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Educational Scholarship Opportunities for Active Duty, Veterans and Spouses

Ted Digges
The Standard

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Poverty and Family Finances

By Jennifer K. Rea, M.S., and Virginia Solis Zuiker, Ph.D., University of Minnesota, Department of Family Social Science

Poverty has been examined through many lenses and has been described as being multidimensional and subjective, in that it encompasses all human essentials for living (Haveman, 2009). A universal goal for many policymakers is to improve the well-being of individuals and families who are in poverty, however identifying and measuring those who are poor or who have low levels of well-being is a difficult task (Stiglitz, Sen, & Fitoussi, 2009). In this article, the authors describe the historical and recent measures in which measuring poverty has evolved.

Both a list of recommended readings about poverty and examples of public assistance programs and their benefits are provided for financial counselors, planners, educators, therapists, researchers, and policy makers who work with this population.

Poverty in Evolution: Historical to Contemporary Measurements

More than fifty years ago, President Lyndon B. Johnson declared a War on Poverty during his State of the Union address in response to the national poverty rate of 19 percent (Boteach et al., 2014). One of the goals of Johnson’s War on Poverty was to reduce and eliminate poverty in the United States and yet fifty years later we still have individuals and families who are living in poverty (Council of Economic Advisers, 2014).

Mollie Orshansky, of the Social Security Administration, contributed to the creation of the official U.S. poverty measure in the early 1960s (Haveman, 2009). This measure recognizes families whose total annual income from government assistance and/or through personal efforts falls below the official poverty threshold. The poverty thresholds are updated each year by the Census Bureau based on family size and ages of the family members and fluctuate with inflation (Haveman, 2009). The 2013 poverty threshold for a family of four was $23,834 (United States Census Bureau, 2014).

The official U.S. poverty measure is also commonly referred to as an absolute measure of poverty which takes into account yearly adjustments for changes in prices of goods and services, but it does not take into account changes in living standards (Institute for Research on Poverty University of Wisconsin-Madison, 2014).

The official U.S. poverty measure assumes that families may experience adversity in

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Happy New Year! It was great seeing many of you at the 2014 Annual Research and Training Symposium in beautiful Bellevue, Washington. The week was inspiring with lots of innovative programs and research shared. Most importantly it was a chance to connect with other professionals in various spheres from research, to education, to counseling.

Looking Ahead— This coming year, AFCPE will be involved in several new exciting programs and partnerships. These programs will create new resources and add to the financial counseling industry. Our vision is to further the financial counseling industry through promotion, partnerships, and a strong research base.

These initiatives include strong partners. For one, AFCPE will be part of the Consumer Financial Protection Bureau (CFPB)’s National Financial Coaching project, which will require the AFC® designation. We will also work on new projects with partners like McGraw Hill Financial and Credit Builders Alliance. I encourage you to make sure you, your peers, your students, and others check out our new Career Center with helpful resources such as an interactive job board and helpful information for those interested in a career path in financial education or counseling.

Another tool that was introduced at the 2014 Symposium was the AFCPE Achieve online tool. It provides a resource to use when working with clients in and between sessions. We look forward to your feedback should you use it.

Accreditation— Perhaps one of our most exciting developments is our effort to achieve accreditation of the AFC® through the National Commission for Certifying Agencies (NCCA). This will further enhance the value of the designation that many of you have worked hard to achieve. It will serve as a signal to others of the value of the credentials. Once we achieve accreditation, AFCPE will work with members to increase consumer awareness.

Building the Bridge Between Research and Practice— AFCPE will work to further build the science related to financial counseling and planning education. Dr. Jean Lown of Utah State University will chair a task force focused on engaging our research community. This includes addressing subjects such as best practices for client engagement, better understanding of the determinants of financial behaviors, factors influencing financial vulnerability, and many other relevant subjects.

Stay In Touch— Your involvement in our organization and industry is invaluable to the leadership. We want to know more about what you think and what you need. We encourage reaching out to the board or engaging us on social media. For example, on Twitter you can use hash tag #AFCPE. Last year, we provided 20 scholarships to university students. We are very proud of our work in 2014 and excited for 2015. We look forward to working with you to create more awareness of the importance of financial education and counseling to families, partners, and other stakeholders.

By Michael Gutter, Ph.D.

2015 AFCPE President
Retirement Today: A Non-financial Perspective

By Linda Hackleman, TG

An increasing number of baby boomers are already eligible to retire. Many are readily embracing the new opportunities retirement can offer, and others continue working either in full time or part time positions. While there is significant information on the importance of financial planning for retirement, this article focuses on retirement planning from a non-financial perspective.

As retirement nears, the obvious questions to ponder include finances and time. Why is retirement such a huge decision? If we make the leap into retirement, what can a typical retiree expect today? According to AARP, “few people see retirement as a time when they’ll put their feet up and do nothing. Increasingly people expect to work past 65 or 67, even if their job is something completely different from what they’ve done their whole life.”

