AFCPE®

FINANCIAL COUNSELING • PLANNING • EDUCATION

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Counseling From the Heart

By Jill Bakke, Ed.D., LPCC, AFC

How do you define prosperity? How much is enough money? What does abundance actually mean to you and how are you achieving it?

In today's economy, people seem to be willing to look at the underlying issues of how they spend their money and what they gain from it. They are more conscious of the media hype and making choices. A growing number of people are actually redefining abundance and prosperity as having enough of what they truly want and need in life.

It is important to know how to help people out of debt, find safe ways to save money, and live within their means. We need to help them put up barriers to identity theft, build their credit, and plan their retirement, but I have adopted a new strategy as well. And this approach is *not* the old financial counseling. It is life coaching. It is helping them create the life they want with the funds they have available.

Our financial condition reflects a lot about us. Money has always been a medium of exchange. It can furnish us with things we want: food, clothes, a home, security, entertainment, power, and so on. Some people stuff it under the mattress, others fritter it away, and some use it wisely.

My counseling attitude has always been centered on how to keep the quality of life my clients want while balancing their budget. Now, more than ever, this is my mantra. Only now I start with, "Is the current quality of life the quality you want? And "Why do you want it? Instead of focusing first or only external things, we begin together looking first at interior wishes, wishes of the heart. Then my client and I look at the whole picture.

To best help clients, we need to think outside the typical financial counseling box. An example might be a family with high food bills. As counselors we often focus initially on cutting back on eating out. But what about how wisely is the food buyer shopping? Are leftovers being used creatively? How can we cut back on the cost, yet eat well and still be able to have those occasional nights out? It takes more of our time to deal with these issues, but they are germane to the problem.

Do you look at the money your client spends on gifts? Is it a large sum? In our family this year, the daughters decided they wanted to give gifts from the heart. This is a bit harder for me than for them because they make jewelry, knit with skill, crochet like a pro, bake up a storm, create handmade soaps, sew, and the list marches on. I am stymied. What can I do? I gave away the sewing machine years ago and don't particularly have any craft skills. But, upon reflection, I like to write. I could do a family storybook, adding something from the vast collection of family photos, etc. There were a few heirlooms that should be passed on. I love their dogs and decide I could happily spend some time making dog treats. I am

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President's Message

By Glenn Muske, Ph.D., 2009 AFCPE President

Recently, I spent my morning attending a workshop on embezzlement and fraud. While this may sound like an unusual topic for *The Standard*, it actually reflects our current economic crisis. Such problems are on the upswing largely and are being attributed to the economy. People are under financial stress and are looking for a solution, any solution, to get them through.

The report I heard that morning confirms the anecdotal information that I gather in conversations. Admittedly one's personal finances are often not a topic of conversation, but it seems like once someone hears that you are involved in financial counseling, planning and education, the questions start coming. Usually the questions do not start during the session, but during breaks or after the meeting. And the questions are often driven by a personal situation—loss of a job, fear of losing a job, retired and nervous, just entering retirement, etc. Individuals want ideas on how to handle the situation, but just as often are just looking for assurance that things will be okay.

What this means to me is that we have a teachable moment. On the AFCPE blog, followers have commented, and I agree completely, that financial education has been here, but people have not been ready to listen. A member suggests that recent events may have humbled us and that "when we are humbled, we are teachable." We have struggled for years wanting to be the hot topic and our time is here.

So how do we take advantage of this moment? Each of us needs to answer that question from the perspective of our audience. And from my perspective, my response will begin with the message that things *will* get better. Obviously for some, such as those going through foreclosure or bankruptcy, that message may be hard to believe or accept, but it is one that needs to be said. From that point, we then can move on to educate.

Our education will probably need to take the form of small steps that clients can take to help them feel in control of their financial situation again. Ideas for such steps and for different venues and methods to reach clients are in another blog discussing financial literacy month—April. I am a proponent of client choice and have challenged AFCPE members to list 500 ideas on how AFCPE as an organization, and we as individual members, can enhance the teaching of financial literacy or provide simple steps individuals can take to improve their financial situation.

If you have not yet added your ideas, now is the time to do so. You can reach the AFCPE blog at ww.afcpe.org/blog/. Very few of us have the time, inclination, or feel comfortable in offering a "how to" manual on financial literacy. All of us though have one or two golden nuggets that our colleagues may find helpful. As mentioned last time, AFCPE offers the power of networking. This is just one way of harnessing that power.

Well, time to close. Remember to stop by the AFCPE web blog. Now is a teachable moment. Let's help each other make the most of this opportunity.

