word out that financial education can make positive change in people’s lives. Media exposure for your initiative not only spreads awareness; positive press coverage also helps you raise funds and attract partners.

Involving the schools

If you don’t already work for a school district, bringing local schools on board will be critical to your initiative. Schools have very tight time constraints, so offer lots of flexibility. For example, you might offer a menu that includes after-school programs, weekend camps, and/or classroom presentations. Most school districts are struggling financially; find sponsors willing to support your program for local students.

The NFEC ideal is that its curriculum is presented by trained instructors like you. If the schools decide their own teachers will deliver the materials, those teachers may not feel confident with the subject. In that case, set up training programs to present what you’ve learned. Share your passion, belief, and enthusiasm for the initiative. Just as you’ve gained confidence here, those teachers will build the confidence they need to deliver financial education effectively.

The NFEC’s curriculum is designed to meet national financial education standards as well as core curriculum requirements. These features, along with your passion and confidence to teach the material, should appeal to your local school districts and encourage their support.

With the target market you are serving, who will you enlist in your financial literacy initiative?

Holistic financial literacy program overview

The holistic approach to financial education packages refers not only to support for the initiative, but also to the comprehensive nature of the process. The chart below illustrates the NFEC’s comprehensive approach. This section provides an overview of the steps involved in planning a financial literacy event and tailoring programs to your specific target audience.

To start, you need to set objectives for your financial literacy program. Your own objectives—personal, business, and philanthropic—should be one consideration. Then decide what you hope to accomplish by sharing the financial education materials.

Personal, business, and philanthropic objectives. To ensure sustainability for your program, aligning with your larger personal, business and philanthropic objectives is critical. Financial literacy provides an excellent vehicle to generate income, introduce new services, build community goodwill, obtain media attention, build relationships with other organizations, and enhance the customer experience. And all these benefits occur within the context of educating your audience in key skills that will enhance their lives. Actively supporting your larger objectives benefits you as well as the financial literacy program.



Financial literacy program objectives. What end goals do you envision? Financial literacy campaigns provide an avenue toward accomplishing a variety of goals, and your objectives should be well-defined during the planning phase to ensure their achievement.

Essential questions to consider early in the process include:

- 1) What specific personal finance topics do you wish to share?
- 2) What results or outcomes do you seek, and how will you measure success? Setting realistic, measurable goals is important. For instance, say you host a 60-minute budgeting class. Setting a goal that this class will change long-term participant behavior is not reasonable. Examples of achievable objectives might be: a) motivate participants to attend another class; or b) encourage attendees to write down their annual budgets.
- 3) What is your target demographic? Develop a clear demographic profile describing your desired attendees, with special attention to socioeconomic and psychographic factors.
- 4) What are the learning preferences of your target demographic? We have observed low attendance at an organization-sponsored live program for middle income earners on the topic of “financial recovery”; but webinars on the same topic and serving the same target group attracted much higher attendance. In response to surveys and interviews, participants indicated they were embarrassed to attend live events, yet felt comfortable attending a webinar.

List your initial thoughts on goals and objectives you are looking to achieve:

Test the concept. Be sure to test your program concept before spending time and energy in its planning. We recommend conducting solid research as a starting point. While much online information is available, often your best resources may be found in your personal or professional network. Talk with friends, co-workers, or others who interact with the target audience; obtain their ideas about participants and how best to reach them.

Once your baseline research is complete, reach out to potential participants via surveys and/or informal interviews. Outreach to gather audience input not only allows you to customize the program to best meet the needs of the attendees, but also serves as an early promotion tool to raise awareness about your initiative.

When you design an initiative around suggestions from potential participants, you improve the program’s chances to exceed attendee expectations and meet their learning

capabilities. When participants feel a part of the creation process, they support the program. Conducting a simple pre-event survey can guide not only the information presented and the delivery methods, but indicates where participants fall in terms of willingness to make positive financial change.

Using the Transtheoretical Model of Behavior Change (aka Stages of Change Model) allows you to assess participants' readiness to apply personal financial behaviors—learned during your event—to making positive life change. (See Chapter III for a more complete discussion of the Stages of Change.) If you develop materials and outreach methods according to survey findings, you will maximize participant learning and motivation.

Development. Once planning and initial market testing are complete, the program development stage may begin. You and your strategic development team should work to build a program that reflects the information collected during the planning phase, applying creative resources to develop a unique program designed for lasting, positive impact.

Measurement. All financial literacy initiatives should set clear, achievable goals and include a measurement component to quantify program success for both participants and the organization. Identifying key outcomes early in the development process helps ensure that program design meets educational objectives.

Participants. Using Bloom's *Taxonomy of Higher-order Thinking Skills* (described in Chapter IV) as an indicator, you can move participants beyond cursory knowledge to framing their own ideas around personal finance topics. Measure participant impact in three key ways:

- 1) *Pre- and Post-testing.* Testing is critical to measure program impact. At minimum, testing should measure three areas associated with financial capability: motivation, topic knowledge, and ability to identify initial action steps.
- 2) *Surveys.* Conducting participant surveys at the conclusion of a financial literacy promotion will teach you more about the participants and guide future program improvements.
- 3) *Behavior Change.* A key objective of an effective financial literacy program is to facilitate long-term behavior change. Behavioral measures should be reserved for comprehensive financial literacy programs that provide professional-level personal finance training. For example, a program that teaches people to save money might develop a system to track the amount of savings participants deposit each month upon program conclusion.

How will you measure the success of your financial literacy program:

Organization. If you represent an organization, clear and quantifiable organizational objectives should be established prior to the financial literacy promotion. How many clients does your organization seek to acquire? What actions would you like current clients to take? Many questions are possible, but one remains fundamental: How does your organization measure success?

Client experience. Most financial education initiatives are boring. Successful initiatives are those that maximize the experiences of end-users, sponsors, and hosts alike. Programs designed to be entertaining, engaging, and educational help ensure optimal enjoyment and significantly improve retention rates. Following are some qualities to consider as you develop a program for maximum client experience:

- 1) *Look and Feel.* Even the highest-quality educational material will fall short if it lacks experiential and visual appeal. Strive to connect with the end-users. Leverage all five senses when you host an event. Create a program your constituents will talk about long after the promotion ends.
- 2) *Teaching/Outreach Style.* Motivation, engagement, and education are all important elements of a financial literacy campaign. Each person learns differently. Use Gardner’s Multiple Intelligences Theory (discussed in Chapter IV) to design your campaign’s educational portion. This theory suggests nine learning intelligences toward which students gravitate; work to ensure that your campaign addresses the most common.
- 3) *Material.* Balancing practical and educational standards, deliver material best-suited to your target audience. The most effective financial education material is practical in nature and provides “real-world” examples to which the audience can relate. Combining theory-based education with practical information ensures overall program effectiveness.
- 4) *Multiple Touchpoints.* Each person learns differently. Instructional diversity helps an initiative connect with participants who have various learning styles, while increasing

the initiative’s reach. An ideal program mix might include live events, guidebooks, virtual learning centers, software programs, phone applications, games, webinars, and more.

- 5) *Support Group Training.* To expand initiative reach, design additional material for professionals who support target client development. This step is especially important to serve youth and seniors. Training support teams to reach target participants not only improves both near- and long-term outcomes, but also helps organizations increase program reach.

Describe the client experience you envision for your participants:

Creating an engaging financial literacy campaign with multiple touchpoints that also involves those who support the targeted client helps motivate and educate your participants, moving them toward positive action.

This chapter gave you an overview of the NFEC’s holistic approach to presenting financial literacy coursework and events. Next we will discuss in more detail how to measure program impact.

Chapter Questions

1. What does *holistic* mean?

2. Who is primarily responsible for giving an individual a financial education?

- a. The individual
- b. The parents
- c. The schools
- d. The community

3. Name four possible partners with which you might form important strategic alliances when you plan a financial literacy event.

4. What are three ways to measure your program's impact on participants?

5. Are you ready to learn how to measure the impact of your financial literacy initiatives?

- Yes No

Chapter III: Quantifying Results

Before you ever get started presenting financial literacy education materials, you must truly understand the clients you hope to serve. The NFEC structures its programs around the actual knowledge needs and demographics of the consumers. Learning about the participants *before* beginning the instruction gives you a deeper understanding of:

- Participant needs
- Motivators
- Current knowledge level
- Challenges they face
- Willingness to change

In this chapter we'll present the Stages of Change Model for determining where participants fall on the willingness to change continuum, and describe the measurement tools we recommend using to quantify and maximize program results.

Stages of Change Model

The stages of change providing the underlying framework for the NFEC's measurement strategies are derived from the Transtheoretical Model of Behavior Change developed by James Prochaska and his colleagues in the late 1970s.^{1,2} According to this theory people move through the following stages in the process of making behavioral change:

- Precontemplation
- Contemplation
- Preparation
- Action
- Maintenance
- Termination

Here we will describe the Stages of Change and the strategies the NFEC has identified for presenting materials at each stage.

Precontemplation. People at this stage have no intent to take action in the near future. Many are unaware even that their behavior is problematic. For adults, the NFEC uses long-term awareness strategies to help move them to the next stage. For kids, being in this stage is less of

¹ Prochaska JO & DiClemente CC (1984). *The Transtheoretical Approach: Towards a systematic eclectic framework*. Homewood, IL: Dow Jones Irwin.

² Prochaska J & Velicer W (1997). The Transtheoretical model of health behavior change. *Am J Health Promotion*, 12:1, 38-48.

a detriment. The NFEC has found a good introduction can be enough to excite their natural curiosity to the next stage.

Contemplation. Those in the contemplation stage are beginning to recognize that their behavior may be causing problems. They've begun looking at the benefits and drawbacks of their continued actions, and are considering the possibility of change. At this point the right educator can influence people into the next level toward change. The NFEC educator training leverages Neuro-linguistic Programming (NLP; described in Chapter IV) and curriculum driven strongly by benefits/consequences to influence participants toward taking action.

Preparation. People who have reached the preparation stage have developed intentions to act. At this stage, guidance and knowledge provide the impetus to move participants forward. Since many people simply lack direction, the NFEC materials offer step-by-step instruction aimed at instilling confidence in their skills as they work toward personal financial goals.

Action. By the action stage people have made some modifications to their behaviors and lifestyles. Once participants reach this stage, continued reinforcement for their efforts through ongoing training and support is critical. Follow-up training can be helpful to keep momentum.

Maintenance. Those who reach the maintenance stage have changed their behaviors and have a plan to maintain them. Getting people to this stage is the primary goal of the NFEC materials. Here the main focus of the educator is to help participants stay on course and avoid becoming overconfident. Preventing relapse into past negative financial behavior is essential.

Termination. When people reach the termination stage, positive behavior change is in place and they've moved beyond any temptation to relapse into the negative choices of the past. At this stage the instruction may be considered a success.

At what stage do you think the participants you will be serving are in?

How will you elevate the participants to higher stages?

Pre-event measures

Before you ever deliver an instruction program or event, the NFEC suggests that you perform three measures: 1) survey about participant needs and interests; 2) pre-test to measure current knowledge level; and 3) consultation with attendees, either individually or in small group segments.

Survey. When planning a financial literacy initiative, obtaining information about participant interests directly from the source can be invaluable. The survey is aimed at learning what participants are looking for and the challenges they're currently experiencing. Here are some sample questions that can form the basis of a participant survey:

- What financial topics would you be most interested to learn?
- How would you like the information to be delivered?
- What days of the week and times of day do you prefer?
- How far would you be willing to travel to attend a live event?
- In your opinion, what would be the ideal length of the event, course, or program?
- With what knowledge or skills would you like to leave the training?
- Why do you want to learn this information? How will the program specifically benefit you?

Pre-test. The NFEC provides a detailed pre-test which gives you a solid measurement tool to demonstrate the results of your event. Pre-testing is essential to gauge the effectiveness of the coursework. The pre-test serves as your baseline measure across three areas: 1) participant motivation to learn, 2) knowledge of personal finance subject matter, and 3) ability to identify the first steps toward improving one's financial situation.

The same test is administered after your financial literacy event to tell you how well the program worked. Comparing pre-test to post-test results also helps the program obtain future funding from foundation sponsors.

Consultation. The consultation piece can be extremely valuable to inform and design an effective program for optimal results. Involving the actual participants in the planning process ensures maximum buy-in and gives them a sense of ownership. Taking this opportunity to let people know they're helping create classes for themselves and for future audiences will increase the program's value and build their self-esteem.

Consulting with the audience not only guides program design, but also gives you personal information about the participants. The more you know in advance about your audience demographics and motivations, the better you can prepare and tailor the materials to meet their specific needs. You can adjust the curriculum and your delivery methods to gain the best bottom-line results.

During the consultation, write down a few quotes from participants about their current financial dilemmas or concerns. Each time you write down a quote, ask the participant for permission to use it in the NFEC materials. These quotes will come in handy as a further comparison measure to show potential sponsors.

Post-event measurement

Immediately after conducting a financial literacy event, ask participants to complete the same test you administered at pre-test. Comparing post-test to pre-test results provides a quantitative analysis of how well your program worked to raise knowledge about financial topics, increase motivation to change, and encourage participant action toward improving their financial situations.

In addition to the written test, take time to ask participants to share their opinions of the presentation and curriculum. Again, write down a few quotes (with permission) to illustrate the difference this program makes in people's lives. Comparing the quotes after the program with what people said prior to the program may offer emotional support that potential funders will find very compelling.

Quantifying your results will yield valuable information to guide the improvement of future events and presentations. The NFEC measures are already in place; they are carefully designed to align with the coursework, and have been proven accurate and reliable. Be sure to include this very important measurement component when planning your event.

To this point in your training, you've been given a lot of information to digest. You've learned *what* financial literacy is and *why* it's important to teach; we've discussed *who* to involve in the planning process and *when* to measure for maximum results. Now it's time to talk about *how* to teach financial literacy. The next section will dive into those tools and strategies that will help you teach these programs for maximum effect.

Chapter Questions

1. Name the six stages of change identified by the Transtheoretical Model of Behavior Change.

2. Getting people to which stage of change is the NFEC's primary goal?
- a. Contemplation
 - b. Action
 - c. Maintenance
 - d. Termination

3. What are two questions you might ask in a pre-event participant survey?

4. What are the three areas measured by the NFEC's pre- and post-test instrument?

5. Are you ready to learn how to teach financial literacy effectively?

Yes No

Chapter IV: Teaching Financial Literacy

This section builds on what you've learned so far, so let's take a moment to review. You know the benefits associated with financial literacy, and these benefits apply to everything you'll teach in the program. You've developed a belief in the value of financial education, and that belief forms the key to helping others understand the importance of acquiring financial skills. And you know the money problems people are facing. If you're educating young people, you can help them proactively avoid common pitfalls. If you're working with adults, this program can provide the fix they need to get out of the financial difficulties they face now.

Educational philosophy

The NFEC's educational philosophy is based on four principles:

- Motivate
- Engage
- Educate
- Move to action

Motivation takes two forms. First we want to motivate participants to listen; second, we want to motivate them to take action. After the event is over, we want them to continue to learn, and we want them to take positive action steps toward their financial futures.

Engagement around financial education is easy—that's what makes this topic so cool. The NFEC coursework has built engagement tools right into the curriculum, so if you follow the lesson plans you'll already be on the right track toward engaging your audience.

Education is critical to make sure participants can apply the skills they learn to real-world life situations. That's why the NFEC has worked so hard to develop basic core lessons designed to meet the practical financial demands placed on real people.

Movement to action is really the key to teaching financial literacy effectively. What good are a bunch of lessons unless people change their behavior? This should be your overarching goal—to motivate participants to take initial steps toward financial wellness.

Financial literacy is unique

Financial literacy is a unique subject. Each of your participants has had a different background; every person sitting in the class has formed a unique relationship with money. Each unique relationship equates to a specific emotional connection, and determines the impact of money on that person's life.

Once you start out on your own, every second of every day, either you are *making* money or you're *losing* money. For example, you might be accruing rent that you must pay; or you might be incurring interest on an investment. Your finances are always either up or down—they're never stable. So financial literacy has an impact on every day of your participants' lives.