Many workers have difficulty leaving their job or employer, perhaps because their jobs are often a defining part of who they are. In other words, their job is an association of who and what they represent. After all, many individuals spend 40 or more years building their careers, but little time thinking about building a lifestyle after work. By looking beyond the separation anxiety, one may be able to identify new opportunities, including turning hobbies into a part-time business or having greater time to pursue other interests that working full time doesn’t allow.

Transitioning from working to retiring happens either by choice or force. Some are forced into retirement as a result of economic downturns or through a lay off. This can represent a difficult transition, since many of these individuals had planned on working longer. Let’s face it, being near retirement age and searching for employment to replace current income can be challenging, if not downright impossible.

Retirement is often viewed as a change in lifestyle from reporting to work every day to having time to do things that have been put on hold. Someone once said, “Americans spend more time planning their annual vacations than they do planning their retirement.” While vacations are important, American workers will cumulatively spend less than three years on vacation, yet potentially 20 years or more in retirement! Thus financial and lifestyle planning factors are critical.

When considering retirement, a common question from coworkers is, “What will you do with your time?” There are many opportunities to fill your time, sometimes too many options! Research of happy retirees indicates a common denominator of staying active and maintaining good health. In 2002, David Evans, professor of clinical psychology at the University of Western Ontario, and Terry Lynn Gall, professor of human services at Saint Paul University, surveyed 109 men between six to seven years after retirement with the men’s age ranging from 62 to 75. These men were employed in a variety of positions, from professionals to blue-collar workers. Evans and Gall’s survey resulted in key findings that the lack of meaningful relationships, boredom, and adjusting to change adversely affected these retirees more than financial challenges or poor health.

Individuals who have successfully transitioned to retirement often have planned their retirement interests and activities well in advance of their retirement date, maintained a positive outlook, and are able to easily navigate into a new phase of their life. The positive and negative aspects of retirement today include:

- More time to explore interests, hobbies, and personal friendships
- More purpose in life
- Ability to choose your schedule
- Alarm clock no longer required and you can’t get fired
- Loneliness, boredom, and feeling of uselessness
- Easy to become lazy
- May have less income

It is up to each of us to build a life that is enjoyable, regardless if we are working or retired. It may mean volunteering, part-time work, hobbies, and many other self-selected activities. It is important to understand and plan for a transition from full-time employment. Retirement is a huge change and many retirees will miss the structure that a job provides. Staying active can provide a bridge from full-time work into an enjoyable leisure-filled life. Retirement means different things to different people. Have you considered what it means to you?

Linda S Hackleman, PHR, is assistant manager, Human Resources and Organizational Development at TG and can be reached at Linda.Hackleman@tgslc.org.

Endnotes

The 2014 AFCPE Research and Training Symposium provided informative sessions on the art and science of financial counseling. If you weren’t able to attend, or you want a refresher, here attendees provide a synopsis of their favorite sessions:

Advancing Financial Counseling as a Profession—General Session
Reviewed by Michelle Pimentel - Virginia
The AFCPE Career Task Force’s presentation provided an energizing look at the innumerable career options in the field of financial counseling. It was helpful to see the financial counseling field organized into four separate career paths: (1) Government, (2) Research, (3) Nonprofit, and (4) Private practice. It was also a welcome surprise to learn that I was not the only one who felt like a straight line from college to a financial counseling career was hard to find, if it exists at all. I am excited to see my career and AFCPE grow with the tools that the Task Force is developing.

From Layaway to Bitcoin: Generational Issues in Financial Thinking, Planning and Literacy—General Session
Reviewed by Katie Leiva - South Carolina
The general session with Mark Taylor was particularly enjoyable for me. My masters is in sociology, so I really appreciated Mr. Taylor's description of the generations and, more importantly, how understanding the differences between the generations can inform our teaching/counseling styles. I also went to Mr. Taylor's session the next day for a deeper view of this topic. I enjoyed his delightful southern style but also his pragmatic explanations of how certain approaches will work better with boomers than Xers and how that can be both similar to and different from the millennials (or neXters, as he calls them). I like that his message seemed to seep into other sessions I attended in questions or comments, which kept the information fresh and applicable.

Give Me a Little Credit
Reviewed by Mel Stephens – Georgia
While one might quibble about one or two points, this was a well organized presentation that touched on history of credit reporting as well as understanding of how credit reporting works. The main thing I picked up is that my overall understanding of credit reporting is strong; however, there was something to be learned. I long understood that when purchasing an automobile or seeking a mortgage, inquiries within a specified period of time as one sought to get the best deal on an auto or
mortality loan would only count as one inquiry. The speaker in addressing this issue explained that the clock starts ticking based on a 14-day period under a rolling 30-day time frame. In short, if one starts search for an auto loan on the 5th of a month, the seeker of the loan can meet with as many potential borrowers within 14 days of the 5th without the inquiries counting as more than one inquiry. By law all inquiries must appear on the credit report, noting who has access, but the inquiry rule for a mortgage or auto purchase will only count as one under the circumstances noted above.