What Happens If a Bank Fails?

How the FDIC protects depositors, including providing quick access to insured funds

Here's important information about what the FDIC pays when an FDIC-insured bank or savings institution is closed by its federal or state government regulator.

How soon after a bank fails can I expect to have access to my insured money?

Federal law requires the FDIC to make payments of insured deposits—all the money determined by the FDIC to be within the federal insurance limits—"as soon as possible" after the failure of an insured institution. In most cases, the FDIC makes insured funds available to depositors quickly, usually on the first business day after the bank is closed.

"The FDIC works very hard before a bank is closed, all very quietly and behind the scenes, to evaluate data and identify the amounts due to insured depositors," said Michael Spaid, who manages an FDIC section that develops policies for handling deposit insurance claims. "It's that advance preparation, followed by long hours of work after the closing, that enables the FDIC to provide insured depositors access to their funds so quickly."

The preferred way to pay insurance on deposits—and the most common one—involves finding a healthy bank to quickly buy the rights to assume the insured deposits and other business of the failed bank. Depositors automatically become customers of the assuming bank, and offices of the failed bank reopen under the name of the acquiring institution—usually by the next business day. Depositors will have full access to their insured funds at branch offices or by check, automated teller machine and debit card.

"The depositors would barely be affected," explained Spaid. "Their insured funds would be preserved and they can continue banking as usual or they can open a new account elsewhere."

If the FDIC cannot find another institution to buy the failed bank's insured deposits, one of two things can happen. (1) The FDIC can transfer the insured deposits to a newly created bank that would be operated by the FDIC. This new bank, referred to as a "bridge bank" or "conservatorship," enables depositors to access their insured funds by the next business day and to maintain other banking services until the FDIC can find a buyer for the new bank. (2) The FDIC can issue checks directly to depositors, in amounts up to the federal insurance limit. That process can take longer than one business day but usually not more than three business days.

No matter how the FDIC resolves a failed bank, some types of deposits present special challenges that mean it may take the FDIC longer to obtain documentation that is needed to finalize the insurance payments. Examples include accounts linked to a formal written trust agreement, deposits placed by an administrator of an employee benefit plan, and bank certificates of deposit (CDs) sold to the public by deposit brokers. In the case of the latter, the bank's records often only note the name of the broker, not the individuals who made deposits, and it can take more time for the FDIC to gather documentation from the broker and make an accurate insurance determination.

What happens to my money that is over the FDIC's insurance limits?

Let's say you alone have one deposit account at a bank with a balance of $255,000, including interest earned. If your bank fails, you'll immediately be paid $250,000 (under

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Viable Options for College Choice and College Loan Repayment

By Sharon Cabeen, AFC, Vice President of Financial Literacy, National Student Loan Program (NSLP), sharonc@nslp.org.

This time of year, families are often looking forward to graduation celebrations. Daughter Susie graduates from high school and eagerly looks forward to going away to college this fall. Son Johnny graduates from college and will finally be supporting himself. For families across the country, there is both happiness and consternation about these landmark events. The "kitchen table chats" are not about which high-priced college Susie should attend, but about whether Mom and Dad can afford to send Susie to college at all. It's not about where Johnny's fancy new apartment will be after he lands that great dream job, but about whether Johnny can even find a job. For many families, the economy is affecting college choices, college finances and college loan repayment.

Financing college may be challenging, but federal financial aid is available. Families are rethinking their college choice based on their family finances. Perhaps the college savings has dwindled or more pressing family financial issues make it necessary to use these funds elsewhere. Job losses and military deployments may be stressing the family budget. To cope, families often change gears and choose less expensive colleges or colleges closer to home to reduce costs.

Luckily, a variety of federal financial aid is available in the form of grants, loans, and work-study programs. Most programs are based on the family's financial needs, and families who have been affected by the economic downturn may fare better than they expect. All families should complete the government's Free Application for Federal Student Aid (FAFSA) even if they don't think they qualify. In some cases, campus financial aid officers also have latitude to provide more aid based on the family's circumstances.

New college graduates who have student loans have flexible options for repaying them. For the unfortunate graduate who has difficulty finding a job or who may only be able to get a part-time job and can't make ends meet, there are options for reducing student loan payments.

Federal loans have a variety of repayment plans that allow borrowers to choose to extend the repayment term under certain circumstances or to make graduated or income-sensitive payments. These options allow the graduate to make affordable payments now, then change the repayment plan later when finances improve or that dream job becomes reality. Federal student loan borrowers are also entitled to a deferment to postpone payments if they are unable to find a full-time job.

