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Case Study: Financial Counseling for the Addicted Gambler

By Sara Croymans, MEd, AFC®, University of Minnesota Extension, Shirley Anderson Porisch, MS, AFC®, University of Minnesota Extension, Sandra Brustuen, NCGCII, LADC, Vanguard Compulsive Gambling Program

Compulsive gambling ravages individuals and families in all aspects of their lives. A compulsive gambler can be defined as anyone whose gambling causes financial, psychological, emotional, marital, legal, or other difficulties for themselves and others (NCPG & NEFE). Studies over the past 20 years indicate that 1–3 percent of the population could be diagnosed as a compulsive gambler (S. Brustuen, personal communication, January 26, 2011).

The Treatment Program—Vanguard Compulsive Gambling Treatment Program, part of Project Turnabout in Granite Falls, Minnesota, is a nationally recognized 30-day residential program. Vanguard offers help and hope, for those ages 18+, to make recovery and lifelong abstinence from gambling a reality. Participants are both male and female gamblers who are typically age 30–55, represent varied income levels, and are often well educated with the majority living in Minnesota. The treatment team includes licensed counselors, physicians, nurses, psychologists, chaplains, fitness trainers and financial counselors.

Role of Accredited Financial Counselor®—An Accredited Financial Counselor (AFC®) provides two main services with Vanguard clients—(1) a monthly educational group lecture for gamblers and family members, and (2) assistance with developing a Personal Financial Recovery Plan (PFRP). AFCs have contracted with Vanguard since 2004 and consulted with over 1,050 gamblers. AFCs comply with federal HIPAA regulations and Minnesota statutes regarding substance abuse and medical records.

Educational Financial Lecture—The AFC provides a monthly one-hour educational financial lecture with gamblers and families based on Personal Financial Strategies for the Loved Ones of Problem Gamblers (NCPG and NEFE). The lecture focuses on identifying income and assets, establishing a spending plan, managing finances, repaying debt and avoiding bankruptcy, and investing. Counselors emphasize that family members cannot stop the gambling, but they can help

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President's Message

By Sharon Cabeen, AFC®, 2011 AFCPE President

Why Do I Stay Around?

I haven't asked this question previously of myself. However, in a recent conversation about AFCPE's members and certificate holders and the value this organization holds for all of us, I found myself ruminating on just why we stay involved with AFCPE—and more specifically why I stay involved myself. In order to better formulate my own foundation for my reasoning, I found my thoughts going in many directions regarding my own experience with AFCPE. For instance, I asked myself some of the following questions:

- Why did I seek out affiliation with an organization like AFCPE in the beginning?
- What were the products and services (and features thereof) that I have used and found most helpful and meaningful to me during my affiliation with AFCPE?
- Who were the people that have most influenced me and who continued to draw me into the organization, and why?
- What opportunities were there within AFCPE for me to expand my knowledge and experience?
- And, finally, why did it matter at all that I invest in this expenditure of my time, energy and resources?

I want to share with you some of my own personal revelations and hope that it will further encourage the same results for you. Because, at the end of the day, our personal testimonials regarding the personal and professional benefits gained from our affiliation with AFCPE is what may motivate others to join our cause in the future.

1. **Credential—**In the beginning, I sought out an organization that would provide my colleagues and me with a credential to support and affirm our financial education expertise and activities. Although I'd been certified as a financial counselor for years under another program, when my career took me into a new customer market and that former certificate no longer was available to me, I believed that the AFCPE credentials were critical to the success of reaching out to a new industry.

   AFCPE has given me the opportunity to aspire to, achieve and maintain the designation of Accredited Financial Counselor® (AFC®).

2. **Expansion of ideas and knowledge base—**One thing I learned years ago doing in-person financial counseling is that in order to remain effective for consumers, I needed to continually pay attention to new ideas and diverse ways of thinking, and approach those ideas, as well as the ever changing and growing financial services industry and all of the information therein.

   AFCPE has provided me with the ability to grow through annual CEU requirements, conference sessions, information provided in communication pieces and has thus kept me connected to industry evolutions.

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Survivorship 101

By Tamara H. Scace, AFC®

Navy-Marine Corps Relief Society (NMCRS) was founded in 1904 by concerned volunteers to assist widows and orphans of deceased active duty service members. In that era, there were no survivors' benefits or life insurance. It was pass-the-hat and the proceeds were given to the surviving family, who were then left to survive alone.

The modern military has built a safety net of life insurance and survivors' benefits for the families of those who put themselves in harm's way, but everyone must be prepared—must *plan*—for the worst. This is not just an issue for those approaching retirement age. Unexpected death can happen to anyone, at any time.

When a financial counselor approaches a budget/spending plan with a new client, there can be immediate remedial problems to resolve, or perhaps the client is in a more productive/preventative situation. A priority is to start our client on a path to financial responsibility. That responsibility extends to providing for a client's survivors during that period of high stress.

One way to make any type of financial planning easier is to urge our clients to get *organized*. When the appointment for building the spending plan is made, the client will be asked to bring in paperwork, financial records, and statements. Providing an accordion file (printed with your business name and contact information) to those who claim to use the shoebox method or no filing system at all, will make the process easier and will start the client on the road to organization. During that initial organizing process, ask for information that the survivor will need and incorporate that information into the spending plan.

There are psychological issues that will sometimes make survivorship planning difficult. We can budget for 'eventualities' —those long term goals that inspire hopeful planning for the future and motivate forward thinking. Planning for the 'inevitable,' however, can reinforce negative feelings of looming mortality or simply cause avoidance of the whole issue of death and dying. How, then, are we as counselors to assist our clients with their planning?

Simple organization and communication started between family members can make the difference between normal bereavement and panic during time of loss.

If the counselor builds a spending plan model that calls for survivorship information to be given as a matter of course during the interview, the mortality issue is sidestepped. It will simply be a matter of fill-in-the-blank organization of information. While gathering and entering information in the budget form, having fields that ask account numbers, or at least names and addresses of each financial/ insurance entity will add to the informational value of the budget. Another field notating the beneficiary will start the conversation as to whether information of the correct beneficiary is up to date. There are many sad tales about life insurance benefits going to someone no longer in the client's life due to simple procrastination of the change or lack of attention to detail.