Reviewed by Michelle Pimentel – Virginia
Dr. Barbara O’Neill’s workshop covering 25 Financial Wellness Metrics was a helpful session for both clients’ and my own personal finances! She covered everything from basic financial statements and ratios to credit checks to insurance needs.

Something I had not considered before was assessing risk tolerance in terms of dollar amounts at risk rather than percentages in an investment portfolio. Her presentation was a timely reminder that financial health is an ongoing process, not a one-time task.

Reviewed by Tiffany Hays – Colorado
This workshop was fantastic! It was a reminder of how basic financial ratios are such a fantastic barometer of financial well-being. I think it will be great to have a comprehensive list of indicators that I can use with my clients to assess and explain their financial wellness. She included everything from an insurance check-up to W-2 assessment. I look forward to going to the website to download some of the resources and worksheets that are available free of charge from the presenter. She also reminded us not to try to tackle all 25 metrics at once … for ourselves or for our clients.

Recovery After Disaster Creating a Comprehensive Plan for Financial Counseling and Education
Reviewed by Katie Leiva – South Carolina
I attended the Minnesota extension presentation about the videos they made for surviving a disaster. They gave practical tips for anyone considering making and posting videos. It’s good to know someone has already put together resources for people in dire situations.

Poster session
Reviewed by Andi Wrenn – North Carolina
I enjoyed learning more about the poster presentations and research during this session. One that intrigued me was the Power Pay poster session. It was great to learn that they now have an app for Power Pay. This is a program that I use with many clients. I was also able to give feedback as to a desire I have as a financial counselor. I wish that the budget portion of the program would be something that could be retained after it is entered. It was nice to be able to share positive experiences with those in the extension program that created Power Pay.

Boots to Backyards: A Mentor Program Toward Financial Stability and Successful Home Ownership
Reviewed by Katie Leiva – South Carolina
I attended the Boots to Backyards program and it was very informative.
The presentation and it lifted my spirits to see how a few people have been able to make a big difference. It’s one thing to hear people say they “support the troops” or “thank you for your service,” but it’s quite another to see people really doing something to show their gratitude.

Educating Consumers and Businesses on the Affordable Care Act (ACA)
Reviewed by Tiffany Hays – Colorado
The University of Missouri Cooperative Extension took on the arduous task of teaching a non-biased, non-political class on the ACA for the people in their state. This workshop did not focus on the facts of the ACA as I was hoping for. Instead it was a primer for other cooperative extensions on how to take on the task themselves. Although I wish it had been described more accurately in the program I really appreciated hearing the methodology used by the group to obtain facts and continually update their presentations with the many changes that are happening with this law. The curriculum and updates are available for purchase through the Missouri extension and would definitely be worth purchasing for other state extensions.

Finance Facts Fun
Reviewed by Katie Leiva — South Carolina
In the past I’ve made the mistake of going to more “academic” presentations just because the topics seemed interesting, finding that those tended to present research findings but not always offer practical, useful advice. This session and the one immediately after validated what I already knew about “death by PowerPoint” but also gave me lots of new ideas, suggestions and tips to engage and enrich my classes. Not only was it immediately useful, the presenters also did a great job of engaging the audience themselves (practicing what you preach!) so I got plenty of good ideas from other participants as from the presenters! Just today I told my parents one of the tips I learned. They were lamenting that my brother doesn’t want them to lavish his kids with a ton of Christmas presents, but rather just get one or two meaningful gifts. As grandparents, they want to give those kids everything! I told them about the exercise someone suggested in which you name five things you got last Christmas, then list five Christmas traditions. I assured them that more than any doll I received or didn’t receive, my memories of our time together have been way more important to me and it will be the same for the grandkids. I think I may have gotten through to them!

Removing the Silos: The Creation of Student Financial Education Financial
Reviewed by Mel Stephens – Georgia
The speaker spoke to how we as consumers are provided financial information in what the speaker described as “Silos.” The speaker wanted the listeners to recognize that we are provided information in pieces instead of in a holistic
2014 Reflections
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manner so that we can see the connections of a car purchase for example and how this purchase impacts other costs. The purchase requires inspection, insurance, maintenance, fuel, oil changes and tires. This one area just speaks to one silo, but we all have multiple silos of financial issues that impact our lives and without a holistic approach in seeing the total picture of our finances, we can spend a lifetime juggling and stressing ourselves in managing our personal finances.

Get More People to Come. Get More People to Come Back!
Reviewed by Tiffany Hays – Colorado
The focus of this workshop was making your presentation interesting to clients from pre-workshop marketing to conclusion. The presenter offered some great marketing strategies when advertising your event. She talked about the effective use of tools and games in presentations to keep your audience engaged. She introduced us to her money habitude cards that she sells. The best take away tool for me from this workshop was a list of buzzwords to use in marketing your workshop and words to avoid when marketing. The audience shared ideas for marketing and presenting to attract and retain an audience. This collaborative sharing was excellent.

Reviewed by Linda Thede – Iowa
I thought this presentation was very good. It outlined smart phone apps for financial uses. They were rated on nine different areas and then those were tallied up to give you a good idea of which ones are best for your purposes. This was one of the best breakouts that I attended.