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Tools to Use:

A session on student loan topics will be offered by the National Student Loan Program, an AFCPE affiliate member, at the AFCPE conference November 18–20 in Scottsdale, Arizona.

National Student Loan Program is offering training by webcast on student loan repayment options and college financing June 9, June 11 and June 16. Additional dates will also be announced for July and August. Each 1.5 hour webcast is eligible for 1.5 CEUs from AFCPE. Visit www.nslp.org/beyondthebasics for more information.

Facing a Furlough? Develop a Plan

By Barbara O'Neill, Ph.D., CFP®, Rutgers Cooperative Extension, oneill@aesop.rutgers.edu

Furloughs (also known as "temporary layoffs") have been in the news a lot lately. Once used primarily by employers of blue-collar workers when work loads slowed down, they have increasingly been extended to white-collar workers in both the public and private sector. Furloughs are increasingly being used to close gaps in employers' budgets when income is reduced. They are seen as more "humane" than permanent layoffs and enable employers to retain skilled and experienced employees who will be needed when the economy rebounds. When large employers cut even a few days of workers' pay, they can often save millions of dollars.

In some cases, furloughs are voluntary and employers ask for volunteers to take unpaid leave in exchange for time off. In most cases, however, furloughs are mandatory and every worker is told to work less, and therefore earn less, sometimes as many as 12 to 15 days per year. For a worker earning, say, $180 a day (about $47,000 annually), a 12-day furlough (e.g., one work day per month) translates into a loss of $2,160 in gross income or about 4.6 percent of annual earnings. For workers living paycheck to paycheck, furloughs can make an already financially stressful lifestyle even more so.

On the other hand, furloughed workers are not unemployed. They get to keep their job and benefits such as health insurance. In some cases, furloughed workers who are out of work for a week or more at a time may be eligible to apply for state unemployment benefits that can partially offset their lost income. If you're facing a furlough, you need a plan for both the income loss and your use of the unpaid time. Below are seven strategies to consider:

Start Calculating—Figure out what you earn in a day. For example, if you earn a $40,000 gross income, divide this number by 260 (average number of workdays in a year). The result ($154) is your gross daily pay. Then multiply this number by your federal marginal tax rate (see http://njaes.rutgers.edu/money/taxinfo/ to find this rate for your tax filing status) and subtract it from gross daily pay to determine your daily after-tax pay. For example, $154 – ($154 × .25 or $39) = $115. This is a rough estimate of income lost each furlough day. It will actually be somewhat less when FICA and state income, unemployment, and/or disability taxes on lost income are subtracted.

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Seek Information—Find out when and how your pay will be reduced and procedures that your employer has established for taking time off. This will affect your financial and time use plans. Some employers are giving workers a choice of days off while others are mandating specific time periods, such as spring break for university employees. Many employers are developing furlough policies for the first time and workers need to learn the rules as they are developed.

Save a Surplus—If you have enough advance notice about a furlough, try to gradually save up the amount of money that you will lose by reducing expenses. Put this money in a money market fund or short-term CD until it is needed. Then draw down this savings to replace lost income. If there isn't enough time to save ahead, consider earmarking a portion of each "full" future paycheck to supplement each "lean" one.

Spend Less—Try to reduce monthly expenses by the amount of lost monthly income. Start with variable expenses such as food. Often, small daily expenses can add up to $100 or more of spending on a monthly basis. Track your spending for a month to identify expenses that can be reduced during the furlough period.

Suspend Voluntary Deductions—If you can't close the gap between your reduced income and household expenses entirely through spending reductions alone, consider temporarily suspending (or reducing) voluntary payroll deductions, such a charitable donations and retirement savings plan contributions, until the furlough ends.

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Tools of the Trade

When Your Income Drops—This new program replaces the Surviving Tough Times fact sheet series and includes a PowerPoint presentation with several activities and seven new fact sheets. The program is for people who have recently lost their jobs or otherwise experienced a reduction in income. View all the program components at http://fcs.uga.edu/ext/econ/wyid.php.

New Journal of Extension Site— The Journal of Extension (JOE)—the official refereed journal of the Cooperative Extension System—has a new Web site. Visit www.joe.org/ to find updates on the research and knowledge base for extension professionals and other adult educators to improve their effectiveness. When you visit the site, under "Journal Content," you will see a place for free subscriptions. Once you subscribe, you will receive e-mail notifications when a new journal edition is published.