While building the spending plan model, add simple check-the-box questions in a comments section. Do the clients have up-to-date wills, especially if there are minor dependents? What about a medical power of attorney? Is there a central place where deeds, titles, marriage/ birth certificates and military records are kept and does everyone know where it is and how to access it? Is there an attorney or support group such as military Retiree Affairs or the Veteran Administration that the survivor could use? Is there a Pay on Death (POD) arrangement on a savings account to free up funds for final expenses while waiting for insurance benefits to arrive? Does the client realize that power of attorney expires upon death? Thought provoking questions often lead to the first steps toward planning for protection of survivors.

When presented in a straightforward, clinical manner as simple gathering of information, the pertinent facts can be gathered and then copies of the spending plan can be presented to the clients to be kept and updated as circumstances warrant.

Simple organization and communication started between family members can make the difference between normal bereavement and panic during time of loss. The financial counselor can start families on the road to financial security for life, and also for the security of the survivors, by asking a few extra questions during the budget interview process. The peace of mind afforded the client and family will be worth the extra effort.

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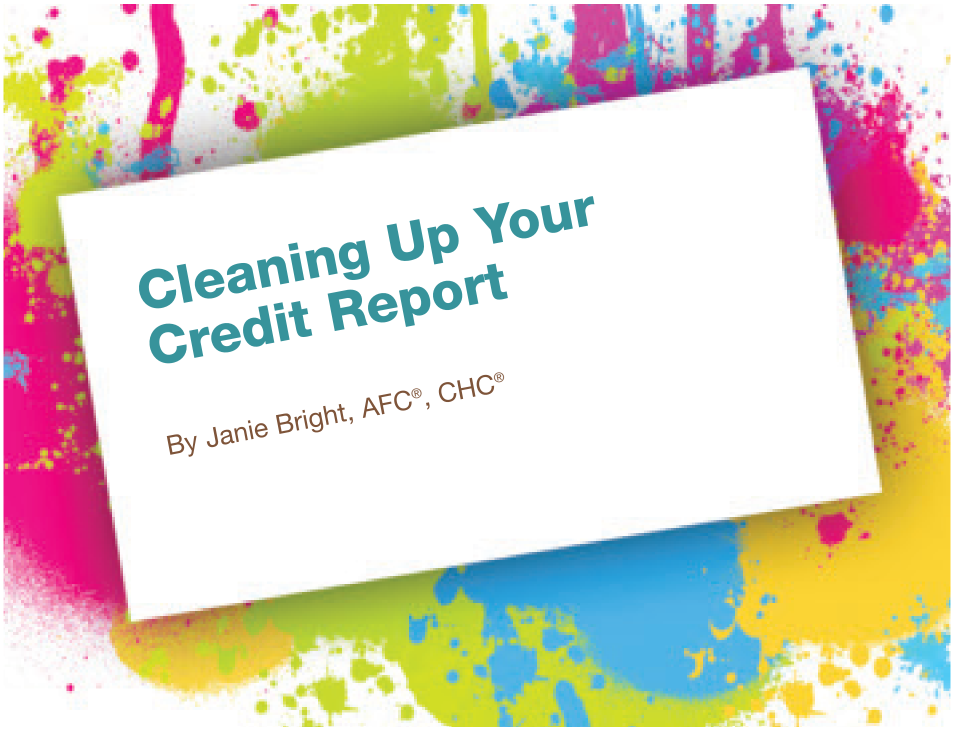

Poor credit history can happen to anyone at any stage of their lives and it often does every year. Many consumers' credit ratings drop significantly from sudden unemployment, separation, divorce, medical issues or a whole host of other reasons. Credit data is typically submitted to a credit reporting agency by creditors, the court system or from other public records, and by debt collection agencies on a regular basis.

Although situations happen, the most important take-away is that credit reports don't go bad overnight and your chances of cleaning them up overnight is not likely. Cleaning up your credit report and getting out of debt can make a big difference to your credit profile as well as adding positive credit history. A positive mindset and determination to move forward is necessary.

Below are some very important tips to consider as you begin the process of cleaning up your credit file.

1. Obtain a copy of your credit report(s). Before you can get started on reviving your credit history, you should know items that might affect your ability to obtain new credit.

2. Since 2005, consumers have had the right to a free credit report annually by visiting www.annualcreditreport.com or by calling toll free, (877) 322-8228. Be prepared to answer specific questions about your accounts. Follow the prompts and avoid any fee-based promotional offers.

3. Once you have the report(s) in front of you, highlight the areas that need to be addressed. You may also want to review it for inaccuracies or unpaid accounts that you did not authorize. Many financial experts suggest that copies from these three major bureaus (Equifax, Experian, or TransUnion) be requested at the same time. This way, you are able to tackle the issues on the individual credit reports at one time.

4. Check for errors and negative or adverse information. Your credit report is an ongoing look back at your personal information from the creditor's experience with your payment choices.

5. If you find information on the credit file confusing, consider contacting a professional such as an Accredited Financial Counselor® (AFC®) or Certified Credit Report Reviewer® to help you understand. If you do not have access to an AFC®, consider visiting www.afcpe.org to locate a professional near you.

6. Avoid credit repair companies purporting to eliminate or erase derogatory accounts by charging expensive fees. There really are no quick fixes!

Please also keep in mind that consumers are entitled to additional free copies of their credit reports every year if:

- They've been denied credit because of derogatory information within the credit file.
- They are unemployed and looking for work.
- Receive public assistance.
- Have errors on their file due to fraud or identity theft.

It is also essential to understand the different sections on a credit report to determine your next step to rebuild your credit file. There are four sections that you should know. They are outlined on the chart on page 5.

> *"Credit reports don't go bad overnight and your chances of cleaning them up overnight is not likely."*

Review Your Credit Score

Reviewing your credit score/rating is also a significant part of rebuilding your credit history. The score is generated as your payment to creditors is tracked. Scores

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Cleaning Up Your Credit Report

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may range from 300 to 850. Obviously, the lower your score, the more a credit risk you become to lenders.

You may wonder, why is your score different with each credit reporting bureau? Each agency operates independently, so it stands to reason that information contained in them will differ.

How do you begin to clean up your report? Credit problems can happen to anyone. To rebuild your credit file, start where you are and over time, the positive history will carry more and more weight.

Look over your budget to determine if it allows paying off or bringing current delinquent or charged-off accounts. You may need to make contact with creditors to discuss your situation in detail and make clear your intentions. By being specific with dates, amounts and commitments, both you and your creditor(s) are clear on what is expected.