Bring this home to participants by describing the benefits of financial education. Health, relationships, security, independence—explain all those benefits we discussed in the previous sections. Money has an impact both on their current situations and on their futures. Demonstrate how financial literacy can improve every aspect of their lives.

Curriculum development and results

The NFEC lesson plans were created in partnership with educators, financial experts, and community leaders. Over 50,000 people were interviewed by our Board through one-on-one discussions about their current financial situations. They've also reviewed more than 25,000 personal financial statements through the course of their daily business – loan brokers, financial advisors, etc. Our advisory board combines expertise from the entire scope of financial topics including debt consolidation, bankruptcy, mortgages, investment advice, realty, banking, and credit consultation. We consulted with educators knowledgeable in advanced learning and influence techniques.

The resulting programs contain practical, real-world financial lessons. While we were concerned to ensure that curricula met core educational standards, our key focus was on relating to the audience. We strove to build lessons people really can use for maximum benefit in the real world.

These programs are meant to be fun and engaging not only for the students, but for instructors as well. You will enjoy teaching these materials, and keeping it fun for your participants should be one of your goals.

Why are financial education programs ineffective?

For your initiative to succeed, it's helpful to understand where other programs fail. Most financial education is dry and boring. Programs get boring when they focus on theory-based teaching that lacks practical application. If people can't see a direct benefit to them, they'll quickly lose interest.

Poor-quality curriculum also becomes boring fast. If the materials are outdated and incorrect, or are not written by expert professionals, the quality suffers and participant interest

will wane. Too little time spent teaching the lessons is another common mistake; you won't learn skills to improve your life from a single-hour presentation.

Some programs fail because the presenter forms no connection with the audience. The NFEC can recommend ways for instructors to build such connections, and the materials are designed to connect with people too.

Many programs fail to measure their effectiveness. If you don't know whether your program works, how can you convince others to adopt it? The bottom line is moving people to take action, and that's the biggest difference between the NFEC program and other available coursework.

Teaching techniques

The NFEC bases its approach to teaching financial literacy on four theories:

- Persuasion (sales) technique
- Neuro-linguistic Programming (NLP)
- Gardner's Theory of Multiple Intelligences
- Bloom's Taxonomy of Higher-order Thinking Skills

Persuasion (sales) technique. Methods proven effective to sell products work very effectively to teach financial literacy as well. Often we have limited time with our participants, so we must focus what little time we have for maximum impact.

Think about it: salespeople are the backbone of a capitalist society. Good sales require uncovering a person's needs and goals, building relationships, proposing solutions, and motivating the person to take action.

Educators make very good salespeople. They're already experts in their fields. They already understand the needs and desires of their clients (students); learning to be an educator requires focus on how to build audience rapport. Good educators align presentations with benefits that motivate the class. They share stories to make topics real and relate content to the audience. They motivate students to take specific action steps, and gather constructive feedback to improve future lessons.

The persuasion or sales approach to teaching financial literacy includes five phases: preparation, listening and rapport, offering solutions, taking action, and feedback and resources.

Phase I: Preparation. The first key to being prepared is belief. You must believe in what you're teaching, just as the best salesmen believe in the value of their products. We hope

the benefits covered in the first section convinced you how valuable financial education can be. Financial literacy can really help everyone in your class.

Knowing your material is the second part of preparation. If you're unsure about the presentation, the audience will read lack of confidence and won't trust the material. Take the time you need to comprehend what you're teaching and anticipate questions your audience may ask. You don't have to know everything; if you don't know an answer, say, "Hey, I don't know, but I'll find out and get back to you!" Your audience will appreciate your honesty and sincere desire to help.

Know your audience: get as much information as possible about each group to which you present. Not only will it help you prepare appropriate material and stories, but you can mentally prepare for the tough questions and attitudes an audience may throw your way.

Set clear goals for your presentation. Make them specific, achievable, and realistic. For example, you might say, "My participants will improve their test scores by 25% and graduate the course wanting to learn more about personal finance."

Phase II: Listening and Rapport. The second phase of the sales approach involves listening. Listening is critical to making a sale—and we're talking about active listening, where you keep probing to get the whole picture of your audience's motivation. Your goal is to learn the audience *psychographics*. Psychographics give us an understanding of attitudes, values, lifestyles, and opinions. The marketing world uses the term IAO (Interests, Activities, and Opinions). This audience understanding provides direction on how to shape your presentation.

Obviously this phase requires some give-and-take with the audience. Ask students why they're there. What do they want to get out of the presentation? Listen to what they tell you and follow up with probing questions—why, when, where, how? Each person is different, but the more you know about your participants the better.

Build *rapport* with the audience. Rapport can be defined as building trust and getting "in sync" with others. Engage in small talk about topics and invite the audience to give opinions. Share personal stories, be real; engage the group by letting a spirit of fun shine through your presentation. Show participants that you really care about their wellbeing.

How will you build a rapport with your audience?

Phase III: Offering Solutions. This phase builds on earlier phases. You can't offer solutions until you truly understand where your participants are now, and their future goals.

Educate with benefits, not features. For example, say you're selling a health drink. A feature of the drink might be, "Provides 100% RDA of Vitamin D." That won't sell someone the drink. Instead, focus on its benefits: "Makes you feel energetic and healthy."

Translate that example to financial education. "Learn about credit," is a feature of the program. That won't appeal to anyone. Focus on the benefits: "Save \$10,000 off your next car purchase." Benefits are what motivate people to take action.

Subject differentiation works too. Show students how financial literacy is different from other subjects. For example, this topic will affect every aspect of their lives. The subject relates directly to their ability to live desired lifestyles.

Phase IV: Taking Action. If you've done the first three phases right, moving them to take action will follow naturally. Watch your audience's reactions, nodding heads and facial expressions. Time the presentation of action steps to occur when emotions are high.

Assume that you've closed the sale—you've motivated them to take positive action toward financial health. Ask, "Now that you know saving and investing \$100 a month can grow into a million dollars, what first step will you take?" Strive to get a commitment. "You know I want what's best for you. I am 100% sure this information will make your lives easier and more fun. Raise your hand to promise me that you'll continue to learn about money."

Here's another approach: offer them alternatives. "Either you can have bad credit and go through the embarrassment of being denied a loan, or you can have good credit, no worries, and an extra ten thousand in your pocket. So how will you start building your credit?"

Ask how their vision of the future has changed. "Now that you've learned this information and plan to learn more, how do you think your life will be different in five years? What will you do this week to make sure you succeed?"

What action do you want your participants to take? What techniques will you employ to get them to take action?

Phase V: Feedback and Resources. After you're done presenting, solicit audience feedback. What did they like? Which pieces didn't resonate with them? Ask how you could improve your presentation. Try to uncover their objections to the material.

Answer objections using the "feel, felt, found" method. Maybe a participant says, "But I need my Starbucks coffee every morning." You might respond, "I understand how you **feel**. A lot of my friends **felt** the same way about their morning coffee. But one of my friends **found** that, by cutting expensive coffee out of his routine, he was able to save enough money for a down payment on a car." Then follow up with a close: "So will you start buying coffee at a less expensive shop, or make it at home?"

Using the feel, felt found method to describe how you can someone that represents your target audience to overcome their statement of – "I'll never have enough money."

Nearly everything we do can be viewed as selling, educating, and sharing with people. Brushing up on your sales skills not only will help you become an excellent instructor, but will improve your everyday lives as well. We recommend the following resources:

Tom Hopkins (2011). *How to Master the Art of Selling*. Mundelein, IL: Writers of the Round Table Press.

Brian Tracy (2006). *The Psychology of Selling: Increase your sales faster and easier than you ever thought possible*. Nashville, TN: Thomas Nelson Publishing.

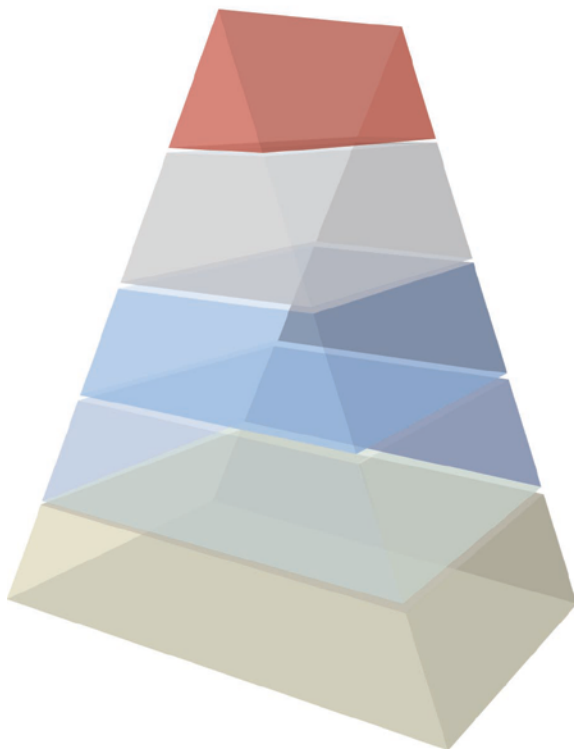
Neuro-linguistic Programming (NLP). Neuro-linguistic Programming, or NLP, may sound like a complicated concept, but in fact it's quite simple. NLP creates change by manipulating the main influencers in our lives: neurology, language, and programming. This theory describes the dynamics between our brains and language, and how our minds influence (program) our behavior.

The bottom line is that human beings tend to move *away* from pain and *toward* pleasure. In earlier chapters we've illustrated how people may connect with pain around money issues—either current pain or pain they anticipate experiencing in the future. But if we

present them with a pleasurable alternative, they'll gravitate in that direction. For example, imagine that you walked into a room with a bed of nails on one side and a massage chair on the other. If we asked you to choose one to lie in for an hour, which would it be? Chances are you'd choose the massage chair. So in any situation we present to the audience, if we can show them those extremes of pleasure and pain they'll move toward the pleasurable option.

The more opportunities we have to teach people, the more often, and the more resources we can provide them, the more likely they'll be to view financial literacy as the massage chair. NLP is successfully employed by salespeople, presenters, and educators to move people to take positive action. It's also a great personal development tool. As you teach, emphasize the pain and pleasure points throughout your presentation. Show the benefits of learning financial skills and the consequences of ignorance.

NLP Pyramid



Identity. Who are you and what is your purpose?

Values and Beliefs. What is important to you?
What inspires you at the core of your being?

Capabilities. What skills do you have now and which do you need to develop to live your identity?

Behavior. What daily actions can help lead you to your identity?

Environment. How has your environment impacted you? What environmental changes will help you achieve your desired outcome?

Now write down the identity *you* seek and fill in the other steps down the pyramid:

Examples:

Identity. I live in the places around the world where I am needed most and am dedicated to significantly reducing poverty.

Values and Beliefs. My belief in helping the less fortunate moves me to action.

Capabilities. I am a passionate expert in micro-lending but need to improve my knowledge of other alternatives.

Behavior. I focus on my daily interactions on helping the poor and doing advocacy work for numerous organizations.

Environment. I grew up poor and that gives me daily motivation.

Identity. _____

Values and Beliefs. _____

Capabilities _____

Behavior. _____

Environment. _____

You can apply the NLP Pyramid process to any aspect of your life. Knowing who you are and what motivates your skills and behavior is a valuable lesson. Think of ways to incorporate this activity into your financial literacy presentations. NLP advocates questioning techniques to get people thinking about the values and beliefs that drive their actions.

Gardner’s Theory of Multiple Intelligences. In 1999 psychologist Howard Earl Gardner published his book *Frames of Mind* laying out a theory of multiple intelligences that has been embraced by a range of educators and educational theorists. Gardner’s Theory challenged classical theories of learning and development, and identified nine types of intelligence that students use to learn: spatial, naturalistic, linguistic, logical, musical, bodily, interpersonal, intrapersonal, and existential. Gardner claimed that these multiple intelligences rarely work independently, but are used at the same time and complement each other as people develop skills or solve problems.

- **Linguistic intelligence**—these students learn well through the spoken and written word and have ability to use language to express themselves.
- **Logical-mathematical intelligence**—these people have ability to analyze problems logically, are good with math, and can deductively solve problems.
- **Musical intelligence**—these students are skilled at recognizing musical pitches, rhythms, and tones.

- **Bodily-kinesthetic intelligence**—these people actively use their bodies to solve problems.
- **Spatial intelligence**—these students can recognize and use the patterns of space. They are skilled at transforming mental images into reality.
- **Interpersonal intelligence**—these students have the capacity to understand the intentions, motivations, and goals of others.
- **Intrapersonal intelligence**—these people possess capacity to understand themselves and their feelings, and can regulate their own lives.
- **Naturalistic intelligence**—this type of intelligence has to do with nurturing and relating to one’s natural environment.
- **Existential intelligence**—existential intelligence describes the ability to contemplate phenomena beyond those gathered by the senses, such as infinity or philosophical questions.

Gardner’s Theory helped guide the NFEC to develop its financial literacy curriculum. Specifically, Gardner’s work suggests a broad approach to education, as people need all nine intelligences to live life well. His theory also influenced our use of practical performance, exploration, and creativity to develop flexible programs tailored to the local audience. The NFEC’s curriculum helps students use their own intelligences to associate learning with personal financial goals or situations. Students learn according to their own preferred learning style.

What type of learner are you?

Describe how you will teach your target audience to save money using the multiple intelligences described above:

People learn in many different ways, and it's our job as instructors to incorporate as many learning styles into our presentations to form real connections with the majority of the participants.

Bloom's Taxonomy of Higher-order Thinking Skills. Benjamin Bloom (1913-1999) was an educational psychologist whose work made important contributions to how we set educational objectives. Bloom's Taxonomy of Higher-order Thinking Skills, first published in 1956, divides educational goals into domains. The goal of his work was to encourage teachers to classify learning objectives to assess learning within a given skill set.

Bloom's Taxonomy levels are as follows: evaluation, synthesis, analysis, application, comprehension, and knowledge.

- **Evaluation**—the ability to make informed judgments about information.
- **Synthesis**—bringing information together in different ways. The ability to form solutions based on knowledge.
- **Analysis**—the ability to break down information, provide further insight into causes, and identify relationships.
- **Application**—the ability to apply knowledge in different ways.
- **Comprehension**—demonstrated understanding of concepts and facts by being able to compare, organize, and interpret main components.
- **Knowledge**—recalling the basic terms, facts, theories, and concepts of previously-learned information.

This theory supports the holistic nature of the NFEC programs and their focus on encouraging goal-driven behavior. The NFEC curriculum applies Bloom's theory to ensure that students go beyond cursory knowledge of finances to actually building their own thoughts about financial topics and relating the information to their own experiences.

These concepts are important because, as we discussed very early in this training, people make most financial decisions based on their emotions. Our goal as instructors is to take students to the **evaluation** stage—the top level on Bloom's Taxonomy. This process takes time. But if you conduct pre- and post-tests to measure what your participants learn, you should be able to determine whether they've moved up the ladder of thinking skills in regards to financial literacy.

If you hosted a 1 hour class on credit what stage do you think you could get an inexperienced audience to? _____

If you hosted a 12 hour class on credit what stage do you think you could get an inexperienced audience to? _____

Bloom further applied his theory to evaluate people's emotional reactions to information, people, and the world around them. He posited that they do so in the following ways:

- **Characterizing:** development of a long-term value or belief system that influences a person's behavior.
- **Valuing:** internalizing and attaching value to the information.
- **Organizing:** combining values and information internally to form a consistent set of values.
- **Responding:** showing interest and actively participating in the learning process.
- **Receiving:** being willing to participate and pay attention (at least passively).

Bloom's method of evaluating how people react emotionally to the learning process pulls together the entire system of teaching the NFEC curriculum. In fact, all these theories tie and connect together. Start at the bottom and work your way up. If you walk into a classroom and see that the students are sitting up and seem open, you can tell they're ready to receive information. Next you ask them questions (and your presentations should include a lot of questions) and they respond. The next level is organization, and here NLP comes into play—remember, NLP is about getting down to core values. Then comes valuing, where they begin to attach core values to the information you're sharing. The top and optimum level is characterizing: your participants start to incorporate their changing values and translate what they've learned into actual behavior.