Financial Evaluation Tool— Financial distress can cost an organization over $2,000 per employee per year. Now there is a free tool for employees to evaluate their finances and determine an appropriate solution. www.incharge.org/debt

One-Time Economic Recovery Payments from Social Security—In May 2009, Social Security will distribute a one-time payment of $250 to Social Security and Supplemental Security Income beneficiaries nationwide. The payments are provided under the American Recovery and Reinvestment Act of 2009. Contact Lauren Hawkins at 410-965-8726 for printed copies of the online leaflet.

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Navigating the Foreclosure Maze

By Jeanne M Hogarth, Federal Reserve Board*

There are some top 10 lists you just don't want to be on: California, Florida, Arizona, Nevada, Illinois, Michigan, Ohio, Georgia, Texas, and Virginia topped the list for foreclosure filings for the first quarter of 2009. Foreclosures are up 24 percent from one year ago; delinquencies and auction sale notices have increased as well. To find out how your state or county is doing, visit the dynamic delinquency maps at http://data.newyorkfed.org/creditconditionsmap/ (you can get information on both credit card and mortgage delinquencies at this site).

There are two major ways that AFCPE members can be of assistance to families facing delinquency and foreclosure. One is to connect people to real help in real time; the other is to help them avoid scams and frauds.

Connecting People to Help

As AFCPE members, it's important to know the range of options open to consumers who may need your advice and assistance. The main federal and national-level programs are outlined on page 7.

Scams and Frauds

We all know that scams and frauds abound when people become desperate for help, so it's no surprise that foreclosure scams are on the rise. Consumers could avoid the vast majority of scams and frauds if they just followed two simple rules:

- Never pay any money up-front for a "foreclosure workout."
- Always work with a HUD-certified counselor.
- If you learn of a scam, report it to your state attorney general's office; you can find a listing, including addresses, phone numbers, and e-mail addresses, at the Consumer Action Web site: www.consumeraction.gov/caw_state_resources.shtm.

Resources for Outreach and Awareness

There are many helpful Web sites for foreclosure information. The Federal Reserve Board developed a 30-second ad (or PSA) that you can link to or use—you can find it at www.federalreserveeducation.org/pfed/mediakit.cfm. You can also access two "tip sheets" on foreclosure: 5 Tips for Avoiding Foreclosure Scams (www.federalreserve.gov/pubs/foreclosurescamtips/default.htm) and 5 Tips for Protecting Your Home from Foreclosure (www.federalreserve.gov/pubs/foreclosuretips/default.htm). The online versions of these have links to helpful resources; they are available in pdf format for printing.

Neighborworks, a national nonprofit organization created by Congress, and a partner in the 888-995-HOPE initiative, has a wide range of resources available for consumers and community development organizations at its foreclosures Web site, www.nw.org and www.findaforeclosure counselor.org/network/foreclosure/default.asp.

The Department of Housing and Urban Development's Web site has a wealth of information, including a searchable list of HUD-approved housing counseling agencies: www.hud.gov/foreclosure/index.cfm. The Federal Trade Commission also has resources, including a publication on

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Foreclosures

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avoiding foreclosure scams; visit www.ftc.gov/moneymatters.

Jeanne M. Hogarth is the manager for Consumer Education and Research at the Federal Reserve Board. Her previous experience includes high school teaching and serving on the consumer economics Extension faculty at Cornell University.

**The views expressed are not necessarily those of the Federal Reserve Board, the Federal Reserve Banks or their staff.*

Federal and National-level Programs Available for Assistance

	Hope for Homeowners (H4H)	Making Home Affordable	Homeownership Preservation Foundation
Web site for more info	http://www.hud.gov/hopeforhomeowners/pressfactsheet.cfm	http://www.makinghomeaffordable.gov	http://www.995hope.org/
Key provisions	Property is re-appraised and lenders agree to "write down" the mortgage; the maximum LTV is 96.5%. The remaining equity is split 50-50 between the owner and FHA. Subordinate lien holders have the option to take their appreciation share at the time of origination of the H4H mortgage, or wait until the property is sold.	LTV between 80% and 105% with loan securitized by Freddie or Fannie. Modify loan by reducing interest rate, extending term, or some combination. Subordinate lien holders must agree to resubordinate to new loan. 3-month trial period before loan becomes final (to make sure consumer can make payments).	Phone-based counseling program (888-995-HOPE); works with CCCS organizations and other HUD-approved housing counseling agencies. Counselors have direct numbers to staff at servicers and lenders. Based on alliance of servicers and lenders. Workouts are based on negotiations with the servicer or lender
Lending ratios	If LTV is 90% or below: 38% and 50% If LTV is between 90% and 96.5%: 31% and 43%	31% and 55%—those with a back-end ratio over 55% may be eligible but must agree to counseling	Depends on negotiations with servicer or lender
New mortgage terms	Fixed rate loan for 30 or 40 year term	15 or 30 year fixed rate	Depends on negotiations with servicer or lender
Challenges	This is a shared-equity program; consumers will have to pay back FHA when they refinance or sell the home. Not many lenders are willing to do the write-downs in areas where home values have declined substantially.	As of mid-April, federal agencies were still getting servicers and lenders signed up—the program has yet to become active.	Call volume can be as high as 2,000 calls per day; some consumers report that getting through has been difficult.