College Affordability and Student Debt
Reviewed by Andi Wrenn – North Carolina
This presentation confirmed all my experience on the topic of college costs and debt. The next big bubble to burst, in my opinion, is going to be people with college debt that they can’t pay back. It is so eye opening to see how much state funding has changed over the last 30 years for state colleges and how few increases have been made to financial aid. A great take-away for many I hope was that not everyone should be attending college. It isn’t the right decision for everyone. There are so many technical fields that need more students.

Overall
Reviewed by Katie Leiva – South Carolina
One of my biggest takeaways of the conference is that there are a lot more resources than I am usually aware of and I am looking forward to taking advantage of the hard work and dedication of so many talented and passionate people and organizations to make my job easier!
AFCPE Honors Industry Pioneers

**2014 AFCPE Award Task Force**
Ann House
Brenda Vaughn

**2014 AFCPE Award Reviewers**
Joe Botta
Janie Bright
Todd Christensen
Joe Goetz
Sasha Grabenstetter
Madeline Greene
Rachel Grimes
Linda Jacob
SuzAnne Jorgensen
LaNette Kelly
JimHee Kim
Laurel Kubin
Irene Leech
JoAnn Linck
Vivian Mason
Dean Miner
Angela Moore
Jim Murphy
Oscar Solls
Susan Taylor
Sasha Whitley
Laura Wittig
Andi Wrenn

**Outstanding Consumer Information Award**

**Dr. Rita Green** is the Family Financial Management State Specialist for Mississippi State University Extension Service where she provides leadership in personal financial education under the broad categories of basic money management, credit control, fraud and identity theft, estate planning, housing, youth financial literacy and homebuyer education. She holds a Doctor of Education degree and MBA from the University of Memphis as well as a Bachelor of Business Administration from the University of Tennessee at Martin. She is a Certified Personal and Family Financial Educator as well as a NeighborWorks Certified Housing Counselor. In 2014, Dr. Green was reappointed by the Secretary of Agriculture to the National Agricultural Research, Extension, Education, and Economics Advisory Board to represent consumer interests.

Mary Ellen Edmondson

**Educator of the Year**

**Alena C. Johnson** is a lecturer at Utah State University where she teaches hundreds of students each semester how to better manage their money. She has taught over 19,000 students through USU alone. She also teaches webinars and review sessions for AFCPE®, helping many individuals pass their certification exams. She is an Accredited Financial Counselor (AFC®) and an active member in AFCPE. Alena is also the creator of the Step-Down Principle and author of the Financial Checkup, Financial Remedies and other publications.

**Outstanding Educational Program**

**Michael Gutter, Ph.D.**

University of Florida, Molly Herndon, MS University of Florida and Barbara O’Neill, Ph.D. Rutgers University, are three of the roughly 300 members of the Financial Security for All Community of Practice. This is a virtual community led by Extension professionals from across the country. Promoting financial security and the ability to meet day-to-day needs is a key focus of the community.

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expenses while saving and investing for tomorrow is a main goal of the program. The Military Families Learning Network Personal Finance (MFLNP) seeks to build the financial management capability and educational background of Personal Financial Management Program Managers. By offering quality educational programming online, MFLNP accommodates the needs of Personal Financial Management Program Managers who may be located on military installations anywhere in the world.

Financial Counselor of the Year
Madeleine Greene is an Accredited Financial Counselor (AFC®) and Certified in Family and Consumer Science. She holds a Master of Science in Consumer Studies. In 2007 she retired as a tenured member of the faculty of the University of Maryland-College Park. She is a national award-winning educator of the year, speaker, author, television and radio show host.

Outstanding Research Journal Article of the Year
“Credit Card Behavior as a Function of Impulsivity and Mother’s Socialization Factors”
- Justin Henegark, Kansas State University
- Kristy Archuleta, Kansas State University
- John Grable, University of Georgia
- Sonya Britt, Kansas State University
- NaRita Anderson, University of Central Oklahoma
- Anita Dale, Kansas State University

Outstanding Conference Paper Award
“Retirement Saving and the Use of Financial Software”
- Qianwen (Rachel) Bi, Texas Tech University
- Sandra Huston, Texas Tech University

2014 Recipient of the AFCPE® Celia Ray Hayhoe Distinguished Fellow Award

This year, AFCPE was proud to recognize Sharon Cabeen as the recipient of the Distinguished Fellow Award. The honor goes to a colleague who deserves our greatest recognition for his or her significant and long-lasting contributions to AFCPE and to the field. It also must represent someone who exhibits the highest standards of professional and ethical conduct. This is Sharon Cabeen.

Sharon has spent 10 years serving AFCPE in a variety of capacities, including: Chairperson of the Member Services Committee; member of the Strategic Planning Committee; and an officer of the Board and Executive Board as President and Past President.