Follow through and make payments as agreed. This is the most crucial step toward improving your credit rating. You may also want to consider placing a 100-word statement in your file explaining any extenuating circumstances. This way, each time your report is pulled, the creditor may take into consideration the events that led to your situation. It may make the difference in the credit request being granted or denied.

Lastly, by following these steps, you can begin to dramatically improve your credit rating. While it may take some time, you should be able to get back on the right track!

Janie Bright, AFC®, CHC® is Education Services Manager with Local Government Federal Credit Union (LGFCU) in Raleigh, NC and can be reached at janie.bright@lgfcu.org.

Sections of a Credit Report

Personal Identification Section:	• Name • Social Security number • Birth date • Current/previous addresses • Current/Past employment
Public Records/ Derogatory Information:	• Liens/Judgments • Bankruptcies • Foreclosures • Accounts in collections agencies • Wage garnishments, or unpaid child support etc…
Credit Accounts/ History:	• Dates accounts opened, • Types of accounts (revolving, installment, mortgage or student loan) • Account balances and credit limits • Payment history for each account, including late payments
Credit Inquiries:	• Soft (Promotional inquiries—these are made by your current creditors and yourself for informational purposes—these do not affect your credit rating) • Hard (Signature based inquiries—these types of inquiries occur as you apply for new credit—too many inquiries in a short time may affect your credit rating)

President's Message

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3. Invaluable networking—AFCPE has and continues to offer me a tremendous opportunity to interact at many levels and in multiple ways with others in similar professions. I believe that most reading this letter would agree that lifelong friendships and professionally beneficial relationships have been forged in this association. We all have the chance to be part of a huge movement that is finally recognized as a critical piece of the education of every single consumer.

Through my affiliation with AFCPE, I have met and continue to meet real, truly passionate and awesome professionals who challenge me, support me and share my passion to make sure consumers learn how to effectively manage their financial lives.

4. Service—Last but not least, AFCPE and its membership have given me a chance to serve and to give back. *Through committee work, board service and now as board president, I have found a meaningful outlet to pay forward all that I've been privileged to experience through my career.*

I, for one, am forever grateful to those who have pushed me forward (even when I didn't want to budge) in order to provide me the opportunity to serve in some small way the financial counseling and financial education community.

I challenge each of you to self-examine in a similar way with the questions that speak to your own personal and professional experiences, then relate them to your affiliation with AFCPE. If any of you are inclined to share your stories or "reasons," I'd love to hear them (just email me) and I can promise you they will be part of another publication at some point in time.

It wasn't the newsletter—not necessarily, nor the journal necessarily, nor the conference necessarily—you get the idea. My own reasons to be and stay affiliated with AFCPE are mine alone. I'm delighted to share these thoughts with you and look forward to hearing yours.

Matching Financial Products to Personal Goals

By Helen Gibson

If Serena Williams wants to improve her swing, she does not use a baseball bat. Instead, she uses a tennis racket. People need to use the appropriate tools to help them reach their goals. While swinging a baseball bat doesn't hurt Serena's muscle strength and is certainly an improvement over not exercising at all, a tennis racket better helps her reach her goal.

In the same way, as we work with clients and their goals, the correct product from a financial institution creates the chance for clients to meet their goals more efficiently.

Goal: Saving for Emergencies

Three main types of savings accounts exist: the basic savings account, the certificate of deposit (or share certificate or share term certificate, if at a credit union) and the money market account. When determining which to use, the client needs to consider the minimum deposit, the dividends earned and the liquidity necessary for the account.

Since emergencies happen unexpectedly, a certificate of deposit or share certificate probably would not fit most clients' needs. Although these accounts generally offer the best rates, they also have fees if the client withdraws early. However, if a client has enough money to have multiple certificates, he or she may ladder the certificates such that one matures each month, increasing liquidity and dividend rates. Clients should also consider whether or not the bank or credit union allows them to add on to the certificate during the term, and how much money is required to open these accounts.

Money markets may be the best choice for emergencies, as they offer high liquidity and may have the ability to write up to six checks each month, as well as increased interest or dividend rates compared to a basic savings account. However, money market accounts often require a higher minimum balance than a basic savings account.

If your client is just beginning to save, a basic savings account is their best option. It allows for easy access, but the client will not earn much interest or dividends. With savings accounts, although they differ at each bank or credit union, one can generally assume that the more liquidity the client has, the less dividends or interest the account earns.

Goal: Improving Credit

In the case of improving credit, once a client cleans up adverse information such as collections and is ready to take out loans again, he or she may have difficulty receiving good interest rates. Different types of loans can help them rebuild a credit history without a high annual percentage rate (APR).

A secured credit card may be a wise choice as someone rebuilds credit. In this case, a client saves about $500 in a savings account, and then he or she requests a secured credit card. The bank or credit union will then provide a credit card with up to a $500 limit for the client, not necessarily needing a credit check. Then, the client can rebuild credit history by using the card and paying it off in full each month. If the client uses it correctly, he or she may pay no interest while rebuilding credit. You may want to take into consideration fees that you could incur since every financial institution fee structure generally varies.

Other secured loans exist at banks and credit unions. One that credit unions may offer is a credit builder loan. In this version of a secured loan, the credit union places $500 or $1,000 in a share certificate for the member. The member then pays back the loan over a period that matches the term of the share certificate (at least six months). At the conclusion of the loan, the member receives their share certificate amount plus the dividends it earned while they were paying back the loan. There is an interest rate for this loan, but it is far under the interest rate they would receive on any loan considering their credit history. This loan could help to rebuild positive credit if repaid correctly, since the payments are reported to credit bureaus, build up savings and pay very little interest all at one time.

Have your client call a bank or credit union near them to see what products and services are offered. They may be surprised how often new tools are created to help people become financially healthy.

In the same way, as we work with clients and their goals, the correct product from the financial institution creates the chance for clients to meet their goals more efficiently.

Helen Gibson is the Community Relations Coordinator for Denver Community Credit Union, a not-for-profit financial cooperative with the core purpose to make a difference in people's lives by providing financial opportunity.

The Addicted Gambler

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the gambler regain financial balance by refusing to "bail out" or cosign loans, contacting creditors, and/or facilitating payment of expenses.