Putting it all together

Combining all these guiding educational theories together, you can see how important it becomes to address not only the different ways in which people learn; but also to consider the wide variance in personal experience and emotions that students bring with them. These theories help us deliver material in a way that resonates with the audience and truly draws them in to pay attention.

Now let's review the simple framework within which to teach the NFEC financial education lessons:

- Establish clear goals.
- Build rapport using narrative stories delivered in a conversational tone.
- Ask probing questions to help you understand participants' values, beliefs, and motivators.
- Uncover the real problems or issues they're trying to resolve.
- Offer solutions and focus on the benefits.

- Close and ask for a commitment to take action.
- If participants don't accept the call to action, use the feel-felt-found method and close again.

The ultimate goal of financial literacy education is to help people connect with their values and successfully integrate money management skill sets into their core value system and, finally, into how they live their day-to-day lives. The framework is already built into the curriculum, but understanding the theories behind it helps you become a more effective, dynamic, and passionate instructor.

Chapter Questions

1. Name the four principles behind the NFEC's educational philosophy.

2. Which of the following are important concepts of Neuro-linguistic Programming (NLP)?
- a. Decisions based on greed and fear
 - b. Forming an identity
 - c. People move away from pain and toward pleasure
 - d. Both "b" and "c"

3. Name four of the "multiple intelligences" identified by Gardner's Theory.

4. In Bloom's Taxonomy of Higher-order Thinking Skills, which of the following represents the top (optimum) level?
- a. Knowledge
 - b. Application
 - c. Synthesis
 - d. Evaluation

5. Do you believe understanding the theory behind financial literacy education will help you become more effective and dynamic as an instructor?

Yes No

Chapter V: Presentation Tips

So far we've covered the scope of the financial illiteracy epidemic and the many problems it's caused. We've described the risks of not learning about money and the benefits of getting a solid practical financial education. We've explained the theories behind the NFEC programs. Now we'd like to get down to the details, and offer you some tips to enhance the quality of your presentation and delivery.

The NFEC curricula are unique among financial education packages in that the events spark tremendous behavior change. You will really see first-hand that participants are inspired to take positive action steps toward improving their lives. The results are exciting, and you can bring that excitement with you into every classroom.

Let's review the NFEC's educational philosophy, which defines the steps in your teaching process:

- Motivate
- Engage
- Educate
- Move to action

Next we're going to give you some tips on how to make each of these steps happen as you teach financial education.

Motivate

The most effective instruction relates the topic being presented to the deepest desires of the audience. Motivation is easy to build when we're talking about money. People feel very emotional about their finances. Money knowledge is powerful and compelling.

Motivate – the “Hook”

The “hook” refers to how you will initially capture the audience's attention. How will you peek their interest in what you have to say. Here are a few ways:

Why. Start by helping your audience recognize **why** they need a financial education. Remember that you're empowering your audience. People of all ages enjoy learning when they have strong reasons for doing so. Share your personal reasons for wanting to teach financial literacy—why is this important to you? You will begin building relationships and rapport with your audience, and help them define what motivates them.

Benefits. Focus on the benefits of money skills throughout your presentation. Ask questions that help your students identify benefits specific to them. For example, “Having good credit will save you more than ten thousand dollars on your next car purchase. What will you do with the money you save?” Advertisers use benefits to sell products. You should use benefits to promote financial literacy.

Lifestyle. People don’t want to learn about money *per se*. Money is just paper. What truly motivates people to learn about personal finances is the lifestyle they want to live. Discover your classes’ lifestyle goals, and show them how money management skills can help them reach those goals. Focus the program on the lifestyle advantages that money skills can bring.

Be real. People know whether you’re being real with them or not. Open up and share yourself with the class. It’s been proven that narrative stories teach material much more effectively than dry, boring presentation of facts. Talk about your own vulnerabilities around money issues. Being real builds trust, and the more your audience trusts you the more effectively they learn.

Relate. Most of us can relate to the experiences and feelings the audience is going through. Be empathetic. Keep your ears open; strive to understand your audience’s current position. Reflect back on your own experience and relate it to theirs.

Storyline: Develop a storyline that develops through the class period. This can be an educational lesson or a story that progresses along the lessons. Model a television script and you will gain students interest.

Opener: Let your audience know from the outset that this isn’t they typical boring class they are use to. People have been conditioned that learning is ‘hard’ and ‘boring’. Creating a strong opener lets them know – this class is different.

Motivate – Creating an Emotional Response

Creating an emotional response in your participants will help them understand how improving their financial capability will improve their lives. It gives them compelling emotional reasons to listen and retain what you are saying.

Envision. Help your participants envision the practical impact of financial education on their real-world futures. Leverage the positive and negative outcomes in an encouraging way. For example, you might say, “Because you know how to handle credit, you will avoid paying high interest and late fees.” Or, “Now that you understand the magic of compounding interest,

you can watch your money grow.” Find out their dreams for the future. Encourage them as you offer practical tips for achieving their personal goals.

Inspire. True inspiration can only be based on one’s underlying motivators. Everyone’s motivation is different; try to uncover what drives your participants. Learn as much as you can about the demographic before you present, and ask questions to learn more during the presentation. Pay attention and really listen to the stories they share. Take notes so you can relate your presentation to what your audience finds important.

Emotion. Remember that most people tie financial decisions to their emotions. Rebelliousness, embarrassment, hope, desire—these are just a few of the emotions that can provide powerful leverage for driving the message of financial literacy home. Your goal as an instructor is to elicit an emotional response from your students, then focus those emotions into a positive direction.

Encouragement. News of financial disasters—like foreclosures and market crashes—make headlines daily. In this climate of bad news, it’s important to spread a message of hope. Encourage your participants by showing them how continued money education helps them believe in their own abilities; and self-belief helps them achieve their desired financial status. “You can do this,” should be your constant message.

How will you employ motivational techniques into your presentation?

Engage

Once you understand your audience’s motivation, the next step is to **engage** participants in the learning process. Many engagement features are built into the curriculum, but you have a role in keeping the topic fresh, the activities fun, and people’s attention focused.

Interact. Interaction not only keeps the class engaged, it helps you understand the participants better. Your presentation should be give-and-take. Interact with your students using large-group and small-group activities, asking and fielding questions, role-playing, asking for opinions, multimedia, and sharing stories.

Move. Keep in mind that many people spend 6 hours or more of the day sitting. Take breaks, move around, do exercises and deep breathing—make your presentation different than the other thousands of classes they’re likely to sit through.

Entertain. You don’t have to sing or juggle to be entertaining. Move around the room, vary your voice modulation into different pitches, pull out a few jokes, play music, or use party tricks to keep participants on their toes.

Be flexible. Directing the class is part of an educator’s role. But engaging an audience means sometimes having to go with the flow. For example, maybe you’ve scheduled a presentation about basic investment options. But once in the classroom you learn the participants are really interested in building their credit. Keep enough flexibility to adjust your goals to meet students’ needs.

Props. Using a variety of props to get your message across increases the fun factor, and fun builds engagement. We have a wide assortment of tools to break up the monotony of a class session. Make the class interesting by interspersing videos, music, handouts, and games.

Give specific examples on how you will engage your audience:

Educate

Your bottom-line goal is to teach participants some good money management skills. But educational methods make all the difference between zero recall (in one ear and out the other) and moving participants to take life-changing action.

Practical. Focus instruction on the practical application of subjects rather than on definitions, history, or theory. Your participants are most interested in how they can change their real-world situations; leave the theory for later.

Stories. As we’ve said many times, personal stories give information in a way that the audience will truly remember. Use your own stories or draw upon third-party stories about

your friends, celebrities, sports stars—anyone you feel will connect with and motivate your audience.

Content. Choose high-quality curriculum with relevant, up-to-date content. Be sure the materials relate well to your audience. Times change quickly, and you need to keep pace. Select stories, topics, and anecdotes that reflect current trends and the interests of your audience demographic.

Knowledge. If you lack a strong grasp of the topics you’re teaching, your audience will know. That doesn’t mean you have to know everything. If you can’t answer a question, say, “I don’t know, but I’ll find out for you.” Your audience will appreciate your candor and honesty and you’ll win their respect. Continue to study; strive to learn and grow.

Prepare. Stay prepared and practice your presentation before you step into the classroom. Besides knowing the material, focus on how you’ll motivate, engage, and move your class to action.

Relax. Especially when you’re starting out, you may feel nervous about presenting to a class. Remember that you’re there with good intentions to improve participants’ lives, and they’re there to listen to you. Relax, breathe, and have fun. Your presentation doesn’t have to be perfect. And the more times you go through it, the more relaxed and effective you’ll become.

Time. Learn to manage class time effectively. The curriculum is a guide to help you get through the lessons. However, if students show strong interest in covering a specific topic in more depth, you have the freedom to spend more time on that subject and eliminate other portions.

Considering your personality, what tips above will best help you ensure you are successful at educating your audience:

Move to action

Now that you've engaged, educated, and increased your audience's motivation, what do you want them to do? We don't want all those motivated people wandering around without direction. As instructors, our job is to point them toward action. We want every participant to commit to taking at least one action step toward a goal.

Action steps. Give your students clear action steps they can follow to move them closer to achieving their specified goals.

Commitment. When we leverage the benefits to inspire people toward action, the results can be tremendous. Your goal should be to move every student to commit to at least one action.

Resources. Offer continuing education resources to leverage the students' motivation to learn more.

Accountability. Financial literacy training should include a component of accountability. Remember, the main responsibility for money management lies with the individual. How will your students apply what they have learned to the real world?

Closing. The closing techniques we described in the last chapter are really a way to gain participant commitment to action. All your closing techniques are a way to move students to say, "Yes, I will take that action. It's important in my life."

How will you move your audience to take positive action, thus ensuring their future finances and life will be better because of you?

All these strategies are designed to help you become more comfortable presenting financial education in front of a class. Your confidence will build as you practice and learn. The more you can show your personal excitement about the topics, the better your participants will retain the information and feel inspired to learn more.

Chapter Questions

1. What is the most compelling reason why people want to learn about money?

2. Which of the following are good ways to keep an audience engaged?

- a. Moving around
- b. Interacting with the audience
- c. Using a variety of props
- d. Going with the flow
- e. All of the above

3. What should you do if a participant asks you a question to which you don't know the answer?

4. Name two educational methods that will help your participants remember and relate to the curriculum topics.

5. What is the ultimate goal of your closing techniques?

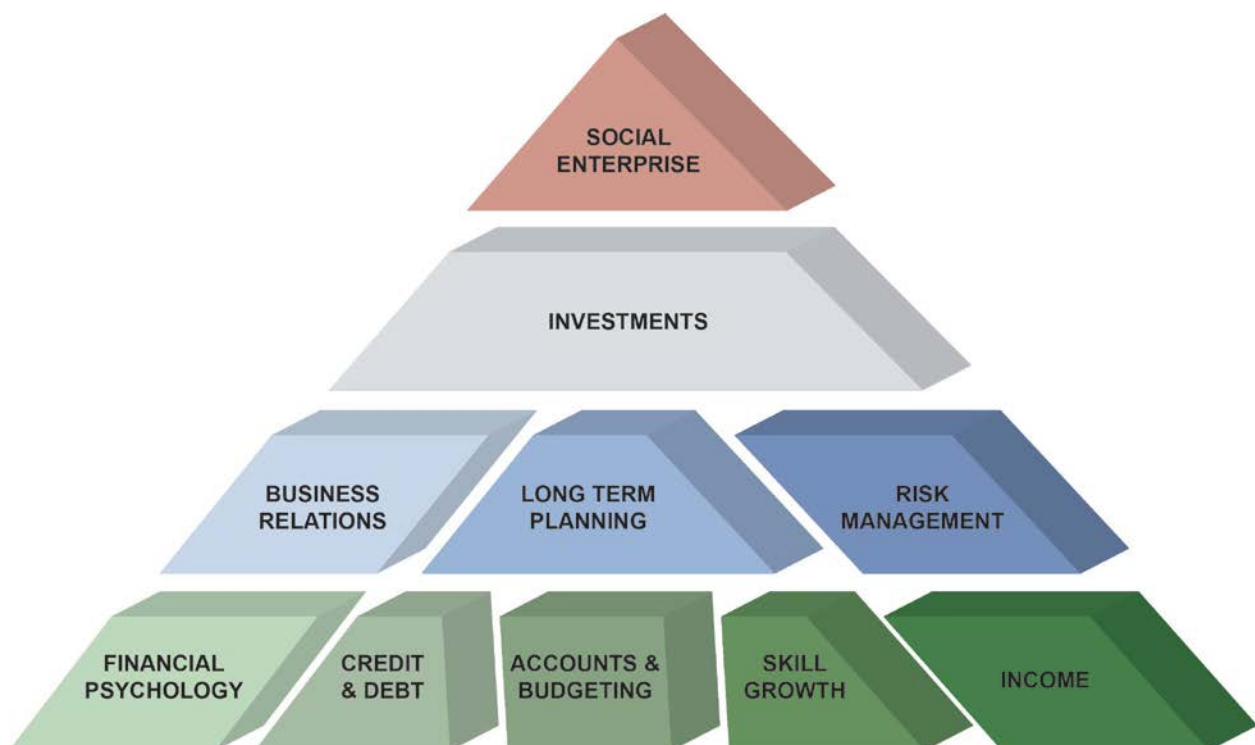
Chapter VI: Curriculum Overview

We've covered a lot of material so far. You should feel much more comfortable presenting in front of a class, and are gaining confidence in your ability to read an audience and deliver material effectively. You've learned some methods to help students retain information and move them toward action.

But we have yet to provide any specifics about the actual topics you'll be presenting. In this section, we'll present an outline of the topics covered in the NFEC curriculum, and then summarize the lessons we've developed for each topic. Although some of the topics may seem advanced, we start building the foundation for all these topics starting at the pre-kindergarten level and they progress with the participants age.

The NFECs' Financial Literacy Pyramid

The US Treasury has called for input from organizations and concerned citizens to develop the financial education pyramid. The NFEC applauds the US Treasury for their efforts and their collaborative approach. Their dedication to helping people are empowered with practical 'financial capability' skills is commendable and the NFEC offers our support. Shown below is the NFEC suggestion and rationale behind our financial literacy pyramid.



The Financial Literacy Pyramid provides a framework for all ages of the NFEC coursework. You can present this diagram at the beginning of each class you teach. The idea is to encourage students to begin thinking about why these topics are important. Ask, for example, “Why do we want to learn about accounts and budgeting?” Get students thinking in the right direction—thinking about how these subjects apply to their real lives.

The bottom layer of the pyramid is the foundation. These topics are basic, core foundation pieces for a financial education. The topics become more complex the farther you move up the pyramid. One point to make with students is that we’re not teaching financial literacy. We’re teaching financial *success*. And our definition of success doesn’t involve becoming a billionaire. By success we mean being able to live a desired lifestyle, enjoy and experience life, feel a sense of well-being and comfort, and support organizations and causes about which we feel passionate.

Since 2011 the NFEC has received feedback from thousands of individuals and organizations. Through demand- and supply-side surveys, research and think tanks the NFEC updated these categories to provide the financial literacy industry the latest best practices data.

The new NFEC areas of core competency that are replacing the old financial literacy pyramid are:

- Financial Psychology
- Budgeting
- Account Management
- Credit Profile
- Loans & Debt
- Jobs & Career
- Risk Management & Insurance
- Economic & Government Influences
- Investing
- Entrepreneurship

It is important to note that the NFEC is in a constant state of beta – meaning we seek to improve consistently. Adopt this philosophy and embrace change. As you gather more knowledge, data and build your skill sets update your presentations and any content you produce to reflect your growing expertise.

Financial Psychology

Many financially successful people credit their mental state, emotional control, and financial psychology for their success. The mental aspect of money issues is one of the most important elements of financial wellness.