A fellow colleague fondly recalls, “Once Sharon joined our team, her passion and mission to assist consumers in better managing their finances was obvious. Although our organization’s focus is on the student—that is, student access, retention and student loan debt—she has helped us, and others in the higher education industry, realize that our contributions are a small part of the bigger picture, which she refers to as ‘The Farm.’”

The Farm is an analogy that Sharon uses to describe the world of finances. The silos on the farm are the different components of the big financial picture, including student loans, credit, spending, etc. With more than 35 years of experience—25 years in credit counseling management and financial education and 10 years in the student loan industry—Sharon has devoted much of her career to building a bridge between the industry’s silos.

As a result of her efforts, professionals in each silo have retained and shared knowledge invaluable to one another. Student loan counselors have experience in the complex world of the FAFSA and student loan repayment, while AFCs are equipped to discuss multiple debt types and help consumers develop spending plans that align with their personal values and financial goals. Sharon has used her leadership to open the eyes of both industries and to realize the importance of collaboration.

Sharon is the creator of two different financial literacy programs that are being used today by two different organizations. Thanks to Sharon, there has been an increase in AFC® certifications as well as AFCPE memberships from student financial aid professionals, lenders and guarantors across the country. Because of her, scholarships were created for student financial aid professionals to enroll in the AFC program and student financial aid experts are now attending and submitting proposals for conference presentations and increasing the network of knowledge amongst AFCPE’s membership. And through her leadership, financial aid offices are now creating positions devoted to financial literacy on college campuses across the country with a focus on a holistic approach to student aid. The bridge is being built. AFCPE Staff, Board and Members agree—it has been, and continues to be, an honor to learn from Sharon and work together toward her vision of the perfect farm.
Poverty and Family Finances

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The SPM’s definition of a “family unit” has changed from the official U.S. poverty measure to include all individuals living at the same address, including co-resident unrelated children, individuals who are cared for by the family (e.g., foster children), in addition to any cohabiters and their children (Short, 2014). The SPM measures a family’s resources (total amount of income, plus the value of benefits available to purchase goods, minus nondiscretionary expenses) to today’s inflation rates and considers the fluctuation of income (Council of Economic Advisers, 2012). Family resources of cash income include wages and salaries, interest income, and cash welfare assistance as well as near-money benefits such as food assistance cards, housing subsidies, school breakfast and lunch subsidies, and the Earned Income Tax Credit (Council of Economic Advisers, 2012). Nondiscretionary costs are than subtracted within SPM and include child care and other work-related expenses, out-of-pocket healthcare costs, and child support payments.

Broadening the scope of identifying additional information on poverty has led to an increase in the amount of individuals and families who are considered to be living in poverty. Policymakers may see the Supplemental Poverty Measure as a double-edged-sword in that it includes more individuals and families who are poor, however additional funds will need to cover and support these people who were not counted as living in poverty by the official U.S. poverty measure, but are now considered to be in poverty using this measure. Financial professionals may find that both the official poverty measure and the SPM may be useful together. The information gained from both measures will assist financial professionals in determining whether or not their clients are eligible for public assistance programs.

Public Assistance Programs for Individuals and Families

Public assistance programs are state or federally regulated resources for individuals and families who live at or below the poverty threshold. Public assistance programs include, cash assistance, child support, child care, energy or utility assistance, food assistance, medical assistance, and professional rehabilitation services. These resources are beneficial for financial professionals and policy makers to review and integrate when working with families in poverty to discuss and incorporate into their family spending plans. Without these programs, several low-income households would have to choose between vital necessities, however due to the fact that each program has specific eligibility requirements, many individuals and families have the opportunity to temporarily use one or more of the programs to support themselves and their family members. These public assistance programs are “means-tested” or “income-tested,” which means that an individual or family has to earn below a certain amount of money to qualify (Iceland, 2013).

Temporary Aid to Needy Families (TANF). The TANF program is a block grant (a grant from the central government that a local authority can use to distribute a wide range of services) through the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Office of Family Assistance, 2014). The four purposes of the TANF program are (1) provide assistance for care of children in their own homes; (2) reduce reliance on parents by promoting job training; (3) prevent and reduce unprepared pregnancies; and (4) encourage the formation and maintenance of two-parent families (Office of Family Assistance, 2014).

SNAP/Food Stamps. The Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program (FSP) was created in 1939 to reduce the millions of Americans struggling to feed themselves and their families (Institute for Research on Poverty University of Wisconsin-Madison, 2014). SNAP offers nutrition assistance to 28 million people and assists them in purchasing nutritious food.
National School Lunch Program (NSLP). NSLP operates in nonprofit private and public schools as well as child care organizations (Institute for Research on Poverty University of Wisconsin-Madison, 2014). NSLP offers nutritionally balanced, low-cost or free lunches to children each school day. The program was established under the National School Lunch Act, signed by President Harry Truman in 1946 (United States Department of Agriculture Food and Nutrition Service, 2014).