Financial Counseling Session—An AFC meets with gamblers and families or significant others to develop the PFRP, which is basically a monthly spending plan. The session lasts about 60 minutes and is typically held the final week of the program. The PFRP provides financial information, assists in determining the current financial status, and identifies strategies to address financial realities. The session is not intended as a substitute for, or supersedes professional or legal advice.

The PFRP compares expense and debt obligations with income. Gamblers identify monthly fixed, flexible, and periodic expenses, as well as debt obligations for secured, unsecured, subprime, personal loans and legal issues. Debts listed show balance, payment amount, and status as 'current,' 'outstanding,' or 'in collection.' Categorizing debts helps prioritize obligations. Gamblers are encouraged to obtain their credit report to review a current list of debt accounts.

Expenses and debts are compared to net income to show the bottom line. When expenses exceed income, strategies are identified to reduce expenses, increase income, and repay debts to avoid bankruptcy. Gamblers may name assets that may be used to reduce debt. A resource list is provided with information on benefit screening/ referral services, consumer education/protection, crisis resources, employment/unemployment, money management, credit/debt counseling, investment planning, bankruptcy, healthcare, heating assistance and foreclosure prevention. Approximately 5–10 percent of the gamblers or a family member will contact the AFC by phone for follow up consultation.

AFCs encourage the gambler to identify a trusted friend or family member to assist with managing personal finances. Shifting control of finances to a nongambler limits the gambler's access to cash, which might be used for gambling instead of obligations. Approximately 25 percent of gamblers do not identify such an individual, so the counselor encourages use of a third party such as a representative from the American Association of Daily Money Managers, a financial institution, or nonprofit organization.

Gamblers and families often indicate a fear of the perceived financial situation as the session begins, perhaps a result of being unaware of current finances or never having developed a spending plan. At the close of most sessions, gamblers and families provide positive feedback including relief, hopefulness, and motivation that they can positively move ahead. "My financial situation isn't as bad as I thought," is frequently heard. Gamblers less hopeful for the future are often facing challenging financial situations like unemployment, homelessness, or divorce.

Vanguard staff estimates that the gambler recovery rate is approximately 50–60 percent. The 40–50 percent who relapse typically haven't turned over their finances to another individual, didn't abstain from alcohol/drug use, entered a new relationship, or didn't follow their aftercare plan, including participation in a growth group and Gamblers Anonymous (S. Brustuen, personal communication, February 21, 2011).

Implications for Practice—Gamblers appear better prepared to develop the PFRP towards the end of the 30-day program, because personal finance may not be their most critical issue. Identifying an individual to assist the gambler with managing finances appears to be an important factor for success. There is benefit to involving families/significant others in the financial counseling session because it provides a safe environment for sharing information. The session provides opportunity for participants to enhance/practice positive communication skills and financial management strategies.

Implications for Research—The following themes for future research were identified to gain a broader perspective regarding the experiences described. *Debt:* What types/amounts of debt do gamblers accumulate? How does gambling debt compare to family nongambling debt? How does debt impact family members? *PDFRs & Strategies:* How did gamblers use the PDFRs and identified strategies when they left the program? *Resource List:* How did gamblers utilize the resource list to request further assistance? Which resources were most beneficial and what resources are still needed? *Gambler/ Money Manager Relationship:* What does a successful relationship look like? Which money management strategies used by the gambler and the person managing their finances were successful/unsuccessful?

Conclusion

There appears to be value to the inclusion of an educational financial lecture and an individual financial counseling session in this compulsive gambling treatment program. The process of developing a spending plan and the assistance of a trusted individual to help manage finances are shown as beneficial. It continues to be a challenge of counselors to provide timely review and revision of strategies to maintain and strengthen the program.

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10 Life Lessons for Getting Back to Basics—Reframing Lessons Learned

By Barbara Lang

Who doesn't want financial stability? After all, attaining it can drastically improve an individual's quality of life, right? Unfortunately, there are those who will spend a lifetime trying to achieve financial stability only to sabotage it every step of the way. Why? Well, there may be multiple reasons, but one thing that rings true is that most of the saboteurs have lost touch with—or never used to begin with—what it really takes to attain financial stability…knowledge, discipline and hard work. Instead, they focus on the only feature they believe will achieve financial stability and that's money!

Suffice it to say that money is an integral part of financial stability. The problem is, greed and an overwhelming desire to simply 'make more money' can cloud an individual's judgment and impede the ultimate goal. When money becomes the solitary focus in an individual's money management arsenal, financial stability is negatively impacted, delayed, or blocked altogether. In other words, when money is viewed as the single ingredient one perceives as being necessary to achieve financial freedom, the ultimate price is financial disaster. Therefore, the idea that money solves money problems is, and almost always will be, detrimental to financial success. Therefore, what is needed is to get back to the basics.

But can basic information really help someone achieve financial stability? Basic financial applications, or lessons, are nothing new and have been around for years. Just because they're old doesn't mean they still don't work. Perhaps one way to look at basic financial applications is through the eyes of some simple but time-honored life's lessons.

Life lessons are everywhere … especially when it comes to money. Financial stability doesn't have to be complicated to work. Looking at financial stability in a rudimentary way may be what's needed to get someone back in the financial saddle again. It's never too late to relook at some simple rules of life—reframed here—to put things into perspective. These are words of wisdom that we can all live by:

1. **You can do something in an instant that will give you heartache for life.** Missing a car payment or making a large purchase that someone cannot afford can set

Financial stability should be viewed as a process and not an event.

them back financially for years if not decades. One financial mistake can have a snowball effect. Your credit can impact your quality of life for seven years or longer. It can keep you

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Back to Basics
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from getting a job and good credit interest rates. It can impact more than you realize.

2. **It takes work to become—and remain—financially stable.** It's taking me a long time to become the person I want to be. Remember, everyone wants financial stability! Financial stability should be viewed as a process and *not* an event. Earning money is the event (the easier part); whereas, managing it is the process (the one that takes even more work than earning it). If someone wants to be financially stable, it won't happen overnight.

3. **We are ultimately responsible for our actions.** Especially when it comes to managing money. Debt, overspending, not saving, and living beyond ones means are all actions that can probably can be avoided. Making excuses doesn't change anything, but places blame. Taking responsibility is the beginning of recognizing bad financial habits.

4. **Either control your money or it controls you.** There is no greater feeling than being in control of one's money as well as one's own financial destiny. On the contrary, there is no worse feeling than not having any control. Without money management there can be no money control. That's the bottom line!