In the financial psychology section of the curriculum from PK through adult, we cover many lessons that help participants have a better understanding of emotions, psychology and the mental aspect of money. At every age level we have the following lessons:

- 1) Relationship with money
- 2) Identifying your dreams

Relationship with money. This lesson addresses an issue that affects people's lives daily: their spending habits. Each participant will have developed his or her money habits before coming into the classroom. This activity helps people understand their current spending behavior.

Many financial literacy programs and instructors try to force people into becoming "penny-pinchers." But what if you have a student whose motto is *Carpe Diem*? This strategy will cause them to tune out and reject the lessons. Our goal in this lesson is not to change a person's spending habits instantly. We want to influence them and provide tools to make their own decisions.

Students complete a quiz to characterize their spending behavior. After the quiz comes the important point of the lesson: "Let the students know it's all right to lean one way or another...we are all unique. However, if you find yourself at one end or the other, you may be missing out. If you were really cheap and never spent a dime but had a lot of money saved, what might you miss out on? If you spent all your money frivolously, what might you miss out on?"

Dreams. This activity helps build excellent rapport and teaches you about your participants' motivations. Here students relate money to becoming able to live a desired lifestyle, and make plans for accomplishing their goals.

The dreams activity offers an excellent opportunity to apply your NLP skills. Ask questions to probe deeper and move students up the NLP pyramid to understand their values and beliefs and begin defining their identities. Here's an example conversation:

Student: I want to travel.

Instructor: Why?

Student: Because I'm interested in other cultures.

Instructor: Why?

Student: I think I could learn a lot about life.

Instructor: Is learning about life important to you?

Student: Yes.

Instructor: What will learning first-hand about other cultures do for you?

Student: It'll help me be a better person.

Instructor: (Ask more probing questions until you think you understand the student's reasoning.) OK, what steps will you take to get there?

The instructor should take detailed notes about the students' dreams, goals, and aspirations, and refer to them frequently while delivering the remaining coursework.

Credit and Debt

In the Credit and Debt section, students explore these two concepts and how they relate to each other. The materials are designed to provide an in-depth understanding of credit cards, debit cards, loans, and how credit history affects one's finances. Some of the common lessons discussed at each grade level include:

- 1) Credit history
- 2) Credit card debt
- 3) Good versus bad debt
- 4) Loan manager

Credit history. Having good credit can save a person more than \$100,000 in a lifetime. This lesson relates a complex topic to a framework participants already understand—the grading system in school. Instead of asking students to memorize the details of a credit report, the lesson focuses on the action steps that build good credit.

The credit history lesson seeks to leverage fear emotions for participants who do not yet have a credit background by strategically drilling in the consequences of being turned down for a loan. For participants who may already be suffering credit problems, the exercise encourages positive action to rebuild credit history, keeping the tone light-hearted and fun.

Credit card debt. This lesson illustrates all the costs associated with accruing credit card debt. The focus is on the positive—instead of telling students, “Don't use credit cards,” the instructor asks, “How will you spend the \$500 interest you save?” Students are presented with proof that interest earned is money they didn't have to work for.

Participants learn the proper way to use credit cards as a tool to build a good credit rating. Instructors are cautioned to emphasize that a person should never consider getting a

credit card until he or she has an emergency fund in place, a working budget, and the ability to control spending. Students should come away with the knowledge that credit cards are dangerous, while also having a specific game plan to follow.

Good versus bad debt. After the credit card debt section, many participants will think all debt is “bad.” This lesson will teach them which kinds of debt are “good,” and is designed to pique their curiosity about investment and entrepreneurship.

Contrary to popular belief, purchasing a home can be a bad investment. This section will help participants understand how people have been affected by the current real estate market. The lesson also covers how much you lose when you buy a brand-new car.

Loan manager. Most people have no idea how lenders qualify them for loans. This hands-on lesson teaches the concepts associated with borrowing money and points up the advantages of financial education when obtaining a loan.

The loan manager activity has participants role-play as borrowers and lenders. The lesson engages an emotional reaction in many students, as the “lenders” may empathize with the “borrowers” situations. Instructors should relate the importance of knowing the loan qualification process to things the participants want: “Who’s planning on going to college? Who wants to purchase a car or a home? Own a business?”

Accounts and Budgeting

In this section participants learn the principles of budgeting and savings, and how they relate to spending habits. Using practical scenarios, students learn to create monthly budgets and savings plans based on given incomes and lifestyles. Participants are introduced to the banking process, learning to locate a bank or credit union with which they want to do business, what accounts they should open, and how to handle accounts professionally. Some of the lessons include:

- 1) Banking essentials
- 2) Budget game

Banking essentials. Much financial literacy coursework covers the banking process in detail but leaves out the framework that helps people manage their money. The NFEC, in contrast, focuses on practical skills for proper account management.

The instructor’s goal here is to get all audiences to automate their finances. Step-by-step guidance toward account automation will save time and money, plus help avoid common problems like missed payments and overdrafts.

Budget game. Before we ask people to build their own budgets, we ask them to practice on fictional characters. Why? Because most adults feel a sense of stress when addressing their personal budget issues. This activity helps loosen them up. And for young people, the budget game offers a glimpse into the future.

The NFEC's goal is for each participant to complete at least one action step before leaving the program. Thus completing a personal budget in class is a must. Most people don't have working budgets and this activity helps them consider all the financial consequences of their choices.

Income

This unit gives participants knowledge about various ways to earn money and focuses them on following their passions. The single lesson, **Career Changes**, imparts the skills to get hired, get promoted, and transition to other careers. The activity leverages emotions associated with having jobs or bosses people don't like, and shows how money gives freedom to change one's employment situation. Participants actively search for potential careers and investigate the skills they need to get their "dream job." Just as in the budget game, this activity leaves participants with something of personal value—a career plan.

Skill Growth

This section builds on the Income lesson by helping students understand the potential for lifelong learning to support career growth and increase income. Participants develop proficiency in skills development through continued education, identifying dreams and goals, and learning to stand out in the career marketplace. Some of the lessons included for all ages are:

- 1) Invest in your future
- 2) Preparing for your dream job today

Invest in your future. This lesson examines higher education from a return on investment perspective. The coursework emphasizes the importance of keeping student debt low and presents activities to figure the cost/benefit ratio of obtaining an advanced degree.

Preparing for your dream job today. The most important word in this title is "today." This is even true for our pre-kindergarten students! Most people never plan for, and thus never attain, their dream jobs. This lesson, combined with the "finding your passion" activity, help create a roadmap to develop skill sets aligned with what participants most enjoy doing. Your instructor goal for this lesson is for every participant to leave understanding how skill sets are related to income.

Risk Management and Insurance

In this section, participants learn to understand insurance and how to manage risk. For kids the instruction is focused on identifying risk and the basics of insurance. For older students, the instruction teaches about the various types of insurance: medical, auto, home, and renter's; and helps participants comprehend why purchasing insurance is necessary. The **What is My Risk?** lesson plan covers how insurance works and the dangers and potential costs of living uninsured, within a decision-making game framework.

Business Relations

In this component students develop knowledge of networking and business relations. They will learn the importance of networking to build business relationships, contacts, and potential job opportunities. Participants learn how networking goes beyond simply meeting people, to building relationships based on trust and mutual respect. Some of the lesson plans provided include:

- 1) Networking and mentors
- 2) Finding trusted advisors

Networking and mentors. Besides skill levels, the top factor in successful goal accomplishment is "who you know." This lesson offers participants a framework to break into their field of interest. Once again, instructors leverage their passions and guide them to visualize their goals through role-playing exercises.

Finding trusted advisors. The goal of this exercise is to help participants knowledgeably build a team of trusted advisors. Many financial literacy programs spend hours teaching students how to complete tax returns. Given the 15,000-page tax code and severe penalties for mistakes, the NFEC strongly advocates hiring a professional to file one's taxes. A tax CPA is just one of the trusted advisors recommended in this lesson.

Long-term Planning

This unit helps participants understand the importance of long-term planning, including cash flow, personal financial plans, wills and trusts. Exploration of money, lifestyle choices, and relationships guides participants to proactively prepare for their financial futures.

Most people never create a life plan. This activity asks participants to plan their future lifestyle based on their financial aspirations. The instructor guides them that the plan is a work in progress, likely to change over time; the activity is completed with close attention to participant goals, values, beliefs, and personal identities.

Investment

The Investment section defines investing and illustrates how investment impacts people's lives. Participants learn a variety of investment strategies and techniques to increase long-term financial security. A few of the lessons designed to teach about investing include:

- 1) Compound interest
- 2) Dollar cost averaging and diversification

Compound interest. Here participants learn the “magic” of compounding interest, drawing the distinction between dollars they earn versus money working for them. Tough economic times have changed people's financial outlook; this activity offers hope.

Dollar cost averaging and diversification. This lesson comprises two activities that provide specific details and require students' focus. The instructor's challenge will be to hold student interest during the initial portion, since the games are near the end of the instruction. Instructors should read through this lesson several times to make sure they clearly grasp the concepts before attempting to present.

Social Enterprise

The entrepreneurial lifestyle and mindset are covered in this section. Students learn the meaning of being a social entrepreneur and the skills successful entrepreneurs possess; they receive instruction on how to become entrepreneurs, with a focus on benefiting society.

Ensuring one's financial security requires multiple revenue streams. This lesson provides basic knowledge and encouragement to start a socially responsible organization. The entrepreneurial venture can either hedge a participant's income or become a primary income source. The activity helps students choose causes to support aligned with their strengths and passions, pointing out how volunteer work can build skill sets and open up job opportunities.

Conclusion

Now that you've completed the NFEC Certified Financial Education Instructor Training, we hope you feel empowered and inspired, just as you feel ready to empower and inspire your students. Now you understand that financial literacy is much more than learning about money. It's a holistic principle that affects every area of a person's life.

Take a moment to review what you have learned over the course of this training program. These are the important lessons we hope you take away from this experience:

- You have a deep understanding of common financial pitfalls and can design your lectures to proactively address these issues.
- You know how to deliver the material in a way that motivates, engages, educates, and moves participants to take positive action.
- You understand different teaching techniques that will help your participants retain and use this information.
- You have a better understanding of the topics involved in financial literacy and added confidence to speak in front of an audience.
- You know how to create a holistic campaign that will increase the reach and frequency of the message.
- You are more comfortable with the curriculum and feel secure knowing you're giving participants practical skills they can use in the real world.
- You are inspired to share this information and feel good knowing you are making a difference in the lives of those you touch.

Thank you!

We at the NFEC want to thank you for your commitment to helping others. Your status as an NFEC Certified Financial Education Instructor makes you an ambassador for financial literacy, and we appreciate your dedication to spreading this message. Because of your efforts, many people will be able to live richer, fuller lives. Financial literacy is the key to reviving the American Dream. Remember the quote:

"The American Dream is that dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement."

~James Adams

Now, how will you share this information with others?

Chapter VII: Personal Financial Plan


As you move toward wrapping up the coursework for your participants, now is the time to review everything they've learned. Students can feel proud of their accomplishments; they should feel inspired to learn more about personal finances, and empowered to take positive action steps toward their financial futures.

As you review the important points they've learned, you recognize that you have learned a great deal about your own personal finances as well:

- You have a better understanding of your spending habits and relationship with money.
- You have started the process of writing down your financial and lifestyle goals.
- You have a better understanding of credit and debt topics.
- You have a clear understanding of how people qualify for loans.
- You know how to automate your accounts and handle your money management professionally.
- You have started a career and skill growth plan.
- You know how to evaluate educational options by examining higher education from a return on investment (ROI) perspective.
- You know the importance of building a trusted advisement team, finding a mentor, and networking.
- You have a started your long-term financial planning.
- You know the importance of developing a structured investment plan and diversification.
- You understand the importance of creating additional revenue sources.
- You are inspired to continue to learn about financial topics so you can achieve the lifestyle that you and your loved ones desire.



Introduction



Steve Repak

- Certified Financial Planner™, Financial Educator
- Army veteran & Department of Defense education facilitator
- Author of Dollars & Uncommon Sense: Basic Training For Your Money.
- Expansive Media Coverage
 - Regular guest on Fox Business and the 700 Club
 - Interviewed on NPR, Bloomberg Radio, Market Watch Radio, and Wall Street Journal Radio.
 - Featured in Forbes, Investor's Business Daily, BusinessWeek, New York Post, MSN Money and Yahoo Finance
 - Currently contributes to Equifax® Finance Blog, Choose Now Ministries, The Life of a Single Mom Ministries, and the Mommiverse™.

Introduction



The Training

- Best practices for teaching personal finance.
 - You'll learn how to personalize your presentations and leverage your experiences to inspire others.
- Mixture of formats.
 - Videos, interviews, and activities.
 - Action-based – use your pause button so you have time to complete the activities.
- Will require attention, focus, and concentration.
 - Put away your mouse.
- Ongoing education.
- Fun, enjoyable and rewarding.
 - You will leave excited to implement the lessons we share together here.

Introduction



What the CFEI Training Will do for You.

- Gain confidence in your abilities to teach financial literacy.
- Understand the principles and educational theories that will improve your ability to increase your participants' financial capabilities.
- Improve participant retention rates of the lessons taught; and most importantly, improve usage of the information.
- Increase the enjoyment you experience when teaching financial literacy.
- Gives you a framework so you can celebrate your achievements as an instructor.
- Improve the impact you make and feel rewarded knowing that you are doing everything in your power to make a lasting difference in the lives of those you reach.

Introduction



✓ Topics Covered Include:

- Introduction
- The Financial Illiteracy Epidemic
- Financial Psychology
- Measurement
- Teaching Financial Literacy
 - Teaching Techniques
 - Student Experience
 - Holistic Approach
 - General Presentation Tips
- The Campaign Approach to Financial Literacy
- Conclusion

Introduction



☑ The National Financial Educators Council

- Provides training and resources to those who are passionate about teaching financial literacy.
 - Curriculum | Educator Training | Events | Measurement | Program Design and Consultation | Holistic Campaigns | Home Study Courses | Software | Financial Literacy Promotions | Fundraisers
- Producers of the largest full-production financial literacy event in the country.
- Partnered with top celebrities and sports stars to increase reach of financial literacy initiatives.
- Material is created by a team of experienced educators and financial professionals.
- Has been credited with “revolutionizing the way financial literacy is taught.”
- Benefited over 50 nonprofit organizations and has been featured by media around the globe.



Introduction



- ☑ Why are you interested in teaching financial literacy?
- ☑ How will this help you personally and professionally?
- ☑ How will it make you feel when a student you taught lets you know you made a big impact on his or her life?
- ☑ What do you want to learn today?



Introduction



- ☑ **Erica Jackson**
 - Penn State Erie
 - Director, Center for Financial and Consumer Outreach
 - Financial literacy programming, community outreach/collaboration
 - Junior Achievement of Erie County
 - Executive Director
 - Technology Council of Northwest PA
 - Brain Drain projects
 - Statewide financial education presentations
 - PA Office on Financial Education
 - Department of Investments & Securities
 - Jump\$tart Coalition

Introduction



☑ Gary Jaeckel

- Financial Education Leader
 - 30 years in personal and corporate finance
 - CFO of a publicly-traded company
- Teaching Certificate in Secondary Education
 - Follows his passion for promoting financial literacy
- Published Author
 - Researched and published *Teaching Personal Financial Education*
 - Financial education best practices around the world
 - This book adopted as part of the NFEC Certification program

Introduction



☑ Tony Steuer

- Recognized insurance authority
 - Life
 - Disability
 - Long-term care
- Influential insurance literacy advisor
 - California Department of Insurance
 - NFEC Curriculum Advisory Board
- Award-winning author
 - Two books establish a path for insurance literacy
 - Forbes recognized his book as top 9 investment books to read

Introduction



☑ Diane Larsen

- Award-winning economics teacher
 - Jump\$tart Coalition Outstanding Educator of the Year
 - Students have won statewide Stock Market Simulation 4 times
- U.S. State Department Ambassador to South Africa
 - Economic education and financial literacy
- UCLA graduate
- Teacher, Mater Dei High School
 - Economics
 - Business Economic Education
 - Business Law

Introduction



☑ Vince Shorb

- CEO, National Financial Educators Council
- High-profile financial literacy campaign developer
 - Statewide initiative, Penn State Erie
 - International project to serve 450,000 people
- Prominent media presence
 - Featured on CNBC, CNN, and The Big Idea with Donny Deutsch
 - PSA featured in *Time*
- Global reach
 - Developed more than 80 assets that serve organizations around the world
 - Partners with more than 50 celebrities and sports stars

Definition of Financial Literacy



“The ability to make informed judgments and to take effective actions regarding the current and future use and management of money. It includes the ability to understand financial choices, plan for the future, spend wisely, and manage the challenges associated with life events such as a job loss, saving for retirement, or paying for a child’s education.”