For information on state and local efforts, contact your state's housing finance agency or visit www.federalreserve.gov/consumerinfo/foreclosure.htm and select your state on the map.

Tools of the Trade

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Kansas State University: Doctoral Program—Kansas State's Doctoral Program with an emphasis in Personal Financial Planning is the first in the nation to be conducted largely online and was designed for professionals who already have busy careers and substantial roots where they live. The program is composed of a mix of online and residency courses. It enables candidates from around the world to earn their doctorates from a respected university while continuing their lives at home. To learn more visit www.ipfp.k-state.edu/.

Guide to the Earned Income Tax Credit—The Earned Income Tax Credit (EITC) helps low income, working taxpayers and families get more money back when they file their federal income tax forms. To help people file their 2008 taxes and claim the EITC, Consumer Action (www.consumer-action.org/) has updated its helpful multilingual guide to EITC. Contact Mikael Wagner, director of training and outreach, at outreach@consumer-action.org for more information.

2009 Consumer Action Handbook—The 2009 Consumer Action Handbook offers tips for consumers to file complaints, buy a car, protect themselves from identity theft, and more. It also includes contact information to hundreds of companies and Better Business Bureau offices in every state. You can find the entire new edition of the handbook and order multiple copies at the Consumer Action Web site (www.consumeraction.gov/).

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Tools of the Trade
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The New Jersey Coalition for Financial Education—Recently created a new format for teacher financial education training conferences called Teachers Training Teachers (T^3). This innovative program was developed with funding from the Council for Economic Education. Intead of the typical training conference format, with speaker-led presentations, conference participants (teachers and other youth educators) taught each other while competing for the title of "New Jersey Financial Educaiton Idol." Upon registering for T^3, participants were sent an electronic template form to describe their most innovative and successful financial education activity. Completed template forms were then placed on CDs and distributed to all conference partipants. At the conference, round table groups picked winners (semifinalists), who later presented their teaching strategy to all in attendance, who voted for the "Idol" contest winner. T^3 also included exhibits and brief curriculum overviews. For further information about T^3 and other NJCFE activities, or to obtain a conference CD, visit www.njcfe.org.

Call for Papers

Journal of Financial Counseling and Planning—The journal of the Association for Financial Counseling and Planning Education. Open submissions. www.afcpe.org

Journal of Consumer Affairs—Open submissions. www.consumerinterests.org/i4a/pages/Index.cfm?pageid=3311

Journal of Personal Finance. Open submissions. www.jpf.agecon.vt.edu/Index.htm

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Want to Save Money In a Tough Economy? Go On a Fee Hunt

With a worsening economy, many Americans are taking extra care to keep their cash and plastic in their wallets. However, the number and amount of fees for all sorts of everyday expenses and items are like an invisible vacuum for nickels, dimes and dollars that could otherwise be put to better use. The solution? Awareness of where the many fees are used, effective planning, scrutinizing of bills and most importantly, comparison-shopping, will help consumers beat the fee drain.

Here's a list of fees large and small that you should watch for and stamp out or minimize over the coming months:

Bank fees: Let's start with the obvious. Fees at banks and other savings institutions have recently been reported at all-time highs. Bankrate.com reported last fall that ATM surcharges, bounced check fees and monthly service fees all increased from September 2007 to September 2008. ATM surcharges are at a national average of $1.97, up nearly 11 percent; bounced check fees rose an average 2.5 percent to $28.95; and monthly account service fees hit $11.97, up a nickel from 2007. Bankrate also reported that the minimum account balance that customers need to maintain to avoid those fees rose to an average of $3,461.84, up 4 percent. Also, some banks charge fees for the use of debit cards, which consumers use to avoid paying credit card fees.