Women, Infants, and Children (WIC). In 1974, the federally funded program, WIC was established and has been administered by the Food and Nutrition Service of the U.S. Department of Agriculture (United States Department of Agriculture Food and Nutrition Service, 2014). WIC is a supplemental nutrition program for eligible families with women who are pregnant or breastfeeding, or have young children (United States Department of Agriculture Food and Nutrition Service, 2014). WIC is a beneficial program for providing nutrition education, specifically offering nutritional parenting and child development advice as well as breastfeeding support. WIC also assists qualified families in purchasing healthy foods to eat well and be healthy.

Emergency Food Assistance Program (TEFAP). TEFAP is also a federally funded program that offers supplemental food to the diets of low-income individuals and families, including the elderly (United States Department of Agriculture Food and Nutrition Service, 2014). Support by TEFAP includes providing emergency food and nutrition assistance at no cost as well as administrative funds to state programs who directly work with low-income individuals and families to provide them with food and nutritional aid.

Housing Assistance. In 1937, the U.S. Public Housing Authority administered the U.S. Housing Act of 1937 (United States Department of Housing and Urban Development, 2014). This act was created to assist lower income families in need of housing by authorizing loans to local housing agencies to lower rent costs in public housing as well as provide vouchers for rental assistance to families seeking housing in the rental market (United States Department of Housing and Urban Development, 2014).

Low Income Home Energy Assistance Program (LIHEAP). Since its beginning in 1981, LIHEAP has grown into an extensively supported, highly effective program that provides temporary relief to low-income individuals and families (LIHEAP.org, 2014). Originally, LIHEAP was created to address high heating costs in the Northeast region of the U.S., however in 1984 Congress expanded the program to provide short-term heating and cooling assistance throughout all regions of the country (LIHEAP.org, 2014).

Taxes and Tax Credits. The Earned Income Tax Credit (EITC) was enacted in the early 1970s by President Gerald Ford through the Tax Reduction Act of 1975 (National Low Income Housing Coalition, 2014). EITC is a subsidy for people in employment who have low- to moderate-income and is beneficial as it temporarily reduces the amount of taxes paid by low- and middle-income families with children (National Low Income Housing Coalition, 2014). The amount of tax credit received is work-oriented and based on money earned. The Child Tax Credit was endorsed as part of the Taxpayer Relief Act of 1997 (National Low Income Housing Coalition, 2014). This credit was created to allow low-income families to reduce their federal income tax by up to $1,000 per each eligible child under the age of 17 (National Low Income Housing Coalition, 2014).

Nondiscretionary Expenses. Nondiscretionary expenses are costs that come out-of-pocket and are not measured with the official U.S. poverty measure (Short, 2014). Nondiscretionary expenses include, but are not limited to, medical, work and child care costs. The SPM subtracts medical out-of-pocket expenses from an individual or family’s income, as well as their work and child care expenses. Each of these costs can directly impact individual or family threshold. Medical out-of-pocket, child care, and work expenses are important to consider when creating a family’s spending plan. Without these costs, the family’s finances can plummet, thus there are no means of economic support from the government and an increased risk of moving into poverty.

Conclusion

Identifying and measuring who is poor is an evolving task, and the demands for collaboration and integration with government policies on the need for individual and family financial resources are stronger now than ever before. The Supplemental Poverty Measure—through its effective connection amongst policy and family support—is answering these demands. Individuals and families are better able to receive assistance whether it’s financial, nutritional or simply help with the heating bill. Thus, they become more aware of the resources available and have the ability to take a more active role in their overall well-being. Counselors are more effective as they become knowledgeable about these programs and are able to share them with their low-income clientele.

As advancements continue in research, training, practice, and policy, the Supplemental Poverty Measure will serve as a measure that can be improved upon. Increased studies that are driven
Educational Scholarship Opportunities for Active Duty, Veterans and Spouses

By Ted Digges

There are two mega trends going on right now that have converged to create a terrific opportunity for both the financial services industry and the men and women who have honorably served in the armed forces of the United States. First, the financial services industry has an aging and demographic challenge and would welcome an infusion of skilled individuals. Second, the over 375,000 of our Nation’s veterans and their spouses, who will transition each year into the civilian workforce, are looking for a meaningful second career where their skills can be utilized. To address these trends, The American College established a program called the Penn Mutual Center for Veterans Affairs (PMCVA).

The mission of PMCVA is to empower veterans and their spouses with educational support and career opportunities in the financial services industry. The crown jewel of the program is the full scholarship awarded to active duty, veterans (disabled or transitioned within five years) and their spouses. Scholarship recipients can earn their specific designation for any of those offered at The American College, as well as the two Masters degrees: Master of Science in Management (MSM) and Master of Science in Financial Services (MSFS). The full list of designations include:

- ChHC®—Chartered Healthcare Consultant®
- CLU®—Chartered Life Underwriter®
- REBC®—Registered Employee Benefits Consultant®
- ChSNC™—Chartered Special Needs Consultant™
- FSCP®—Financial Services Certified Professional®
- CLF®—Chartered Leadership Fellow® (Field or Office)
- ChFC®—Chartered Financial Consultant®
- CFP®—Certified Financial Planner®
- CASL®—Chartered Advisor for Senior Living®
- CAP®—Chartered Advisor in Philanthropy®
- RICP®—Retirement Income Certified Professional®

The American College, located in Bryn Mawr, PA, is a non-profit educational institution for financial services professionals. Veterans are uniquely qualified for a career in the financial services industry because they come from a culture of service and "can-do." In addition, veterans are typically comfortable operating in an environment that requires attention to detail, compliance, and appreciate different cultures and backgrounds. With the increasing complexity of tax, estate, insurance, retirement and college planning, there is a real need for individuals of integrity to help others address life’s major milestones with confidence and success. Veterans can step in and fill the need so many are looking to be filled.