Government Accountability Office

Definition of Financial Literacy



“Personal finance describes the principles and methods that individuals use to acquire and manage income and assets. Financial literacy is the ability to use knowledge and skills to manage one’s financial resources effectively for lifetime financial security. Financial literacy is not an absolute state; it is a continuum of abilities that is subject to variables such as age, family, culture, and residence. Financial literacy refers to an evolving state of competency that enables each individual to respond effectively to ever-changing personal and economic circumstances.”

Jump\$tart Coalition

Introduction



☑ The NFECs' Definition

“Possessing the skills and knowledge on financial matters to confidently take effective action that best fulfills an individual's personal, family and global community goals.”

National Financial Educators Council

Introduction



☑ Benefits


- Ability to live a desired lifestyle.
- Free time to spend your days doing what you enjoy.
- The freedom to do what you want.
- Independence, security and self- sufficiency.
- Ability to make a larger positive impact on the world.
- Provides you the ability to help loved ones in need.
- Toys, status, travel and other 'things'.



☑ American Dream a Global Concept

“The American Dream is that dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement.” James Truslow Adams

Introduction




Mission Statement

- “We’re on a mission to empower 10,000 families with practical money skills while showing them how they can greatly reduce the cost of college by the end of the year. If you believe what I’m doing will be of service to families in our community can you send out an email to your friends that you think will benefit and post a message on Facebook/Twitter?” YES
 “Great! I will send you an email tomorrow that you can pass along and I’ll include a thank you gift.”
 - Target Audience
 - Time frame
 - Specific goal
 - Emotional hook

Your Philanthropic and Business Mission. _____

Introduction



Mission Statement Used for Business Goals

- “We’re on a mission to empower 10,000 families with practical money skills while showing them how they can greatly reduce the cost of college by the end of the year. Do you believe what we’re doing will be of service to families in our community?”

YES
- “Can you send out an email to your friends that you think will benefit and post a message on Facebook/Twitter?”

YES
- “Great! I will send you an email tomorrow that you can pass along and include a thank you gift.”
- What is your call to action? _____

Financial Illiteracy Epidemic



Financial Illiteracy Epidemic



“Financial illiteracy is not an issue unique to any one population. It affects everyone: men and women, young and old, across all racial and socioeconomic lines. No longer can we stand by and ignore this problem. The economic future of the United States depends on it.”

President's Advisory Council on Financial Literacy

Financial Illiteracy Epidemic



☑ Recent Studies

- 70-76% of Americans live paycheck-to-paycheck
- One in 45 households in default as of 2009
- One in 96 homes in foreclosure
- 40% of Americans will never gain net worth >\$10,000
- 1.5 million bankruptcies in 2009

Financial Illiteracy Epidemic



☑ Adult Statistics

- Regardless of income, 70% of Americans are living paycheck to paycheck.
The Wall Street Journal
- 1 in 45 households (or 2,824,674 properties nationwide) were in default in 2009.
RealtyTrac
- 40% will never gain a net worth in excess of \$10,000.
American Dream Education Campaign
- In 2009 there were 1.43 million bankruptcy filings, an increase of 32% from 2008.
Associated Press
- More than 50% of pre-retirees underestimate their life expectancy.
Walter Updegrave, Senior editor of Money Magazine

Financial Illiteracy Epidemic



☑ Youth Statistics

- Only 11% of workers under 35 years of age indicate they are participating in their company's 401(k). *American Institute of Certified Public Accountants*
- 81% grossly underestimated the amount of time it would take to pay off a credit card balance making only the minimum payments and 79% fail to pay their credit cards in full. *The Center for Economic and Entrepreneurial Literacy Survey*
- Less than one-quarter of students and only 20% of parents say students are very well-prepared to deal with the financial challenges that await them after graduation. *KeyBank*
- "Young people often fail at their first consumer purchase, saving, banking, or credit experience, and may continue to make bad financial decisions into adulthood. Habits that begin at a young age may carry on to adulthood and can cause financial problems unless there is some type of effective educational intervention; and this intervention needs to be in a format to which teens will pay attention and from which they will learn."
Using a Financial Education Curriculum for Teens, Association for Financial Counseling and Planning Education

Financial Illiteracy Epidemic



☑ Impact on Higher Education

- The top reason students gave for dropping out of college was due to financial constraints. *Public Agenda*
- Of college dropouts, 71% of those surveyed answered, "I needed to go to work and make money" while 52% stated, "I just couldn't afford the tuition and fees." *Public Agenda*
- 62% of all college graduates will have a student loan debt averaging \$27,236 - representing \$101 billion nationally. *Student Monitor*
- "Among 2009 college grad job seekers, 80% moved back home with their parents after graduation." *CollegeGrad.com Survey*
- More than half of college students accumulated more than \$5,000 in credit card debt while in school, and one-third piled on more than \$10,000 in debt on credit cards. *Sallie Mae*

Financial Illiteracy Epidemic



Main Areas of Money Management

Assets

Cash, mutual funds, real estate, annuities, metals, bonds, securities.

Debt

Money owed on loans and other obligations.

Insurance

Protects your assets, income, and credit.

Income

Money from work, cash flow, investment income, benefits, business endeavors.

Credit

Your ability to repay money you borrow, ability to access capital, loan terms.

✓ Common Mistakes

- Do not clearly define how much money they need to live the lifestyle they desire.
- Lack a clear financial plan.
- Do not have a trusted financial mentor, advisor or coach.
- Poor financial choices due to lack of financial knowledge.
- Lack the confidence to make necessary financial moves.
- Poor financial choices due to emotions.
 - Fear and greed motivate most choices.
- People take advice from the wrong people.
 - Most advice comes from salespeople, family and friends.
- Had a few problems that snowballed.
- Unrealistic investment return expectations.
- Poor financial habits they developed at an early age.



Financial Illiteracy Epidemic



Financial Illiteracy Epidemic



☑ Future Concerns

- Social Security Trust Fund is projected to be exhausted by 2037 and Medicare is expected to be insolvent in year 2017.
 - Year 2037 is when a 15 year old today is age 41.
- Inflation, higher taxes and lengthy road to full employment.
- One-third of workers will have no money saved in a 401k plan by year 2050.
Government Accountability Office
- The past ten years has seen an enormous reduction in pension plans offered to employees. Only 46% of all workers were covered by a defined benefit plan in 2004. Employers are replacing pension plans with contributory retirement programs. Unfortunately, "most workers with access to these contributory programs are not participating sufficiently to allow them to retire in their sixties without suffering a great decrease in their standard of living."
National Association of State Boards of Education

Financial Illiteracy Epidemic



✓ Impact on Many Areas of One's Life



Financial Illiteracy Epidemic



☑ Areas Financial Illiteracy May Impact:

- **Health** – stress, worry, unhealthy coping behaviors and injuries.
- **Happiness** – reports show people who make less than \$75,000 per household on average are less happy than those who make more. For those earning above \$75,000 in annual income there is less of a correlation between money and happiness.
- **Productivity** – studies conclude those that suffer from financial issues are less productive at work, home and in their personal life.
- **Relationships** – leading cause of divorce and relationship strain.
- **Lifestyle** – people miss out on life experiences and goals.
- **Security** – unable to afford important personal and financial safety measures.
- **Wellbeing** – not able to follow their dreams, which impacts their wellbeing.
- **Free time** – people spend a lot of time working their way out of debt.

Financial Illiteracy Epidemic



✓ Your Targeted Clients' Financial Problems

- Identify the areas that are moving the groups you serve away from financial wellness.
- Create the story line of the typical client you will be serving.
- Include the emotions and other items beyond 'just finances' that they may be going through.
- Break up into groups based on the ages and various demographics you will be serving.
- Select one person to read the story to the class.



Financial Illiteracy Epidemic



☑ Financial Literacy Works

- Financial literacy courses had measurable effect on participants' behavior. It concluded that the greater exposure students received to financial education, the more positive financial decisions and lifestyle choices they made. *Study, 'Examining the Influence of Financial Literacy'*
- Individuals that have taken a personal finance education course have a higher savings rate, higher net worth and make larger contributions to their 401k. *Department of Treasury.*

☑ Thank you

- What you are teaching is bigger than just 'money'.
- You are helping people live their own personal American Dream.
- Impact their health, happiness, wellbeing, security, productivity and more.

Financial Illiteracy Epidemic



- Do you have an understanding of how money impacts lives?
- Are you aware of the common financial pitfalls people face?
- Do you understand the benefits associate with possessing practical financial knowledge?
- Do you want to help people avoid problems and live rewarding and fulfilling lives?
- Are you ready to move to the next section and learn more?

Financial Psychology



✓ Maslow's Hierarchy of Needs

Developed by Abraham Maslow in his 1943 paper *A Theory of Human Motivation*.



Self-actualizing Needs. The highest level of Maslow's Hierarchy of Needs is self-actualizing. This is where people focus on personal growth, legacy and making a positive difference.

Esteem Needs. Fourth on Maslow's Hierarchy of Needs includes the desire for personal achievement, accomplishment, status and earning respect.

Love and Belonging Needs. These social needs include the desire to be accepted, loved and to share affection.

Security Needs. The next level of Maslow's Hierarchy of Needs include the desire for safety and security.

Physiological Needs. Maslow believed that needs such as the necessity of food, water, air and sleep are the most basic, necessary and instinctive. All other needs described in this hierarchy become secondary until the core physiological needs are met.

*Please note: This coursework is not validating Maslow's theory; however it gives us a good framework to understanding the impact of finances on our lives.

☑ How Financial Mindsets are Formed

- Environment.
 - Socioeconomic background.
 - Neighborhood and family situation.
- Role models.
 - Parents, educators, peers and influencers.
 - Habits and relationship with money passed down from parents.
- Education
 - Most kids not taught about money. Parents will talk about sex before they have "The Talk" about money.
 - Many teachers and parents focus our youth on the 'goal of college' and not achieving a dream lifestyle.
- Generational influence.
 - Example: Depression era children often became frugal, savers, cash purchasers and low-risk investors.
 - What impact do you think the current economy will have on this generation of kids and teens?
- Advertisers messages.
 - Our youth are inundated with over 10,000 advertisements teaching them to "buy, buy, buy."



Financial Psychology



☑ How Financial Mindsets are Reinforced

- Environment.
 - Network and circle of friends
- Influencers.
 - Social media makes everyone the Joneses.
 - From peers and from people in the cubicle next to them.
- Education.
 - Most adults never studied personal finance.
- Past experiences with money.
- Advertisers' messages.
- Emotional attachment to finances.
- Positive or negative habits get reinforced.



Financial Psychology



☑ Positive & Negative Psychological Impact

Describe the actions, situations or events that lead to a positive and negative psychological impact on people in these different age groups:

- Kids
- Teens
- Adults

Example: A kid who receives everything he or she wants often doesn't understand the value of money.



Financial Psychology



☑ Quantifying Ones Financial Psychology

- The Transtheoretical Model of Behavior Change provides a framework to quantify a person's willingness to change.
 - Assesses one's readiness to act on a new, healthier behavior.
 - Often used when addressing *addictions*.
 - (Prochaska & DiClemente, 1983; Prochaska & Velicer, 1997)
- The six processes of change:
 - Precontemplation
 - Contemplation
 - Preparation
 - Action
 - Maintenance
 - Termination



Financial Psychology



☑ Precontemplation

Those in the Precontemplation stage have:

- No intent to take action in the near future.
- Many are unaware that their behavior is problematic.
- The NFEC uses long-term awareness strategies to move them to the next stage.
- Denial, who cares, it wont help, it's a waist of time.



Financial Psychology



☑ Contemplation

Those in the Contemplation stage:

- Are beginning to realize their behavior is problematic.
- Have begun looking at the benefits and drawbacks of their continued actions.
- The right educator can influence people into the next level of change.
- The NFEC educator training leverages neuro-linguistic programming and strong benefit/consequence-driven curriculum to influence participants toward taking action.



Financial Psychology



☑ Preparation

Those in the Preparation stage:

- Intend to take action.
- At this stage, guidance and knowledge can provide the impetus for participants to begin moving forward.
- Since many people simply lack direction, the NFEC training offers step-by-step directions aimed at instilling confidence in their skills as they work toward their personal financial goals.



Financial Psychology

☑ Action

Those in the Action stage have:

- Made some positive modifications in their lifestyles.
- Once participants reach this stage, continued reinforcement for their efforts through ongoing training and support is crucial.
- Follow-up training is helpful to keep the participants' momentum.



Financial Psychology

☑ Maintenance

Those in the Maintenance stage have:

- Have changed their behaviors and have a plan to maintain those behaviors.
- Getting them to the maintenance stage is an important goal of financial education coursework.
- The main focus of the educator is to ensure that participants stay on course and do not become over-confident.
- Preventing relapse into past negative financial behaviors is essential.



Financial Psychology



☑ Termination

Those in the Termination stage have:

- Positive behavior change in place and they have moved beyond any temptation to go back to former negative financial behavior.
- At this stage the training can be considered a success.



Financial Psychology



☑ Emotions

- There is a direct relationship between money and emotions.
 - Many financial decisions made are based on emotions and not logic.
- Humans are conditioned to move away from pain and toward pleasure.
 - Short-term pleasures are the choice of many.
- Many financial decisions that are made do not align with people's long-term goals.
 - Many people do not create longer term plans because it worries them.
- Many people make financial decisions that aren't in alignment with their emotional comfort zone.
 - What type of investor are you?
 - Are you a penny pincher, balanced or over spender?
- What are the 2 emotions (character traits) that drive most financial decisions?

Financial Psychology



☑ Emotions: Greed & Fear

These two emotions are responsible for most financial decisions that people make.

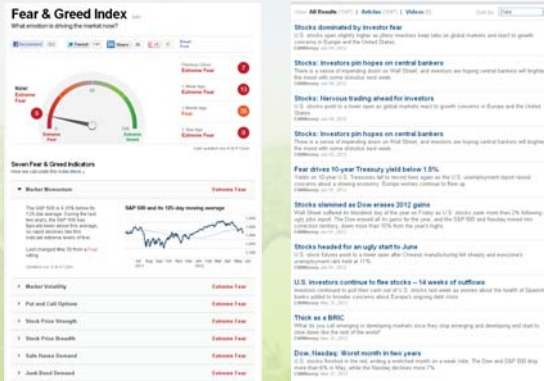


Chart from CNN.com

Financial Psychology



☑ The Fear Freeze

- When people lack confidence and the knowledge to make financial decisions during difficult times, most freeze up.
- They fear making a wrong decision or “another” wrong decision.
- Describe how the ‘freeze’ can impact these situations.
 - A child has a bad experience with letting a friend borrow something.
 - A college-bound student is overwhelmed by student loan documents and just signs them without understanding.
 - An adult selected a ‘bad’ mortgage solution and is a few months away from losing her home.