Before vacations and trips to places where your bank doesn't have ATMs, make sure you withdraw the cash you'll need ahead of time, and only for expenses you have planned. Watch your balances like a hawk so you don't risk overdrafts—and remember that signing up for overdraft protection will cost you another fee—and start comparison-shopping at banks and credit unions for the lowest account minimums to avoid fees. As for debit cards, talk to your bank about any fees they may charge on their debit cards that carry a major credit card logo, particularly if there are awards attached to its use.

Credit card fees: These can eat you alive. Late fees, processing fees, and surcharges on cash advances are just some of the fees that banks and credit card companies use to increase their revenue. Just as you become more diligent in examining your banking options, apply the same standards to your credit cards.

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Go on a Fee Hunt

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Retirement plan fees: If you work for a company, it makes sense to ask your human resources department how much they're paying in fees to your 401(k) plan manager—or managers. They might not actually know, and that's a good indication that they're not shopping well enough for your plan. It's also important for you to investigate the fees on the retirement money you invest by yourself in IRAs and other brokerage accounts and plans.

Awareness of where these multitude of fees are used, effective planning, scrutinizing of bills and most importantly, comparison-shopping, will help consumers beat the fee drain.

In the past months, Congress has held hearings on 401(k) fees and how it's tough for individuals to tell what they're being charged. As investments struggle back, it's appropriate for investors to become better informed about what they're paying to have their money invested.

Portfolio management fees: Also known as assets under management (AUM) fees, these are various fees that might be assessed against professionally managed portfolios. It is always important to understand these fees, see how they compare with competing types of portfolios and investments and keep an eye on what triggers them.

Travel fees: It will be interesting to see what the travel industry does about the heaps of fees it charges with the slowing economy, but you shouldn't assume you'll get a break if you actually do get to travel this summer. So be vigilant. Check on airline cancellation and change fees. Some airlines still offer liberal and flexible cancellation policies. Others may be more restrictive, yet that may be offset by other considerations.

Pack light so you won't have to pay a second bag fee or an overweight fee for a single bag. Query prospective hotels on all the charges they can potentially tack on to your bill for things you don't plan to use like gym or certain entertainment fees. If you've never done that, it's time to start. Also, check on parking and in-room Internet access fees. Weigh the cost of travel insurance against potentially pricey cancellation fees and hotel room charges that you'll automatically have to pay if your trip is delayed by weather or an emergency. And make sure you query your rental car company on fees that apply to the places you're going and whether it may be cheaper to rent in town than from the airport.

Store fees: Avoid retailers who charge restocking fees, particularly for electronics. And sign up for loyalty programs that not only give you bonus points to use on future purchases but provide you special money-off coupons online, in the mail or at the register.

This column is produced by the Financial Planning Association® (FPA®). For more information about FPA, visit www.FPAnet.org *or call 800.322.4237.*

Call for Papers

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The Journal of Youth Development— Open submissions. www.nae4ha.org/profdev/joyd/index.html

Journal of Family and Economic Issues—Open submissions. www.springerlink.com/content/104904/

Journal of Financial Planning— Open submissions. www.journalfp.org/Contribute/WritingGuidelines

AFCPE 2009 Annual Conference— Deadline is May 22, 2009. www.afcpe.org

The Journal of Consumer Affairs Special Issue: Public Health Issues—Deadline June 1, 2009. www.consumerinterests.org/i4a/pages/Index.cfm? pageid=3311

Eastern Family Economics and Resource Management Association— Deadline is September 25, 2009. http://mrupured.myweb.uga.edu/index.shtml

Journal of Family and Economic Issues, Family Business—Deadline is October 31, 2009. http://springerlink.com/content/1058-0476

Funding

Grants.gov—Your source to find and apply for federal government grants. There are over 1,000 grant programs offered by all Federal grant making agencies. www.grants.gov.

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Funding

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National Endowment for Financial Education (NEFE®)—The NEFE® Grants program deadline for the October 2009 grant cycle is June 2, 2009. To learn more about the NEFE® Grants program, visit the NEFE® Web site at www.nefe.org and click on the Grantmaking section.

MMI Education Foundation—The foundation uses its resources to serve the public interest and strengthen the communities where we live and work. The foundation provides periodic announcements and grant guidelines. www.mmifoundation.org/.

U.S. Department of Health and Human Services—Grantees provide financial literacy training to help low-income individuals and families achieve economic self-sufficiency. www.acf.hhs.gov/programs/ocs/afi/.