Many of our post 9/11 veterans have struggled finding the next phase of their lives. The Labor Department reports that this demographic has consistently had an unemployment rate about 50 percent higher than the national average. The unemployment rate for armed forces spouses, especially in the 18–24 year range, is even higher. There are a lot of veteran support organizations out there doing wonderful things for our veterans, and there are financial services organizations that are doing a superb job serving veterans, but there isn’t an organization out there that has the focus on serving veterans who are in the financial services arena. The really nice aspect of filling this niche is that PMCVA compliments and creates synergies with other organizations supporting veterans in job searches and fulfilling their financial needs.

Many current AFC designation holders work with veterans, are the spouse of a veteran, or are veterans themselves. Since many of these individuals qualify, the scholarship opportunity presented at The American College represents an excellent way to earn new credentials, expand their network or launch a new career. PMCVA recently awarded a scholarship to an existing AFC designation holder. As the wife of an Army chaplain on active duty, she was fully engaged in counseling soldiers. By pursuing a ChFC® designation, she is looking to expand her repertoire for those she was counselling, which will ultimately benefit them.

To find out more about The American College, or the PMCVA scholarship program, check out the website at: http://veterans.theamericancollege.edu/ or call 610-526-1517.

Ted Digges is the Executive Director of The American College’s Penn Mutual Center for Veterans Affairs. He is a retired Navy Captain and currently holds a Series 7, 66, and life insurance, health and annuities licenses.
The Difference: How Anyone Can Prosper in Even the Toughest Times

Written by Jean Chatzky
Reviewed by Barbara O’Neill, Ph.D., CFP®, AFC®, CHC®, Rutgers University

The Difference: How Anyone Can Prosper in Even the Toughest Times is not the first book to describe research-based characteristics of the wealthy. Dozens of books about millionaires have been written during the last two decades starting with The Millionaire Next Door in 1996. What sets this book apart is the motivational writing style of its author, financial journalist and speaker Jean Chatzky, and its setting within the context of the aftermath of the financial crisis. It also describes personality traits, as well as financial practices, associated with financial success.

This 255-page book includes 12 chapters that describe differences between four groups of people: Wealthy, Financially Comfortable, Paycheck-to-Paycheck, and Further-In Debtors who, respectfully, comprise 3, 27, 55, and 15 percent of the U.S. population. The Difference is framed around results of the 2008 Merrill Lynch New Retirement Study conducted by Harris Interactive with a sample size of more than 5,000 individuals. At the end of each chapter is an interview-style profile of a financially successful person.

In the Introduction, readers are provided with an overview of the research study and layout of the book. In Chapter 1, Meet the Neighbors, the four groups are described in detail along with 20 key factors that explain “The Difference.” Included are: saving regularly for emergencies, investing for retirement, buying stock, reducing debt, clear financial and career goals, confidence, optimism, happiness, a college degree, socialization with friends, regular exercise, regular newspaper readership, and marriage.

In Chapter 2, Choosing The Difference, Chatzky tells readers they “have to want” The Difference because “it will-in all likelihood- occasionally put up a fight. The Difference is a choice that you make each day.” The chapter also describes research findings about financial goal-setting. In Chapter 3, Do I Have to Be a Rocket Scientist or a Ph.D.? , she discusses linkages between education and income and in Chapter 4, Ding, Dong, Your Passion Is Calling, she describes the impact of one’s job on wealth creation. Chatzky offers readers two options: do what you love or learn to love what you do.

Get Happy (But Not Too Happy) is the title of Chapter 5, which explores relationships between wealth, happiness, and optimism, including a 10-question Life Orientation Test. Chapter 6, In Praise of the Do-Over, explores the concept of resilience and various coping strategies. Chapter 7, Taking Risks That Make Sense, describes how people take risks (or not) in life and Chapter 8, The Kevin Bacon Principle, describes the importance of social ties and self-confidence.

Chapter 9, Grazie, describes the importance of gratitude, a personality characteristic that can be learned. Chapter 10, Working Hard and Smart, includes a 20 question conscientiousness assessment and discussion of another trait of the financially successful that Chatzky calls “grit.” People with grit work hard and succeed on the job, which leads to financial success.