Financial Psychology



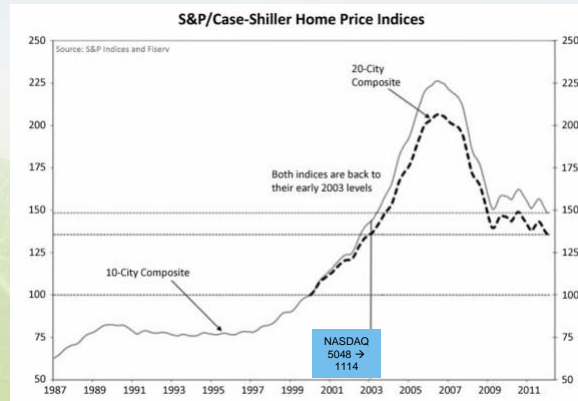
☑ Emotions: Hope, Wishing, Don't Want to Miss Out

- 40% of Americans are counting on the lottery, sweepstakes, getting married, or an inheritance to fund their retirement. *Walter Updegrave, Senior Editor of Money Magazine*
- Upon the implosion of past bubbles (real estate, stock market) people relied on "hoping" the markets would turn around and ignored obvious signals.
 - [There are] signs of froth in some local markets where home prices seem to have risen to unsustainable levels. *Alan Greenspan*
- As the bubbles formed people didn't want to 'miss out'.
 - Warren Buffet
- People of all ages 'hope' without taking action.
 - Many times this stems from lack of knowledge and not having an exit plan.

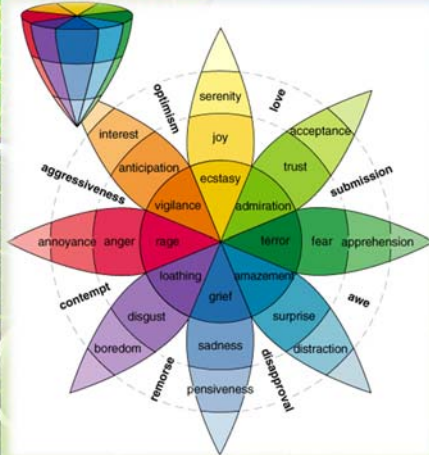
Financial Psychology



☑ Describe the Emotions Involved with Money



Financial Psychology



Robert Plutchik's Wheel of Emotions Theory – 8 basic emotions:

- Fear
- Anger
- Sadness
- Joy
- Disgust
- Trust
- Anticipation
- Surprise

Chart from Changingminds.org

Research by Parrot (2001)

Financial Psychology



The Negative Financial Cycle – Lack Knowledge

1) Fear & Lack Confidence

2) Freeze or Act Fast

-Like pulling off a Band-Aid

3) Mistake or Lucky Success

4) Next Cycle



Financial Psychology



The Negative Financial Cycle - Mistake

1) Mistake

- Regret
- Shame
- Embarrassment

2) Fear

- Freeze up
- Fear of loss

3) Hope

- They don't take action and hope things gets better.

4) Despair

- Give up



Financial Psychology



The Negative Financial Cycle – Lucky Success

1) Lucky Success

- Bad decision with positive outcome.

2) Go all in

- Greed

3) Hope

- Make no moves and hope it gets better

4) Fear Cycle



Financial Psychology



☑ Limiting Beliefs

- You have to be good at math to be good with money.
- I'll probably end up just like my parents.
- It's too confusing.
- Work hard, play hard, spend money.
- I have enough.
- I need _____.
- Money's the root of all evil.
- I don't care about money.
- Money can't buy happiness.
- I don't want to pay more taxes.
- I have an inheritance coming.



Financial Psychology



☑ Creating Positive Financial Psychology

- Empathy
 - Knowing how to empathize with their current situation and move them beyond.
 - Techniques – reading old yearbooks, surveys, pre-testing, talking with them, etc.
- High expectations.
 - Move participants to dream big and set the bar high for themselves.
- Help students identify their relationship with money.
- Create emotional rollercoaster's.
 - Student Experience Card demonstration.
- Provides a clear and detailed action plan.
- Strong reasons.
 - Help participants identify what motivates them to financial wellness.
- Address stressful topics strategically.
 - Name 'stressful topics' for each age group.

☑ Creating Positive Financial Psychology

- Financial literacy is unique
 - Getting past the education barrier.
 - Financial literacy will affect every day of their lives.
- Language
 - Don't ask yes/no questions like "Do you want to learn about money?"
 - Instead, ask: "Why do you want to learn about money today?"
- Self-education
 - Things change quickly.
 - Self-education and learning should be a lifelong process.
- Timely education
 - Boring presentations do more harm than good.
 - Give them lessons they can apply to their lives right now.
- Help them discover their reasoning
 - Goals like home ownership motivate learning.

Measurement



Measurement



☑ Measurement Section Overview

- Measurement Types
- Setting Measurement Goals
- Pre-event Measurements
- Surveys, Pre- and Post-Testing
- Quantifying Results



Measurement



☑ Why Measure?

- Improve your effectiveness as an instructor.
- Able to be better prepared prior to teaching a class.
- Helps students recognize their improvement.
- Proves that the financial literacy course is effective.
- Helps us raise funds through grants and sponsorships.
- Proven programs attract volunteers and advocates.
- It's exciting to see the impact we make as instructors.



Measurement



☑ Measurement Tools

- Surveys
 - Pre-event and in-class surveys allow instructor to adjust material and training style to accommodate the participants.
 - Post-event surveys.
- Pre- & post- testing
 - Measures the improvement of the participants' financial capabilities.
- Long-term measurements
 - Measures the long-term impact on the participants' change in behavior.
- Instructor measurements
 - Can include short- and long-term measurements of the instructor's effectiveness.
- Organizational measurements
 - Quantifies the promotion results related to the organization's objectives.
- Partners measurements
 - Quantifies the promotion results related to the partners' objectives.

Measurement



☑ Goals: Educational Measurement

- Set quantifiable goals first, then develop programming around those objectives.
- Develop clear measurement objectives and ways to quantify impact.
 - Pre- & Post-testing
 - Long-term measurement
 - Instructor measurement
- Ensure educational objectives align with the program offered.
 - Be flexible during class but ensure you stay on track with objectives.
- Share measurement goals with those involved in the program.
 - Enlisting the support of others can improve the program.
- Establishing realistic goals.
 - What outcomes might you expect after a 1 hour class?
 - What outcomes might you expect after a 20 hour program?
 - What outcomes might you expect after a year long mentorship program?

Measurement



Understanding the Participants

Before beginning the instruction it is important to gain a deeper understanding of your audience through surveys, pre-testing and direct communication to get a better feel for:

- Participants' Needs
- Motivators
- Current Knowledge Level
- Challenges they Face
- Willingness to Change

How can you do this?



Measurement



Stages of Change Framework

Remember this?

- Precontemplation
- Contemplation
- Preparation
- Action
- Maintenance
- Termination



***Transtheoretical Model of Behavior Change** (Prochaska & DiClemente, 1983; Prochaska & Velicer, 1997)

Measurement



✓ Gathering Information for Stages of Change

Sample questions that help instructors determine the “Stage of Change” the participants are currently experiencing:*

- Do you currently have financial concerns?
- Would you be interested in a program that can help you overcome those financial concerns?
- How can learning about money help you?
- What benefits do you see in being financially knowledgeable?
- How many hours per week could you dedicate to learning more about money?

*Information is gathered through surveys with enough time in advance to prepare the instructors and content delivered.

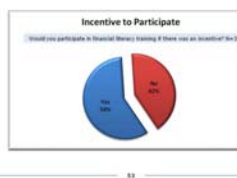
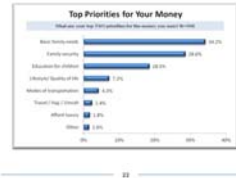
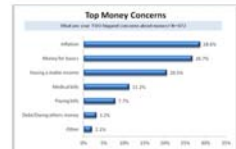
Measurement



✓ Sample Stages of Change Report

General Personal Finance

- 85% to 89% of respondents indicated they had at least “some” money concerns.
- Single parents’ concerns reported less concern than respondents from other environments, but 85% still reported at least “some” concerns.
- The two largest concerns reported were inflation (29%) and money for the future (27%).
- 68% of the audience’s top money profiles centered on the family:
 - Debt (credit cards, 24%)
 - Family security, 23%
 - Education for children, 19%
- The top concerns with which participants reported wanting help were split between the several items:
 - Debt (26%)
 - Saving Money, 12%
 - Inflation (12%)
- 52% of respondents were “interested” or “very interested” in receiving training on these financial concerns.
- Single parents showed a lower interest level than the other three groups.
- Respondents indicated school teachers as their primary preference to whom they wanted to learn from (22%), followed by local representatives (22%).
- The preferred training methods were “Lectures/Speeches” (33%) and “Videos” (27%).



Teaching Financial Literacy (Measurement)



☑ Surveys, Pre- & Post-testing

- Pre-testing allows instructors to get the baseline level of knowledge and should be given before any instruction takes place.
- Pre- and post-tests should be identical.
- Instructor should ensure the answers to questions asked on the pre- and post-tests are covered in class.
- Surveys that gather students' opinions, suggestions, ratings and comments should be given to students prior to post-test.
- Items that can negatively impact post-test and post-surveys:
 - Participants are mentally tired
 - Distractions are present
 - "Once you complete the test you can leave."

Measurement



☑ NFEC Tests

The NFEC's tests cover three distinct areas that impact one's financial capability:

- **Motivation to Learn** – Do the participants understand how the subject of financial literacy impacts their daily life? Do they relate the handling of their personal finances to their dreams? Motivation to learn is a critical area to measure, as it directly impacts how we deliver the instruction and which lessons we focus on within the curriculum.
- **Subject Knowledge** – Most financial education tests simply measure subject knowledge – example: What is APR? While this is important, it is only one area that impacts one's financial capability. The NFEC uses this measurement in combination with the other two mentioned to achieve a more complete evaluation of one's financial capability.
- **Recognition of the First Step** – The NFEC recognizes this as a critical component on moving participants to take positive action – do they understand the first step that leads them toward a better financial position? Most financial literacy curriculum and tests do not measure or teach this critical component. Providing instruction that includes the exact steps they should take is critical for retention and implementation of the material.

Measurement



☑ Sample Post-test Report

2011 Summer Conference
Financial Literacy Event Report

Report Includes:

- Event Overview
- Feedback Summary
- Pre & Post Test Results
- Volunteer Services & Feedback

Simon Family Foundation 2011 Summer Conference

Pre-Test Pass / Fail Analysis

Category	Percentage
Pass	70%
Fail	30%

Post-Test Pass / Fail Analysis

Category	Percentage
Pass	90%
Fail	10%

Pre-Test to Post-Test Average Grade Comparison Shows a 20.7% Improvement

Grade	Pre-Test	Post-Test
A	0%	10.00%
B	0%	10.00%
C	0%	10.00%
D	0%	10.00%
F	0%	10.00%
G	0%	10.00%
H	0%	10.00%
I	0%	10.00%
J	0%	10.00%
K	0%	10.00%
L	0%	10.00%
M	0%	10.00%
N	0%	10.00%
O	0%	10.00%
P	0%	10.00%
Q	0%	10.00%
R	0%	10.00%
S	0%	10.00%
T	0%	10.00%
U	0%	10.00%
V	0%	10.00%
W	0%	10.00%
X	0%	10.00%
Y	0%	10.00%
Z	0%	10.00%

44% informed me a lot about matters of the real world and things that I may come across in life. 33

Simon Family Foundation 2011 Summer Conference

Student Testing

Pre/Post-Test Comparison of Correct Answers by Question

44 I thought I knew a lot but I didn't, it provided me a lot of new information. 33

Measurement



☑ Sample Post-test Report

Simon Family Foundation 2011 Summer Conference

44 I like how they are giving us useful information to save money. 33

The Information Presented Is Something I Will Use.

Response	Percentage
Strongly Agree	62%
Agree	23%
Disagree	8%
Strongly Disagree	7%

Please Rate How Much You Learned.

Response	Percentage
Strongly Agree	48%
Agree	23%
Disagree	14%
Strongly Disagree	15%

Simon Family Foundation 2011 Summer Conference

Students Wish to Improve the Program:

Student Comments: "The money was too hard. The volunteers were awesome." "Not enough charts, some information was too hard, wish the model was better." "The only thing that needs to be improved is that the charts could be set up a little better."

Feasible Solution: "Charts were really hard to do, but the questions on it. The chart of the program the way it was set up, before or later in the event it was easier for students to understand and get the information out. In the future we can keep the chart set up the same and add charts later in the event. To address the money issue, money can be adjusted so the student range are adjusted to an appropriate level and the number will be based on a real world."

Student Comments: "Sometimes the time need to be increased because some people feel rushed. I really liked this event. It showed me how to organize it, how 'hardly' I need to plan."

Feasible Solution: "Come coming volunteers, that are bringing the materials quickly, all booth leaders that have more time so they can support the students after going over the resources."

Student Comments: "More the students' ask more questions in person conversations."

Feasible Solution: "Ask more questions for the volunteers to see whether the information guide will bring the learning."

Student Comments: "I disagree with some of the pricing." "Lots of useful information, and some very important. However the table could be more organized and needed."

Feasible Solution: "Improve description of the program during the opening presentation so the students understand the pricing, that is used will give them a rough estimate on costs they can expect."

Simon Family Foundation 2011 Summer Conference

44 I really enjoyed working in the investing booth and would love to volunteer to help out with this booth next year. 33

Would This Event Have Been Helpful When You Were in High School?

Response	Percentage
Strongly Agree	62%
Agree	23%
Disagree	8%
Strongly Disagree	7%

Would You Want to Participate in This Event Again?

Response	Percentage
Strongly Agree	90%
Agree	8%
Disagree	2%
Strongly Disagree	0%

Measurement

✓ Framework to Quantify Results

- o Bloom's Taxonomy of Higher Order Thinking Skills & Depth of Knowledge Levels
 - Allows us to quantify the results of the course or promotion.
 - Gives specific framework to measure the participants' financial capability.



Measurement

✓ Bloom's Taxonomy of Higher Order Thinking Skills

- o A learning approach that allows teachers to classify learning objectives.
- o Bloom's Theory suggests that students move through six levels of learning to demonstrate proficiency and to make their own ideas about their learning.
- o Bloom's Taxonomy's levels are as follows; knowledge, comprehension, application, analysis, synthesis and evaluation.
- o Use the next slide to describe the program outcomes.
 - o What outcomes might you expect after a 1 hour class?
 - o What outcomes might you expect after a 20 hour program?
 - o What outcomes might you expect after a year long mentorship program?

Evaluation

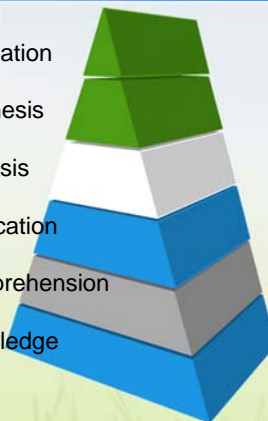
Synthesis

Analysis

Application

Comprehension

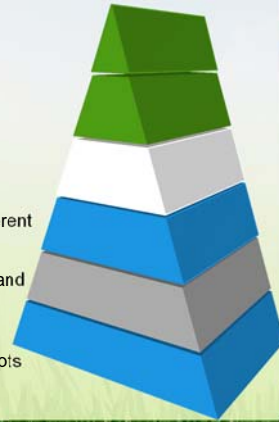
Knowledge



Measurement

✓ Bloom's Taxonomy of Higher Order Thinking Skills

- **Evaluation** – ability to make informed judgments on information.
- **Synthesis** – bringing information together in different ways. The ability to form solutions based on knowledge.
- **Analysis** – the ability to break down information, provide further insight into causes and identify relationships.
- **Application** – the ability to use the knowledge and apply it in different ways.
- **Comprehension** – demonstrated understanding of the concepts and facts by being able to compare, organize and interpret the main components.
- **Knowledge** – recalling the basic terms, facts, theories and concepts previously learned.



☑ Webb's Depth of Knowledge

- Level 1 – Recall
 - Students recall basic information like names, facts, or quotes
- Level 2 – Skill/Concept
 - Connect Recall level information to problem-solving
- Level 3 – Strategic Thinking
 - Higher cognitive rigor like planning, reasoning, and explaining thought process
- Level 4 – Extended Thinking
 - Questions require complex reasoning and analysis
 - Connect lessons with other concepts
 - Similar to Bloom's "analysis" and "synthesis" stage

Measurement



✓ Loan Game Activity – Will You Lend Me Money

Do you lend your friend Tom \$900?