5. **Money is a lousy way of keeping score.** Just because someone has or makes more money than someone else doesn't make them a winner. Look at Elvis Presley and Michael Jackson. Enough said!

6. **Money doesn't buy friends.** People do it all the time—they think they can 'win' someone over through money (or things). Friends are integral to a healthy, well-balanced life; however, it shouldn't take money to get one.

7. **Financially stable people are those who not only know what it takes to become financially stable, but do what has to be done, when it needs to be done.** Take a look at someone who is financially stable—what did it take for them to get there and stay there? Luck? Doubt it! At the foundation of every person who is financially stable are basic financial steps they took to get where they are and to stay there.

8. **Our background and circumstances may have influenced who we are, but we are responsible for who we become.** Although it may be challenging to change a bad habit, habits are changeable—people do it every day. If someone wants to become financial stable they've got to take the steps to make it happen.

9. **Two people can mirror each other's lives and end up polar opposites financially.** Although life throws us curve balls, it's ultimately the choices we make that sets us apart from one another and on the path to financial stability or destruction.

10. **The amount of money you make does not make you a decent human being.** Remember Bernie Madoff? How about Jim Baker? They had more money than most would dream of ever having in a lifetime, but where are they now? Although they achieved great wealth, the things they did to achieve that wealth were not only unethical but illegal. Ever hear "what goes around comes around?"

Barbara Lang is with the United States Air Force, based at Joint Base Charleston, South Carolina. She can be reached at Barbara.Lang@us.af.mil.

Mary O'Neill Mini-Grant

Got a great idea for a financial education project? AFCPE past president, Dr. Barbara O'Neill, is making annual donations to AFCPE to support the Mary O'Neill Financial Education Mini-Grant in honor of her late mother, who was a financially capable woman. A $2,500 mini-grant will be available for an innovative, high-impact one-year financial education project. All AFCPE members are eligible and encouraged to apply.

Mini-grant projects should contain a high quality deliverable (e.g., curriculum, website, publication, etc.), potential for easy replication and/or use by others, an impact evaluation component, a clearly defined budget, and 1:1 matching (cash or in-kind, such as project director salary or employer-paid expenses). A selection committee appointed by the AFCPE Board will review mini-grant applications and select an annual winner, who will present the results of the funded project at the following year's AFCPE conference. More details will be announced with AFCPE awards information this summer.

Tools of the Trade

Small Steps to Health and Wealth Program—Rutgers Cooperative Extension provides the Small Steps to Health and Wealth website. We challenge you to take action daily to improve your health and personal finances, information is available at http://rutgers.ancc.net/. The SSHW program also has a new component—a SSHW Blog (http://ucanr.org/blogs/SSWHBlog/). Consumers can view and comment on weekly posts containing relevant news and information to help them implement behavior change strategies to simultaneously improve their health and personal finances.

CARD Act Fact Sheet—On February 22, 2010, many of the provisions of the Credit Card Accountability, Responsibility, and Disclosure Act (CARD Act) took effect. When the CARD Act was signed into law in May 2009, it was clear the credit card market was in need of serious reform. Congress concluded that certain practices in the credit card industry were not fair and transparent to consumers, and the CARD Act passed with very strong bipartisan support in both the House and the Senate. Visit the Consumer Financial Protection Bureau website at http://thomas.loc.gov/cgi-bin/bdquery/z?d111:h.r.00627: to read their report.

Free Financial Tip of the Week, "Alone Together"—The University of Missouri Office of Financial Success offers a free Financial Tip of the Week. Visit the Tip of the Week website at http://pfp.missouri.edu/financial/archive.html#archivetips to view the Financial Tip of the Week archives, and to subscribe to your free weekly tip. The latest Financial Tip is "Alone Together."

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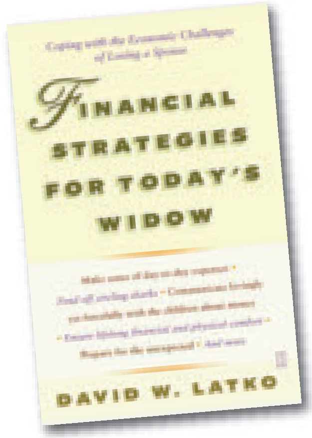

Financial Strategies for Today's Widow

Written by David Latko

Reviewed by Lisa Ware, MBA, Military Spouse Fellow

An article in the *Journal of Financial Counseling and Planning*, Volume 21, Issue 2, 2010, listed the results of a study on educating widows about personal financial planning. According to Brian K. Orb, an educational program for widows should include managing cash flow, setting realistic goals especially for spending, choosing a financial planner, managing risk, avoiding confidence swindles, diversifying investments and estate planning. Orb's article, "Financial Planners: Educating Widows in Personal Financial Planning," points out that any successful education plan differentiates widows' needs by age, keep it simple, and provide workbooks to take home. One major key to success is connecting the new widow with other widows' experiences regarding financial planning decisions.

By those standards, David Latko's book, *Financial Strategies for Today's Widow*, is a successful educational tool for widows of all ages. Utilizing cases from his private practice, Latko writes like a trusted, comforting friend who is holding one's hand through a challenging time. He introduces the reader to widows of varying ages and income levels, and explains outcomes from their respective experiences. He conveys compassion and empathy but does not mince words on the importance of prudent financial planning. The book has stood the test of time because its lessons are built on the fundamental principles of finance.

Although the intended audience is senior widows, it also can meet the educational needs of anyone who has inherited the financial duties from their spouse and needs to quickly organize and assess their financial situation.

Introduction—Although prepared and educated in finance, a widow now faces making decisions without her husband. She is without her life partner and confidant. With this in mind, Latko has written the book as a "road map to… financial independence and security. "

Chapter 1: So What Should I Do—Right Now?—Latko lays out a program that addresses a top question on the new widow's mind. What needs are immediate, and how do I handle them?

The plan highlights what Latko will address in the rest of the book—know that you must define your needs and goals anew because widowhood changes your life. Also, he expresses that you will likely need to change and learn new things in order to reach those new goals while avoiding common pitfalls. Lastly, he affirms that you must be prepared and able to say "No" to your children and other well-meaning friends when you have to make decisions about your future.