FINRA Investor Education Foundation—Subscribe to the e-mail newsletter for periodic updates at www.finrafoundation.org/newsletters.asp.

FY 2009 AFRI RFA—Deadline September 30,2009. Visit Grants.gov for the application package.

Beginning Farmer and Rancher Program (BFRDP) RFA—Visit the CSREES Web site at www.csrees.usda.gov/fo/beginningfarmerandrancher.cfm to view the CSREES Funding Opportunity, and the Grants.gov Web site for the application package. More information about the BFRDP program and resources for writing grant applications will continue to be developed and CSREES will make them available.

Facing Furlough

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Seek Self-Employment—If you already "moonlight" in addition to the "day job" from which you are being furloughed, ramp up your workload to recoup the income being lost with earnings from self-employment. Furlough days will give you extra time to take on additional work assignments. If you don't currently do work on the side, consider doing so on the unpaid days off. For example, IT workers might be able to freelance their Web site development skills, secretaries could take on clerical assignments, and college faculty could consult on research or education projects.

Savor the Time—Granted, a furlough is not something most workers would choose. Nevertheless, it does provide something valuable that many Americans have in short supply…time. Resist the urge to work (e.g., check business e-mails) on furlough days and spend the unpaid time doing enjoyable or necessary activities. Ideas include visiting family and friends, inexpensive day trips, taking an adult education class, watching a movie, and home maintenance and repairs.

Barbara O'Neill, Ph.D., CFP®, is an extension specialist in Financial Resource Management at Rutgers Cooperative Extension. She can be reached at oneill@ aesop.rutgers.edu. Rutgers Cooperative Extension has personal finance information available online including downloadable worksheets, self-assessment quizzes, and pre-programmed Microsoft Excel® templates for personal financial calculations. Visit http://njaes. rutgers.edu/money2000/ *to learn more. In addition, the Cooperative Extension system's online eXtension information delivery system has personal finance experts who can answer your questions and provide additional resources. To access the eXtension personal finance Web site, visit* www.extension.org/personal_finance.

Internet Humor: Business Slang Terms

Just in case you find yourself lost in the strange and exotic world of office conversations, InnocentEnglish presents these top business slang terms.

1. 404—Someone who is clueless. From the Web error message, "404 Not Found," which means the document requested couldn't be located. "Don't bother asking John. He's 404."
2. Adminisphere—The rarified organizational layers above the rank and file that make decisions that are often profoundly inappropriate or irrelevant.
3. Alpha Geek—The most knowledgeable, technically proficient person in an office or work group. "I dunno, ask Rick. He's our alpha geek."
4. Betamaxed—When a technology is overtaken in the market by inferior but better marketed competition as in "Microsoft betamaxed Apple right out of the market."
5. Blamestorming—A group discussion of why a deadline was missed or a project failed and who was responsible.
6. Bookmark—To take note of a person for future reference. "After seeing his cool demo at Siggraph, I bookmarked him."
7. CGI Joe—A hard-core CGI script programmer with all the social skills and charisma of a plastic action figure.
8. Chainsaw Consultant—An outside expert brought in to reduce the employee head count, leaving the top brass with clean hands.
9. Chips and Salsa—Chips = hardware, salsa = software. "First we gotta figure out if the problem's in your chips or your salsa."

Counseling from the Heart

Continued from page 1

computer savvy and could design bookplates for the readers in my life. Suddenly, I find I have more talent than I ever thought. The truth is *everyone* has skills they can utilize. Something most of us financial counselors never consider delving into. Sometimes they need someone to help them find those skills.

Areas of exploration are numerous. Does the client hit the mall when stressed? What are some alternative stress relievers? Some beliefs like "money gives power" may need to be discussed. And what about those old tapes on money from childhood that still control lives?

By now, I think you get the idea. More often than not, it isn't the presenting issue that is causing financial imbalances. It is what lies beneath. There are a number of ways to get under the surface of your clients' spending patterns. Get a toolbox of exercises, including Money Habitudes from fellow AFCPE member Syble Solomon.

In a tight economy, we will have to deal with survival issues for some clients, restructuring with others. But for many it is a wake-up call to look at their lives and make wise decisions that work in all economic markets. For me, that type of personal financial counseling is the most satisfying of all. It is counseling from my heart.