In Chapter 11, The Healing Power of Savings, Chatzky notes that habitual savings was identified in the study as the most important factor in reaching a financially comfortable status. For wealthy respondents, it ranked #2 after “sound investing.” The chapter includes the Ballpark E$timator retirement savings tool and a discussion of behavioral finance concepts, savings obstacles, compound interest illustrations, and more. Chapter 12, Make Your Money Work For You, describes the wealth-building power of stocks.

The Difference is an enjoyable read and includes stories about the author’s own life. It also includes snippets of dozens of research studies (in addition to the Merrill Lynch study) and interviews with academics. The book proves once again that wealthy people have a set of unique traits and behaviors that others can emulate. While some of these involve financial resources, others involve a person’s mindset and lifestyle choices.

Barbara O’Neill is Extension Specialist in Financial Resource Management for Rutgers Cooperative Extension. She can be reached at 848-932-9126 or oneill@aesop.rutgers.edu. She also tweets daily financial education messages on Twitter at http://twitter.com/moneytalk1.
Greetings from the AFCPE National Office!
The 2014 Annual Research and Training Symposium in beautiful Bellevue, Washington was packed with terrific sessions, cutting-edge research, new resources and a lot of networking! Each year, the Symposium provides an opportunity to celebrate the organization’s growth. This year was especially exciting with a variety of new initiatives and partnerships to announce.

New Partnership and Program Development
AFCPE is part of the Consumer Financial Protection Bureau (CFPB)’s National Financial Coaching Project, which requires the AFC® designation. Additionally, we are thrilled to announce an exciting project with Better Business Bureau to develop a financial education mobile app for veterans.

Looking ahead to 2015, we are partnering with McGraw Hill Financial on a Financial Readiness Project, which will also utilize AFC professionals! We will continue to partner with organizations that can provide quality continuing education opportunities to meet your professional and educational needs. In 2014, we partnered with the National Disability Institute to help educate financial professionals on the unique financial needs of the disability community. This February, we’ll team with Credit Builders Alliance to deliver a three-part series designed to give you a better understanding of credit building as asset building strategy and provide best practices in credit education.

New Resources
Much of the year’s efforts were also focused on ways we can support your career and the field with additional resources and career paths. With the dedicated efforts of the Career Task Force, we now have a more robust Career Center with an interactive job board, career guide with information on various job titles, responsibilities, requirements and salary, as well as helpful next steps to pursuing your career.

The AFCPE Achieve online tool was rolled out during the Symposium. Achieve was created specifically for AFCPE Professionals to access tools and resources during and between sessions with clients. We believe the tool will be a strong asset to you and an enhancement to your practice.

Don’t miss the new AFCPE Member and Certification Logos and Communication Kits. These resources will guide you in sharing the value of your certification mark and membership with your clients, colleagues and employers!

The Value of Your Feedback
We value the direct feedback from members, which helps set the strategic focus for the upcoming year. For instance, last year we received a lot of feedback on the need for career support and desire for more student involvement. In response, we developed a special Student Scholarship Fund. With your donations, along with Experian’s generous support, we were able to offer 20 scholarships to students from 13 different universities! These students were invited to take part in our first Mentor Match program during the symposium. We look forward to expanding the program and continuing to facilitate these relationships among colleagues.

Exciting Announcements
Lastly, we are thrilled to announce that AFCPE is pursuing accreditation for the AFC® through the National Commission for Certifying Agencies (NCCA). Accreditation ensures that the AFC program aligns with the best practices from an outside accrediting body and demonstrates AFCPE’s commitment to continuous quality improvement. AFCPE is proud to join respected leaders in the financial field, such as the Certified Financial Planner Board of Standards, by seeking NCCA accreditation.

Accreditation through NCCA will enhance the value of your designation to employers, colleagues and consumers; it sets your certification mark apart from others in the field. The AFC’s compliance with NCCA standards shows that the educational content and testing for the AFC is psychometrically sound and has been developed, maintained and governed at the highest standard. More information and changes to the current AFC examination process can be found on the website.

As you can see, 2014 was a year full of growth and opportunity for the organization. We carry this momentum into the New Year, and hope you will join us in creating more awareness for the value of our organization, membership and certification, and for the field as a whole.
to investigate the desires and benefits of these programs is needed to confirm the effectiveness of the SPM and thus to inform policies at local and national levels. With more evidence, administrators and taxpayers will be more supportive of the SPM and this will further fuel efforts in reducing or eliminating poverty.

Jennifer Rea and Virginia Solis Zuiker are with University of Minnesota, Department of Family Social Science.

References


Additional Readings

We believe…

Everyone has financial desires that affect their lives every day.

Better financial decisions lead to a better quality of life.

People can make better decisions when they are supported by a trained professional.

Academics, research, and practical experience inform professional financial counselors and educators.

Setting the standard for performance and a forum for learning will provide a consistently higher level of service.

Purpose…

To advance the profession of Personal Finance by promoting and supporting the field of personal financial counseling and education.

Mark Your Calendar for the 2015 Research and Training Symposium

November 18–20, 2015
Hyatt Regency Jacksonville Riverfront
Jacksonville, Florida
Registration Opens Spring 2015
www.afcpe.org/conference/registration/