Chapter 2: …And Then the Sharks Began to Circle…—Becoming a widow is not something that always happens in secret. Con men and swindlers can target the new widow with bills they don't owe or through other scams. Insurance companies may attempt to persuade the widow to invest her whole insurance payout with their related brokerage house. Relatives and others may advise the widow with their own financial plans in mind, or simply offer well-meaning advice without any basis in financial expertise.

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Financial Strategies for Today's Widow

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The five-point program addresses all of these issues and how to stay on track with the widow's best interests in mind.

Chapter 3: Planning for His Passing— This chapter begins with a vignette of a couple that enters the financial planner's office knowing that the husband is going to pass away within months. Latko then discusses the importance of planning for the passing of a spouse. Whatever motivates the reader to face planning for widowhood, this chapter lays out a step by step plan.

The main goals are to simplify transferring control of the finances to the surviving spouse, organize and review assets, protect wealth, and avoid unnecessary court costs and taxes. Latko provides worksheets for planning a will and listing current insurance policies.

Chapter 4: Picking the Right Financial Advisor: Six Questions to Ask—This chapter is not only specific to widows, and gives an overview of how to pick an advisor. Latko outlines not only what credentials to look for, but provides interview questions for screening potential advisors.

Chapter 5: Greetings Madame Tycoon! (or, The Games Brokers Play)—Latko discusses major brokerage houses where incentives may not always be in line with your best interest and where titles can be based on commissions rather than service. He warns the reader to avoid loads and upfront fees and brokers that won't take the time to explain things straight forwardly and thoroughly. Latko advises the reader to know what services the broker provides and what those services cost.

Chapter 6: But I'm Too Young to Be a Widow—This chapter is framed by the story of a 31-year old widow with two kids, a mortgage, a car payment, little savings and no income. Latko shows how his step-by-step approach helped in this situation by defining the circumstances: dependents, employment prospects, net worth (especially debts, car payment and mortgage); setting goals: estate planning and insurance for widow's dependents; and creating a budget to define spending limits. This chapter also includes a budget worksheet as a planning tool.

Chapter 7: The Second Time Around: The Joy of Prenuptials—He tells the story of a woman who lost a great deal after remarrying. He then outlines what agreements should be made with a new spouse before the widow considers future nuptials.

Chapter 8: Making Sure There Will Always Be Enough—Latko lists the questions that enable planning for your financial future:

1. How much money do you really need for the rest of your life?
2. How are you going to create and grow your wealth over time to reach your goals? (This includes the critical question: How much will you leave to your children?)
3. How are you going to protect the wealth you have accrued? (This includes an investment decisions primer)
4. How are you going to distribute your estate over time to your heirs with the least amount of taxes and expenses to be paid?

Worksheets provided include budgeting for retirement. Lists include 10 Considerations for Estate Planning, 10 Cardinal Rules of Investing, 10 Guidelines for Financial Planning and 3 Tips on Picking Insurance Policies.

Chapter 9: Passing It Along (Or "Being of Sound Mind....")—Latko writes a story to illuminate the pitfalls of leaving *no* will or estate plan. He then shows how a Living Trust may be the best way to be specific about your wishes.

Chapter 10: Housing, Credit, and the Joys of Day-to-Day Living—The widow-specific piece of this chapter addresses whether or not to sell a house. The remaining advice is universal in nature regarding buying or leasing a car and establishing credit.

Chapter 11: A Taxing Problem: The IRS and You—This chapter is a quick primer on preparing taxes highlighting 10 steps to avoid audit and 10 steps of how to survive an audit by the Internal Revenue Service.

Chapter 12: The World of Scams and Con Games: A Primer for Widows Everywhere—Latko closes the book with a quick discussion of potential scams and provides a glossary of important financial terms.

Overall, this book maintains a friendly tone, is well written and communicates vital financial wisdom for widows dealing with the challenges of financial planning. It would have been beneficial to have had a deeper discussion on how to pick an attorney for writing wills. I recommend this book to any widow, from a young bride who has unexpectedly lost a spouse in an accident to a veteran spouse whose husband has just been diagnosed with a terminal illness.

Lisa Ware is a Military Spouse Fellow in the FINRA Foundation Military Spouse Fellowship Accredited Financial Counselor® Program and can be reached at Lisa.C.Ware @US.Army.Mil.

Financial Strategies for Today's Widow

By David Latko

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Tools of the Trade

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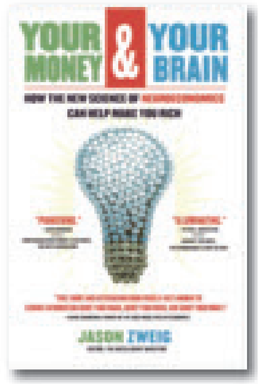
Medical Care Savings Accounts— If a state has state sponsored Medical Care Savings Accounts (MSA), a resource about Montana Medical Care Savings Account MontGuide could be adapted for other states. It is estimated that around 35 other states throughout the United States have Medical Care Savings Accounts. Go to http://msuextension.org/publications/FamilyFinancialManagement/MT199817HR.pdf for more information.

Improving Financial Awareness Among College Students—Through a money tracking exercise, this research helped students to become more self-aware of prudent and problematic spending behavior and the consistency of that behavior with their personal values, which led many students to spontaneously initiate spending reductions in problem areas. Read the article at http://findarticles.com/p/articles/mi_m0FCR/is_3_44/ai_n55503873/ to learn more.

Does Bankruptcy Counseling Help Debtors Establish a Fresh Start?— To investigate the impact of 2005 Bankruptcy Reform legislation's educational requirements, Angela Lyons, associate professor of agricultural and consumer economics at the University of Illinois (UI), launched a multiphase study in collaboration with Money Management International (MMI). The study tracked debtors through the entire bankruptcy process and followed up with them 3 to 6 months afterwards to assess the long-term impacts of the educational requirements on their overall financial well-being. Visit the UI Department of Agriculture and Consumer Economics at http://www.cefe.illinois.edu/news/06_15_10.html to learn more about this study.



Your Money and Your Brain: How the New Science of Neuroeconomics Can Help Make You Rich

Written by Jason Zweig

Reviewed by Steven "Shags" Shagrin, J.D., CFP®, CRPC®, CRC®, CMC

We often wonder what's going on inside that brain of ours and of our clients, and wonder even more so when money is involved. The emerging field of neuroeconomics—a blending of neuroscience and economics—has produced some very interesting findings. In *Your Money and Your Brain: How the New Science of Neureconomics Can Help Make You Rich*, author Jason Zweig has provided some insight into what is being learned in this emerging field. Zweig is an investing and personal finance columnist for *The Wall Street Journal*. Previously, he was a senior writer at *Money* magazine, mutual funds editor at *Forbes* magazine and a guest columnist for *Time* and cnn.com.