- Collateral - He has \$200 for a down payment.
- Credit – He has no credit history.
- Income – Tom makes \$1,000 per month.
- Debt – His total debt is \$1,400 on credit cards.
- Debt vs. Income – His total monthly payments between debt, rent, and insurance is \$800 per month.
- Assets – \$200 in a savings account.
- Overall – Tom has a spotty job history and has jumped fields several times – cashier, salesperson, stylist, and pet groomer.

Measurement



✓ Loan Game Activity

- Evaluation -- Ability to make confident and informed decisions when people ask to borrow money.
- Synthesis – Making the decision whether to lend money or not based on consideration of all variables.
- Analysis – What if's. What if they give me their bike as collateral? What if they pay me double?
- Application – The steps I use to decide to lend out money are similar to what lenders will look at when evaluating me for a loan.
- Comprehension – I look at someone's repayment record, income, debt, what I can hold onto and cash to decide if I lend out money.
- Knowledge – Skipped, and start with higher level.



Measurement



✓ Bloom's Taxonomy of Higher Order Thinking Skills

Bloom's evaluation of people's emotional reactions to information, people and the world around them.



- Characterizing – development of a long-term value or belief system that influences a participant's behavior.
- Valuing – internalizes and attaches values to the information.
- Organizing – combining values and information internally to form a consist set of values.
- Responding – shows interest and an active participation in the learning process.
- Receiving – willingness to participate and at least passively pay attention.

Measurement




☑ Goals: Instructor Measurement

- Set clear and progressive goals for instructors.
- Use the first few events to refine and adjust measurement indicators, surveys and testing.
- Review surveys, pre- and post-testing results on a regular basis.
 - Create longer-term measurement charts of the instructor's ratings and students' test results.
- Compare instructors' performance.
 - Have instructors with lower performance reviews sit in on training with those who achieve better results.
- Provide continuing education.
- Video yourself – and watch it!



Measurement



Longer-Term Measurement

- Longer-term measurements help identify behavior change and overall improvement in the participants' financial capabilities.
- Many funders and sponsors are looking for proven programs that improve participants' financial capabilities.
- Longer-term measurements may include testing, surveys and other quantifiable measurement tools.
- Design quantifiable longer-term measurements that align with the lessons taught.
 - Example: If you do a class where the goal is to improve savings rate, how has their savings rate grown since the class.
 - If you are teaching kids, involving parents or educators will be important.
- Ensure accurate data by seeking tools that help you quantify.
 - Account statements.

Measurement



Organization & Partner Objectives

- What is needed to consider the initiative a success?
- What do your partners need to consider the program a success?
- Overall education and outreach goal?
- Demographic of those you seek to serve?
- Geographic area served?
- Overall business and sustainability goal?
- Personal and philanthropic goals?
- How will you align organization and partner goals?



Measurement

✓ Activity – Build a Measurement Tool

- Select one event that you currently conduct.
- Develop a “Stages of Change” survey.
- Develop a pre- and post-test.
- Develop a post-event survey.

Steps:

- Elect one person to type the questions on Word doc in class.
- Everyone participates in sharing ideas.
- A draft “Stages of Change” survey, pre- and post-test and post-event survey are developed.
- Ensure questions are aligned with quantifiable learning measures discussed in Bloom’s.

Teaching Financial Literacy



Teaching Financial Literacy



☑ Financial Literacy is a Unique Subject

- Unlike most other coursework, each of the participants have had an experience and relationship with money.
- Each participant has some type of emotional connection to money and what it brings them.
- Financial literacy directly impacts every second of their lives.
- Directly relates to current situations they are experiencing and future goals.
- Is a subject most people want to learn about.
- A financial education will impact many areas of their life.

Teaching Financial Literacy



☑ Why Some Programs Fail

- Boring!
- Presenters do not understand or connect with audience.
- Primarily consist of theory-based education and lack practical application lessons.
- Lack quantifiable results.
- Poor quality curriculum.
 - Outdated material, incorrect information, lacking important lessons and written by people without any financial experience.
- Not enough time is spent teaching the lessons.
- Limited follow-up education and no measurement.
- They do not provide material to those that support the development of the participants.
- Are focused solely on education and do not move participants to take action.

Teaching Financial Literacy



John Hope Bryant

- Mr. Bryant serves U.S. President Barack Obama as Chairman of the Subcommittee on the Underserved and Community Empowerment for the President's Advisory Council on Financial Capability. Prior to that Mr. Bryant served U.S. President George W. Bush as vice chairman of the U.S. President's Advisory Council on Financial Council, and chairman of the Council Committee on the Underserved.
- Operation HOPE, America's first non-profit social investment banking organization, founded immediately following the Rodney King Riots of 1992 in South Central Los Angeles, now operates in more than 270 U.S. communities and South Africa, has served more than 1.5 million individuals, has more than 18,000 HOPE Corps volunteers, more than 5,000 partners from government, community (including faith) and the private sector, has raised more than \$600 million and helped to restructure another \$450 million in subprime mortgages to empower the poor, for a total of approximately \$1 billion in economic activity for the under-served.



Video Courtesy of the Documentary Movie 'Financial Illiteracy Epidemic Exposed'

Teaching Financial Literacy



Engaging Students

- Dreams and Passions
 - Connect with the audience; let your own passion for financial literacy show.
- Theory-based Education
 - Keep topics relevant—how will the knowledge improve their lives?
- Lack Results
 - Measurement helps ensure quantifiable results
- Poor Curriculum
 - Choose practical, real-world curriculum.
- Time
 - Follow up with reminder education.
 - Make sure they're taking action steps.

Teaching Financial Literacy



☑ Keeping Students Engaged

- Holistic Approach
 - Don't just teach the end user.
 - Provide tools, training, and resources to those who serve the end user.
- Increase Reach and Frequency of Message
 - Bring more people into the circle of education and repetition.
 - Adults can talk to their kids as well.
- Education vs. Movement to Action
 - Focusing solely on education is not enough.
 - Repetition and implementation are key.
 - Start integrating the lessons into your teaching right now.

Teaching Financial Literacy



- ✓ Persuasion (Sales) Techniques
- ✓ Gardner's Theory
- ✓ Dreams & Lifestyle
- ✓ Neuro-Linguistic Programming

Teaching Financial Literacy



☑ Gardner's Multiple Intelligences Theory

- Gardner's theory suggests that there are nine learning domains or intelligences that students gravitate towards within instruction.
- Intelligence, according to Gardner, is the ability to provide a service or product within one's culture, the possession of a set of skills to solve life problems or using new knowledge to create and solve problems. (PBS.org)
- The NFEC's financial literacy curriculum provides students the ability to use their own intelligence to associate their learning with their personal financial goals or situations. The use of Gardner's theory within our curriculum allows students to learn in their own preferred learning style.



<http://edel518.wikispaces.com>; Lube Escobar

Teaching Financial Literacy



☑ Gardner's Multiple Intelligences Theory

- **Linguistic intelligence** – these students learn well through the spoken and written word and have the ability to use language to express themselves.
- **Logical-mathematical intelligence** – these people have the ability to analyze problems logically, are good with math and can deductively solve problems.
- **Musical intelligence** – these students are skilled in recognizing musical pitches, rhythms and tones. Often they also possess linguistic intelligence.
- **Bodily-kinesthetic intelligence** – these people actively use their bodies to solve problems.
- **Spatial intelligence** – these students can recognize and use the patterns of space. They are skilled at transforming mental images into reality.
- **Interpersonal intelligence** – these students have the capacity to understand the intentions, motivations and goals of others.
- **Intrapersonal intelligence** – these students possess the capacity to understand themselves, their feelings and can regulate their lives.

Teaching Financial Literacy



☑ How Do You Learn?

- Linguistic intelligence
- Logical-mathematical intelligence
- Musical intelligence
- Bodily-kinesthetic intelligence
- Spatial intelligence
- Interpersonal intelligence
- Intrapersonal intelligence



Activity

- Describe what type of learner you are.
- Teach the class something you learned today in a way that aligns with your learning style.

Teaching Financial Literacy



☑ The Sales Approach Background

- Salespeople are the backbone of society.
- Educators make excellent salespeople.
- Sales is uncovering a need, understanding clients' goals, building a relationship, proposing solutions and motivating them to take action.

☑ Sales in Education

- Presenters have a clear understanding of the needs and desires of the participants.
- They align their presentation to showcase the benefits that motivate the class.
- The instructor focuses on building rapport with the students.
- Presenters motivate students to take clearly defined action steps.
- The educator takes constructive remarks to improve future lessons.

Teaching Financial Literacy



☑ Sales Approach, Phase 1 – Preparation

- Believe in what you are selling (teaching).
 - Reflect on how financial literacy will impact your students' lives.
- Confidence is built through preparation.
 - Participants can tell when you are unsure of yourself and this directly impacts the effectiveness of the instruction being delivered.
- Knowledge of the topics presented.
 - You don't need to be an expert but know the main points of the topics you discuss.
- Learn as much as possible about the audience before you arrive.
 - This gives you time to shape your presentation to fit the audience.
- Set clear goals.
 - Example: My participants will improve their test scores by 25%.

Teaching Financial Literacy



☑ Sales Approach, Phase 2 – Listening and Rapport

- Active listening.
 - Ask probing questions to understand the participants' values, beliefs and motivators.
 - Take notes on key points.
- Gain an understanding of their psychographics.
 - Psychographics allows us to understand participants' attitudes, values, lifestyles, and opinions. Commonly referred to as IAO variables (Interests, Activities, and Opinions).
 - This understanding provides direction on how to shape our presentation.
- Build rapport.
 - Rapport helps us connect with our audience and will increase the participation rate in our 'call to action'.
 - Rapport is often defined as building trust and being in 'sync' with your participants.
 - Preparation and active listening are the first two steps to building rapport.
 - Other tips to building rapport: small talk on subject, be real, share personal stories, relate to students, have fun, make the lessons engaging and show you truly care about their wellbeing.

Teaching Financial Literacy



☑ Sales Approach, Phase 3 – Offer Solutions

- Timing of presenting solutions.
 - Solutions can only be offered once your participants have a sense that you understand where they are now and their future goals.
- Educate with benefits not features.
 - Benefits make people take action.
 - Health drink 'features': 100% of daily vitamins. Benefits: Makes you feel energetic and healthy.
 - Financial literacy 'features': Learn about credit. Benefits: Save \$10,000 off your car purchase.
- Subject differentiation.
 - Explain how financial literacy is different than other subjects. This will be material that impacts them every second of their lives and has direct relation to their ability to live the lifestyles they desire.
 - Especially important when working with people in school.

Teaching Financial Literacy



☑ Sales Approach, Phase 4 –Take Action

- If you have done the first steps right, moving them to action will naturally follow.
- Timing
 - Look for heads nodding and facial expressions to time your close.
 - Present action steps during a time of high emotion.
- Getting commitment to take action – closing them.
 - Assume the close. Now that you know just saving and investing \$100 per month can grow to over a million dollars, what will be the first steps you will take?
 - Ask for their commitment.
 - Alternative choice.
 - Ben Franklin close.
 - Future person. Now that you have this information and will be continuing to learn more, how do you think your life will be different in 5 years? What will you do this week to make sure you're successful at this?

☑ Sales Approach, Phase 5 – Feedback and Resources

- Get feedback.
 - What were areas of the presentation the students liked and what didn't resonate with them?
 - How can you improve the presentation?
 - Uncover objections to your call to action.
- Objections.
 - Answer objections with the 'feel, felt, found' method. Maybe the student responds with "I have to have my Starbucks coffee." Your response: "I understand how you feel and a lot of my close friends felt the same way about their morning coffee before. But when one of them had saved enough money for a down payment on a car just by cutting expensive coffee out of his routine, he was pumped. Follow with a close: So will you start getting coffee at a cheaper place or start making it at home?"
- Recommended reading.
 - Brian Tracy, The Psychology of Selling
 - Tom Hopkins, How to Master the Art of Selling

☑ Sales Education Process Framework

- Establish clear goals.
- Build rapport with a conversational tone.
 - As opposed to an interview style approach.
- Ask probing questions that help you understand participants' values, beliefs and motivators. Also uncover the real problem or issue they are trying to resolve.
- Offer solutions and focus on the benefits.
- Close and ask for commitment to take action.
 - If they don't accept the first closing use the feel, felt, found method and close again.

Teaching Financial Literacy



☑ Neuro-Linguistic Programming (NLP)

- NLP is focused on creating change through the top influencers of our human experience: neurology, language and programming.
- This theory describes the dynamics between our mind and language and how it impacts our behavior.
 - Many of the sales closes are designed around NLP language patterns.
 - Example: By now you know that this class will make your life more rewarding, fun and you'll be able to have experiences that others only dream of.
- People move away from pain and toward pleasure.
 - Emphasize pain and pleasure points throughout your presentation.
 - Benefits and consequences.
- NLP has been used by top salespeople, presenters, educators and others as a way to improve retention rates and move people to take positive action.

Teaching Financial Literacy



✓ NLP Pyramid



Identity. Who are you and what is your purpose?

Values and Beliefs. What is important to you and what inspires you at the core of your being?

Capabilities. What skills do you have now and what skills do you need to develop to live your identity?

Behavior. What daily actions can help lead you to your identity?

Environment. How has your environment affected you and what changes in your environment will help you achieve your desired outcome?

*Goal is to move participants up on the scale so the lessons we are teaching become part of their identity.

Teaching Financial Literacy



Example:

Identity. I am a financial literacy advocate and loving father that is on a lifelong mission to raise loving children and share financial wisdom with my community.

Values and Beliefs. My belief in helping the less fortunate moves me to action.

Capabilities. I am a passionate expert in micro-lending but need to improve my knowledge of other alternatives.

Behavior. I focus on my daily interactions on helping the poor and doing advocacy work for numerous organizations.

Environment. I grew up poor and that provides me daily motivation.

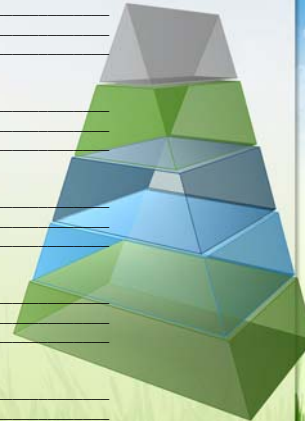
Identity.

Values and Beliefs.

Capabilities.

Behavior.

Environment.



Teaching Financial Literacy



Sales (Education) Plan

Create a sales approach plan to teaching financial literacy. Address all areas including:

- Preparation
- Listening & Rapport
 - List a few questions you will ask that will help you understand the 'values and beliefs'.
- Solutions
 - What solutions do you offer to the problems your clients face?
- Action
 - Create a close that will get them to take action on your proposed solution.
- Feedback
 - How will you elicit feedback?

Student Experience



Student Experience



Program Design

Events and promotions should be designed around the target audience.

- Understand your audience
 - Talk with those who interact with targeted demographic on a regular basis.
 - Conduct surveys and questionnaires.
 - Meet those you serve and conduct 'conversational' focus groups.
- Create a draft of the program and get feedback from the target audience.
- Develop the program paying particular attention to:
 - Language, look and feel, flow, usability & alignment with standards
- Schedule the program.
 - Receive feedback from your audience about: dates, times, length, etc.

Student Experience



☑ Look & Feel

Consider the six senses :

- Visual
- Auditory
- Touch
- Taste
- Smell
- Feeling



Student Experience



☑ Money XLive

- **Money XLive** is the premier financial literacy program in the country. It has support from over forty top celebrities and sport stars, plus today's hottest entertainers. It's no secret: we all need to know how to handle our money. Money impacts us every single day of our lives – from our clothes, to who we are able to help out, to the fun activities we are able to experience. In today's age if you don't know about money you'll miss out on a lot of the things you want to do and you may be stuck working for a boss you don't like.
- Fortunately, **MXL** will give you the 'real world' money tips you need to know to live the lifestyle you want while you're young enough to fully enjoy life. Why not pick up the money skills you need while seeing your favorite celebrities and entertainers? **MXL** will kick off your financial education plus give you a free 16 week course to get your money right. It does take some effort, but the basics of money is a lot easier than most high school classes. The good news is that when you start young you have a huge advantage. So do yourself a favor and learn about money – now. Be the First to Know! Complete the information below and keep up-to-date with the **MXL** tour schedule.