His book gives a very comprehensive look at how emotions and money interplay and interrelate, sharing his experiences in experiments and those related by researchers in a clear and readable manner.

The chapters are titled Neuroeconomics, "Thinking" and "Feeling," Greed, Prediction, Confidence, Risk, Fear, Surprise, Regret, and Happiness. In each, he explains his objectives, reports his findings, states his conclusions, and ties it to suggestions for overcoming the challenges that are posed in the human experience when money is introduced into the primal brain structure designed for basic survival.

In the first chapter, Zweig shares "the basic lessons that have emerged from neuroeconomics:

A monetary loss or gain is not just a financial or psychological outcome, but a biological change that has profound effects on the brain and body.

The neural activity of someone whose investments are making money is indistinguishable from that of someone who is high on cocaine or morphine.

After two repetitions of a stimulus—like, say, a stock price that goes up one penny twice in a row—the human brain automatically, unconsciously, and uncontrollably expects a third repetition.

Once people conclude that an investment's returns are "predictable," their brains respond with alarm if that apparent pattern is broken.

Financial losses are processed in the same areas of the brain that respond to mortal danger.

Anticipating a gain, and actually receiving it, are expressed in entirely different ways in the brain, helping to explain why "money does not buy happiness."

Expecting both good and bad events is often more intense than experiencing them.

Money is a core survival tool in today's world. As Zweig points out in the chapter on risk, "If birds run out of seeds, they might not survive. If humans run out of money, we also might not survive—

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Your Money and Your Brain

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because without it we might not be able to obtain the necessities of life. The less money people have, the more willing they often become to take on extra risk, just as a quarterback will throw a "Hail Mary" pass late in the fourth quarter or a basketball player will launch a desperate shot from half-court just before the final buzzer sounds. All too often, a "negative energy budget" makes people fling a Hail Mary with their money." This is something I see too often in my money coaching practice.

When it comes to fear, Zweig writes that "At least in the developed worlds, money has become an inherently desirable object. Current social pressures—plus centuries of tradition—lead us to equate money with safety and comfort. (Ironically, we even call stocks, bonds, and other investments "securities"!) So a financial loss or shortfall is a painful punishment that arouses an almost primitive fear.

"Money is a symbolic token of the problem of life," says neuroscientist Antonio Damasio. "Money represents the means of maintaining life and sustaining us as organisms in our world." Seen in this light, it's not surprising that losing money can ignite the same fundamental fears you would feel if you encountered a charging tiger, got caught in a burning forest, or stood on the crumbling edge of a cliff."

Regarding happiness, it's a commonly thought that money can't buy it. However, Zweig has found that "The truth, then, is not that money can't buy happiness. It's that once you have enough to meet your basic needs, more money buys much less extra happiness than you think it will." He writes that "How satisfied you are with your life depends, above all else, on how connected you feel to other people."

Your Money and Your Brain: How the New Science of Neuroeconomics Can Help Make You Rich

By Jason Zweig

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And most interestingly, we're programmed to envy others in a very basic way, so that we learned to gather or hunt the way they do for the benefit of the entire community. At least that worked well in primitive times. Now, in our materialistically-based world, "while a secret pinch of envy is a positive motivator, a chronic comparison complex can ruin your life. If you cannot control the ancient urge to measure your success against that of your peers, your happiness will always depend less on how much money you have than on how much money they have. And that's something you will never have any control over. Always wanting more, in order to keep up with whoever has more, makes millions of people perennially unhappy."

I recommend this book to anyone who wants to understand more about how their brain is influenced by their unique experiences with money and how it impacts their way of moving through the world of personal finance.

Steven Shagrin, J.D.,CFP®, CRPC®, CRC®, CMC, is a money coach based in Pleasant Hill, Calif. He can be reached at shags@PlanningForLife.info.

Calendar of Events

April 26–29, 2011
TG 2011 Annual Training Conference, Austin, TX
Up to 10 CEUs available
Contact Judith Cunningham at (800) 252-9743, ext. 2905, or email Judith.cunningham@tgslc.org

May 2–5, 2011
National Urban Extension Conference, Des Moines, IA, http://www.nifa.usda.gov/nea/economics/pdfs/2011_nat_urb_des_moines.pdf

November 16-18, 2011
AFCPE Annual Conference, Hyatt Regency Jacksonville-Riverfront
http://www.afcpe.org/conference/

February 29–March 2, 2012
Eastern Family Economics & Resource Management Biennial Conference, Holiday Inn Center City, Charlotte, NC
http://www.nifa.usda.gov/nea/economics/pdfs/2012_eastern_fam_econ.pdf

Thank you to this issue's contributors:

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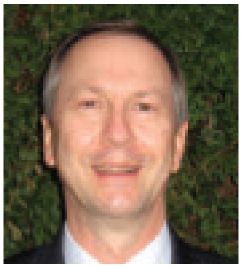
Lisa Ware, Military Spouse Fellow

Notes from the Executive Director

By Gordon Genovese

AFCPE Executive Director



Sharon Cabeen's comments on page 2 enlighten us as to why she feels membership and certification through AFCPE are important and valuable to her professionally. Sharon issued a challenge that we all do a little self-reflection to answer the question—"why do I stay around?"

Sharon's comments resonated with me on two levels. First, answering the immediate question, "why do I stay around?" Second, answering a broader question of "what is AFCPE's purpose?" By answering the second question, I hope to spur your thoughts as to the value of membership in AFCPE.

There is one easy answer as to why I stay around—I get paid to stay around. I really pulled the wool over the search committee's eyes if that was my sole purpose in applying for and becoming the AFCPE executive director. In truth, my reason for being here is that I believe in the AFCPE vision, mission, and purpose that has been developed and refined over twenty-eight years. The vision, mission, and purpose statements can be found on the AFCPE website (www.afcpe.org) under the "about us" tab. More personally, I am here to help fulfill my need to be of service to my colleagues, peers, friends, and the general public, just as I was when serving in the Air Force for twenty years.