☑ Veterans Event

- Our Veterans Event has two goals: to give our veterans tangible financial education, while raising awareness for their causes. Combining complimentary classes with awards events that garner full media coverage helps our vets feel good about getting key money skills. Timing the award ceremony right before July 4 attracts the media at a time when they're interested in covering veteran-related stories. Presenting the awards in front of camera crews adds emotion, energy, and excitement to the event. The award ceremony becomes a positive reminder of the financial education experience.
- At the same time that the veterans gain financial knowledge, we take the opportunity to build awareness for veterans' issues like PTSD. Some vets can reach a negative state around July 4. For this event we met with psychologists to make sure we were sensitive to any traumas they're going through, and tailored the presentation to be especially effective for them.
- We believe in collaboration, and the veterans event is a good example—we partnered with a nonprofit that provided the venue and invited the veterans to attend. It's a win-win-win all around: everybody feels rewarded.

Student Experience

☑ Activity: Event Design

- Create an event that will connect with your target audience.
- Break up into equal size groups and design an event that has a look and feel appealing to your target audience.
- Keep costs under \$1,000. No need to keep track of money just use this figure as a rough guide.
- Choose your target audience: kids, teens or adults.
- Present your event to the group.



Student Experience



☑ Dreams & Lifestyle Activities

- These activities are excellent for building rapport and learning what will drive the students to pick up financial literacy lessons.
 - This activity is included in every age curriculum!
- Students relate money to the ability to live a desired lifestyle through these activities. They also gain an understanding of how to plan for the successful accomplishment of their goals.
- These activities are perfect for learning about students using the NLP method. Be sure to probe deeper into their answers and drive them up the NLP pyramid to understand their values, beliefs and get a better sense of their identity.
 - Refer to what you learn constantly throughout the show.
- Take detailed notes on students' dreams, goals and aspirations. Refer to them often throughout the delivery of the remaining coursework.
- Examples of dream and lifestyle introductions.

Student Experience




☑ Language & Tone

- The language and tone you use has a major impact on retention rates.
- Choose a tone acceptable to your target audience.
- Change tone within presentations.
 - Practice this over time and pay attention to the audience's reaction.
 - Get to a point where you can confidently take students on an emotional rollercoaster.
- Language game.
 - Financial responsibility ,financial security
 - Learn about money, pick up money skills
 - Money games, money activities
 - Financially literate, financial education, financial capability

Student Experience



- 
- ✓ Motivate
 - ✓ Engage
 - ✓ Educate
 - ✓ Move to Action

Student Experience (Motivate)



☑ Motivate - Hook

- **Why:** With the subject of money we have compelling "whys" and youth of all ages enjoy learning when there are strong reasons for them to do so. Be sure also to let the class know "why" you are teaching this subject; it helps build rapport and a relationship with the class.
- **Lifestyle:** Money is just paper; it is the lifestyle that truly motivates us to learn about money. Discover the lifestyle goals of your class and show them how money management skills will help them reach those goals. Focus your program on lifestyle advantages that money skills can give your participants.
- **Benefits:** Focus on benefits throughout your presentation and ask questions that get students to answer what the benefits are. For example, good credit will save you over ten thousand dollars on a car purchase – what would you like to do with the money you save? Benefits are what advertisers use to sell us their products and what you can use to sell the message of financial literacy.

Student Experience (Motivate)



☑ Motivate - Hook

- **Real:** People know (especially today's youth) whether you're being real with them or not. Open up, be vulnerable and share yourself with the class. Being real builds trust and when the participants trust you they learn more effectively.
- **Relate:** Most of us can relate to many of the experiences and feelings your participants are going through. Keep an empathetic ear open and reflect back to the age of the groups that you are talking to in order to understand where they're at.
- **Storyline:** Develop a storyline that develops through the class period. This can be an educational lesson or a story that progresses along the lessons. Model a television script and you will gain students' interest.
- **Opener:** Let your audience know from the outset that this isn't the typical boring class they are used to. People have been conditioned that learning is 'hard' and 'boring'. Creating a strong opener lets them know – this class is different.

Student Experience (Motivate)



☑ Motivate - Create Emotional Response

- **Emotion:** Rebelliousness, embarrassment, hope, desire and many more emotions provide powerful leverage for our message of financial literacy. In your presentation, get the class to respond emotionally and guide those emotions in the direction that will help them the most.
- **Encouragement:** With 'financial disaster' stories making the front page of the news regularly, it is important to inspire students with hope and the belief that they can achieve the level of financial status they desire through continued education.
- **Envision:** Leverage positive and negative outcomes of the future in an encouraging way. "Because you know this – you will be able to avoid ____." Find out their dreams, encourage them and share practical tips on how they can achieve their own personal goals.
- **Inspiration:** In order to inspire you first need to uncover what motivates them. Everyone is different so get to know the demographic you are teaching and ask the students questions. Pay attention and really listen to what they are sharing.

**Student Experience
(Motivate)**

National Financial Educators Council

☑ **Activity: Motivation**

- Create a motivation plan for your presentation.
- Include those elements just discussed and concrete examples of how you will use them during a presentation.

The slide features a background of green leaves and grass. A person is shown jumping in the air against a blue sky. The text is presented in a white box with a green border.

**Student Experience
(Engage)**

National Financial Educators Council

☑ **Engage**

- **Interact:** Interaction is an important part of keeping the class engaged plus it helps us to understand the class better. We can interact with students through: activities, questions, participation, opinions, feedback, surveys and sharing.
- **Move:** Remember many of your students are in their seats for 6 hours out of the day. Get them to move, breathe deep and do something different than the other thousands of classes they will sit through.
- **Entertain:** You don't have to juggle or sing to entertain. Entertaining can start with something as simple as moving around the room, using different pitches of your voice and pulling out some jokes, music or party tricks to keep the class on their toes.
- **Flexible:** Although it is part of an educator's job to direct the class, be sure to remain flexible and work with the class. Stay focused on the goals you set but also be able to go with the flow of the participants.
- **Props:** Today we have a wide assortment of tools that will help to break up the class session. You have videos, music, handouts, games and a lot more so make the class interesting.

The slide features a background of green leaves and grass. The text is presented in a white box with a green border.

Student Experience (Engage)



☑ Activity: Engage

- Create an engagement plan for your presentation.
- Include those elements just discussed and concrete examples of how you will use them during a presentation.



Student Experience (Educate)



☑ Educate

- **Practical:** Focus your instruction on the practical application of the subjects rather than theory, history and definitions and other less usable information. They can pick up theory over time; so initially make sure they pick up real-world applications.
- **Story:** Stories are an excellent way to deliver content and make the learning process fun. Sharing personal stories helps you truly connect with the class and relate to them on a memorable level. If you're not comfortable sharing your own stories, third-party stories are great as well.
- **Content:** Use quality curriculum that relates well with your audience. Make sure the content you share is relevant, up-to-date and something the class can relate to. Times are changing faster than ever before so always seek out up-to-date stories and topics that your students can relate to.
- **Knowledge:** Have a good grasp of the topics you are teaching and if you don't know the answer just let them know. We don't have to have all the answers but we always strive to learn and grow.

Student Experience (Educate)



☑ Educate

- **Prepare:** Before entering the classroom always be prepared and practice your presentation. Besides understanding the lessons, be sure to focus on how you can motivate, educate, engage and move the class to action.
- **Relax:** You are there with good intentions to give the participants information that will change their lives. Breathe, have fun and understand the presentation does not have to be perfect.
- **Time:** Manage your time to the best of your ability and realize that the curriculum is a guide to help you get through the lessons. However, if the students are really interested in a topic you have the freedom to spend added time on that subject and eliminate other lessons.

Student Experience (Educate)



☑ Activity: Educate

- Create an education plan for your presentation.
- Include those elements just discussed and concrete examples of how you will use them during a presentation.



Student Experience (Move to Action)



☑ Move to Action

- **Action Steps:** Provide clear action steps for the students to follow.
- **Commitment:** Gain the commitment of the students to take ongoing action.
- **Resources:** Provide continuing education resources to leverage the students' motivation.
- **Accountability:** Include an accountability component to the financial education program.
- **Closing:** Use closing techniques to gain the participants' commitment.



Student Experience (Move to Action)



☑ Activity: Move to Action

- Create a 'move to action' plan for your presentation.
- Include those elements just discussed and concrete examples of how you will use them during a presentation.



Student Experience



☑ Implement the Suggestions While Finding Your Authentic Voice

- Discover your personal teaching style.
- Push boundaries and try new things.
- Seek motivation for new ideas from music, media, shows and other entertainment that your target audience is into.
- Closely monitor your impact and make adjustments when necessary.
- Soon these guidelines will become second nature and your authentic voice and passion for sharing the message of financial literacy will shine through!



Student Experience



☑ Addressing Distractions

- Change something.
 - Have class move around, show video, play game.
- Emotions, passion and commitment.
 - Share with them why you are there, how you want to help and your personal stories.
- Loud noises.
- Positioning where you stand.
- Commands.
 - Eyes right here. Listen to this now.
- Targeting main participant that is taking class off track.
- Teacher assistance.
 - Set up protocol to address a class that gets out of control.



Teaching Financial Literacy (Holistic Approach)



Teaching Financial Literacy (Holistic Approach)



☑ Benefits

- Engenders participation from those who support the targeted clients' learning and development.
- Creates sustainable programs that builds support for ongoing financial education outreach efforts.
- Increase the reach and frequency of the message, while building community support and empowering participants with practical financial education lessons.
- Allows host organizations to connect with various demographics that can help promote their initiatives.
- Improve results, test scores and effectiveness of financial literacy initiatives.
- Examples:
 - When teaching kids, provide material for parents.
 - When teaching adults, also provide material for spouses.
 - When teaching seniors, also provide material for their kids.

Holistic (*hoh-lis-tik*):
Emphasizing the functional relation between parts and the whole. The importance of the whole and the interdependence of its parts.

Teaching Financial Literacy (Holistic Approach)



☑ Where did you learn about money?

- School?
 - Since Home Economics has been eliminated from the coursework, only a small percentage of students receive any financial education in school.
- Parents?
 - Studies show that most youth (69%) today still rely on their parents as their leading source of financial knowledge. As widely reported, the majority of people are in financial trouble. Consequently, bad habits are being passed down from generation to generation.
- The Hard Way?
 - Most people learn money lessons like many of us have – from the school of hard knocks. "I wish someone had taught me this when I was growing up" is the most common phrase we hear.
- Peers?
 - People ask their friends, the person in the adjoining cubicle at work, and anyone they think knows about money.
- Salespeople?
 - Many people get their only financial advice from people who earn a commission. Although most mortgage brokers, realtors, and financial advisors may try to give the best advice possible, there is often a conflict of interest.

Teaching Financial Literacy (Holistic Approach)



The 'Ideal' Situation for Kids:

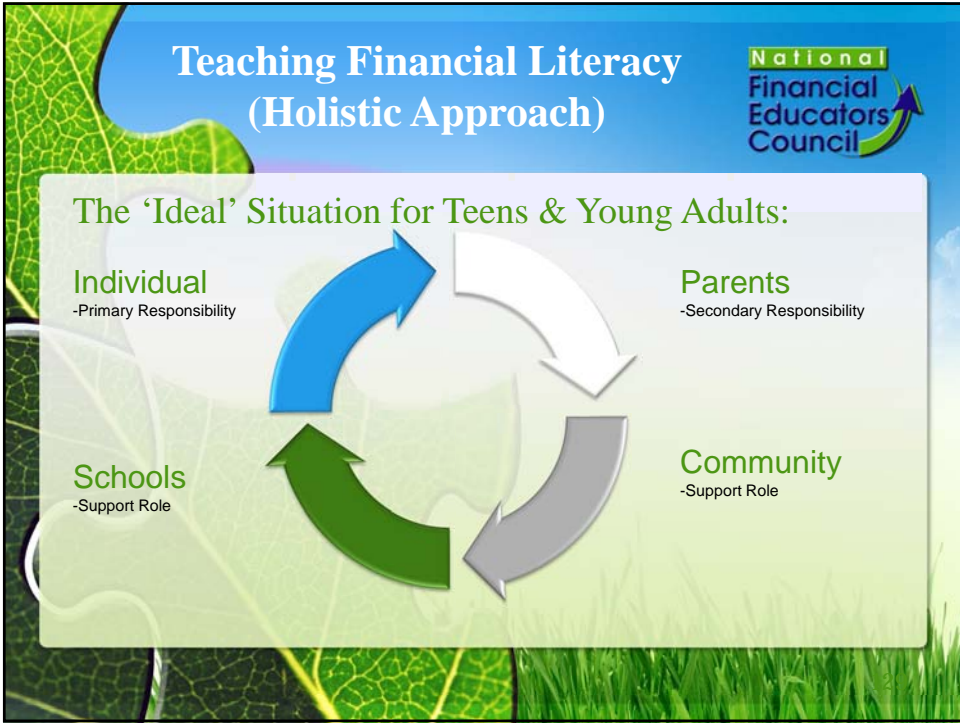
Parents
-Primary Responsibility

Individual
-Secondary Responsibility

Schools
-Support Role

Community
-Support Role





Teaching Financial Literacy (Holistic Approach)



You've had "The Talk" about crossing the street safely, right?



But have you had "The Talk" about Money?

Good financial talk is about taking advantage of the money world. The other thing to talk about is a good credit score. It's not about getting rich, it's about getting ahead. Making both ways before coming to a more secure future, experience about money and financial success and also with time.

Get your free "Family Money Talk" guide at www.FinancialEducatorsCouncil.org/TheTalk

You've had "The Talk" about avoiding dangerous situations, right?



But have you had "The Talk" about Money?

Good financial talk is about taking advantage of the money world. The other thing to talk about is a good credit score. It's not about getting rich, it's about getting ahead. Making both ways before coming to a more secure future, experience about money and financial success and also with time.

Get your free "Family Money Talk" guide at www.FinancialEducatorsCouncil.org/TheTalk

You've had "The Talk" about drinking and driving, right?



But have you had "The Talk" about Money?

Good financial talk is about taking advantage of the money world. The other thing to talk about is a good credit score. It's not about getting rich, it's about getting ahead. Making both ways before coming to a more secure future, experience about money and financial success and also with time.

Get your free "Family Money Talk" guide at www.FinancialEducatorsCouncil.org/TheTalk

Mrs. PC America is leaving with talk and encourage you to do the same.



You've had "The Talk" about drugs, right?




But have you had "The Talk" about Money?


Good financial talk is about taking advantage of the money world. The other thing to talk about is a good credit score. It's not about getting rich, it's about getting ahead. Making both ways before coming to a more secure future, experience about money and financial success and also with time.

Get your free "Family Money Talk" guide at www.FinancialEducatorsCouncil.org/TheTalk

Teaching Financial Literacy (Holistic Approach)



The 'Ideal' Situation for Adults:




Individual
-Primary Responsibility

Family
-Secondary Responsibility

Community
-Support Role

Friends
-Support Role

Teaching Financial Literacy (Holistic Approach)



People Want to Learn About Money

- The "Teens & Money 2006 Survey Findings" conducted by StrategyOne on behalf of Schwab and the Boys & Girls Club of America:
 - 92% agree that it is important to have good money habits to be successful in life.
 - 93% say that it is important to know how to manage money to live within one's means.
 - 89% agree that saving and investing can help one achieve freedom in life.
 - Half the teens (50%) expressed an interest in learning more about managing money and 76% say that they want to learn the basics of finance now because it will help them make better financial decisions down the road. -2008 annual back-to-school survey from Capital One
- As people get older the less interested they are in learning about money. Why?

Conclusion



☑ Thank you

“The American Dream is that dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement.” ~James Truslow Adams

- Financial education is the key to reviving the American Dream.
- You are an ambassador of financial literacy and we appreciate your dedication to sharing this with others.
- Because of you there will be many people who live richer and fuller lives.
- Now, how will you share this information with others?

Contact Us: www.FinancialEducatorsCouncil.org or email Trevor@FinancialEducatorsCouncil.org