As I talk about AFCPE to outside organizations, I make it clear that we are not just a membership organization—we are a *professional* membership organization. So, when contemplating what AFCPE's purpose is, I delved past our specific organizational purposes and concentrated on what is the purpose of any professional organization (association), such as AFCPE. There are three broad purposes that a professional organization serves, (1) to share information, new developments and discoveries, (2) to improve the professions' usefulness, efficiency and service to humanity, and (3) in AFCPE's case, to encourage and assist new members and counselors. AFCPE does all three of these very well.

Share Information, New Developments and Discoveries

AFCPE uses various means to fulfill this purpose. We publish research (discoveries) in our journal, *The Journal of Financial Planning and Counseling*. We stay abreast of new developments in the journal, in articles published in this newsletter and through book reviews in both publications.

AFCPE members share information in various ways that include the annual conference, the AFCPE blog, the AFCPE Facebook page, and Monthly Membership Minute emails.

Improve the Profession's Usefulness, Efficiency and Service to Humanity

AFCPE members research and publish personal finance topics that improve the knowledge and abilities of financial educators and counselors. *The Journal of Financial Counseling and Planning*, now in its twenty-second year of publication, has produced a vast amount of literature in personal finance that is of great benefit to those in the personal finance profession.

We use academic counsel and research to continually update our certification programs. Thus, our certification programs are rigorous and contain the most up-to-date information possible. Those entering the personal finance profession and desiring a nationally recognized certification can be assured that the certification they earn is relevant and will enhance their ability to serve their clients.

We produce academically sound continuing education programs for those holding AFCPE certifications. The continuing education that AFCPE certified counselors must obtain ensures that the counselor's knowledge base expands along with the their accumulation of experience.

Encourage and Assist New Members and Counselors

AFCPE is a growing association. We have steadily increased membership and now stand on the cusp of being 1,000 strong. We identify new members with "first time attendee" ribbons at our annual conference to facilitate welcoming them into our profession. AFCPE members are provided a discounted registration price to attend the annual AFCPE conference.

In the last three years, we have enrolled nearly two people per day into one of our four certification programs. Many of these candidates for certification look for mentoring via direct contact with members and current certificants, as well as introducing themselves to our community via the AFCPE Facebook page. AFCPE provides a continuing education library, located under the "post-certification" tab of our website to aid counselors in maintaining their certification.

As I wrote these comments, I kept coming back to "why I stay around." Yes, I stay around because I believe in AFCPE's vision, mission, and purpose. Yes, I stay around because I find being the executive director personally fulfilling. But, I really stay around because AFCPE does what a professional organization is supposed to do.

Invitation to Present
2011 AFCPE Annual Conference
November 16–18, 2011
Jacksonville, Florida

We invite you to present a Practitioners' Forum, Poster, Paper, or Student Paper at our 2011 Annual Conference, to be held in Jacksonville, Florida, November 16–18, 2011. Detailed submission guidelines are available on the AFCPE website at www.afcpe.org/conference/. All submissions must be submitted no later than May 27, 2011 via email. All submissions are triple, blind reviewed. All authors will receive an email outlining the status of their submission by July 7, 2011.

Practitioners Forum—Ideas That Work

Practitioners' Forum submissions to: practionersforum@afcpe.org

This is an opportunity to share your successes or "ideas that work" with your colleagues. Forums can:

- Describe financial counseling, planning, and/or education programs or strategies
- Present a workshop on new tools and techniques, including worksheets or fact sheets, marketing tools/approaches
- Share successful partnerships, e.g., How local needs were addressed or how funds were assembled to support a program/project

Poster Session

Poster Session Submissions to: posters@afcpe.org

The Poster Session is a regularly scheduled time during the conference for visual presentation of research, educational tool, or an educational or counseling methodology or program.

- Posters should be mounted on poster board
- Easels will be provided at the conference
- During the Poster Session, presenters stand next to their posters to answer questions and provide additional information to conference attendees

Research Papers

Research Paper submissions to: researchpapers@afcpe.org

Conference papers include reports of research, comprehensive reviews of the literature, or description and/or evaluation of an educational or counseling methodology/program.

- An award for "Best Conference Paper" is available for this category.

Student Papers

Student Paper submissions to: studentpapers@afcpe.org

Graduate and undergraduate students are encouraged to submit papers on financial counseling, planning, and/or education.

- Papers may be based on research, a comprehensive literature review, or description or evaluation of an educational or counseling methodology or program
- Outstanding student papers are eligible for consideration for an award. All authors of the paper must be students at the time of submission

Visit the AFCPE website, www.afcpe.org for more details.

Congratulations New Certificants

AFCPE Accredited Financial Counselor® Graduates (12/3/10 through 2/17/11)

Bascom, Kris
Bennett, Anna
Campbell, Selena
Davis, Lorraine
Davis, Shannon
Dehorty, Delight
Dennen, Allyson
DePiazza, David
Evans, David
Foleen, Leonard
Gilbert, Stacey
Gloss, Micheal
Henry, Leary
Jacobs, Jim
Johnson, Kathleen
Kim, Elizabeth
Ladnier, Pamela
Little, John
Love, Angel
Ly-Turnbull, Thanh
Mecadon, Allison
Meno, Maribelle
Middleton, Maureen
Morrow, Christopher
Neff, John
Oseguera, Zilpa
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Ragan, Kristy
Rapp, Christi
Sahagian, Edward
Seemann, Robin
Shealy, Deborah
Simmons, Gloria
Simpson, Meredith
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Venekamp, Mikki
Villarreal, Caeleigh
Walton, Laura
Washington, Tarin
Zauner, Jill

AFCPE Accredited Credit Counselor® Graduates (12/3/10 through 2/17/11)

Baca, Diane
Buzzelle, Janice
Enlow, Jason
Gonzalez, Andre
Green, Henry
Harvey, Kristen
Jones, Annette
Kipfer, Courtney
Kliche, Jennifer
Knak, Ryan
Milo, Greg
Mizner, Lorra
Norris, Liz
Shapiro, Maria
Shogren, Julie
Vanlandingham, Dee Dee
Waddell, Vanessa

AFCPE Accredited Financial Counsellor® Canada Graduates (12/3/10 through 2/17/11)

Foster, Norah
Sinclair, Sandra

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Mark Your Calendar for the 2011 Annual Conference

November 16–18, 2011
Jacksonville, Florida
www.afcpe.org/conference/

AFCPE *Financial Solutions for Life*

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.