Jill Bakke, AFC, Licensed Clinical Counselor, is a private practitioner specializing in life coaching, based in Colorado Springs, Colorado, and can be reached at j_bakke@hotmail.com

What Happens If Your Bank Fails

Continued from page 3

current law there is a temporary increase from $100,000) covered by FDIC insurance. You'll receive a "claim" against the closed bank for the remaining $5,000 that is not FDIC-insured. The amount you recover on your uninsured deposits will depend on how much the FDIC recovers by selling the bank's assets. While that process can take several years, most payments to uninsured depositors are made within a year or two of the bank failure. In some cases, the FDIC is able to make an advance payment to uninsured depositors.

What about other bank services such as safe deposit boxes, loans, credit cards and securities held by the trust department?

Access to the contents of safe deposit boxes typically will be available the next business day after the bank closing.

A loan or credit card you have at the failed bank will either be sold to a healthy bank or retained temporarily by the FDIC, and you'll receive written instructions on where to send future payments. Either way, your use of these loans and your obligation to pay will continue until you are instructed otherwise, in writing, by the acquiring bank and the FDIC.

Securities and other assets held in trust, fiduciary or custodial accounts at a bank are not assets of the failed bank and are not subject to claims by the failed bank's creditors. These assets will either be returned to you or arrangements will be made for another institution to become the new custodian or trustee of your accounts.

This article is based on previously printed material from the Federal Deposit Insurance Corporation (FDIC). To learn more about FDIC, visit their Web site at www.fdic.gov.

Resources and Tools:

How can I get more information about what happens if a bank fails?

- You can find useful information, including the FDIC brochure "When a Bank Fails," at www.fdic.gov/bank/individual/failed. Or, call or write the FDIC (see *For More Help or Information* from the FDIC About Deposit Insurance).
- Call toll-free 1-877-ASK-FDIC (1-877-275-3342) from Monday through Friday, 8:00 a.m. to 8:00 p.m., Eastern Time. For the hearing-impaired, the number is 1-800-925-4618.
- Read or print consumer information online at www.fdic.gov. For brochures, videos and other information on FDIC insurance, go directly to www.fdic.gov/deposit/deposits. There you'll also find the interactive Electronic Deposit Insurance Estimator (EDIE), which you can use to calculate the insurance coverage of your accounts and generate a printable report that clearly states if your deposits are fully insured or not.
- E-mail questions to the FDIC using the Customer Assistance Form at www2.fdic.gov/starsmail.
- Write to the FDIC, Division of Supervision and Consumer Protection, 550 17th Street, NW, Washington, DC 20429-9990.

Calendar of Events

May 14–15, 2009
Improving Financial Literacy and Reshaping Financial Behavior, Indianapolis, Ind. Details pending. Contact Angela Lyons at anglyons@illinois.edu for more information.

June 25–28, 2009
American Association of Family and Consumer Sciences, Knoxville, Tenn. www.aafcs.org

July 2–5, 2009
Asian Consumer and Family Economics Association, Yamaguchi, Japan. Details pending. http://acfea-2009.li.econo.yamaguchi-u.ac.jp/

July 26–28, 2009
2009 AAEA & ACCI Joint Annual Meeting, Milwaukee, Wisc. http://www.aaea.org/2009am/

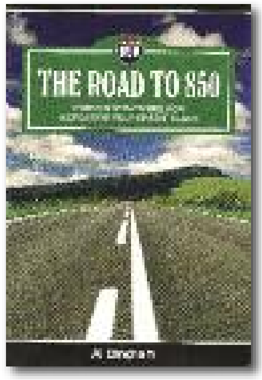
August 31–September 1, 2009
The National Community Tax Coalition Conference. www.tax-coalition.org/aug2009index.cfm

October 10–13, 2009
FPA Annual Conference & Expo, Anaheim, Calif. www.fpanet.org

October 21–23, 2009
2009 Annual Conference on Financial Education, Philadelphia, PA. For information on the conference or for registration information, call (207) 221-3611 or send an e-mail to conference@financiallit.org

November 16–22, 2009
Global Entrepreneurship Week, http://entrepreneurshipweekusa.com/

November 18–20, 2009
AFCPE 2009 Annual Conference, Scottsdale, Ariz. www.afcpe.org



The Road to 850: Proven Strategies for Increasing Your Credit Score

Written by Al Bingham

Reviewed by Shara Young, AFC

Do financial clients ever ask if closing their credit card accounts will help or hurt their credit score? Or how to improve their credit score? Do they wonder if inquiries into their credit report will lower a credit score? Will becoming a co-signer be a detriment or helpful on their credit file? How can inaccurate information be reported? How do you overcome identity theft?

The *Road to 850: Proven Strategies for Increasing Your Credit Score* answers all credit scoring questions with simple, easy explanations and examples with the sole purpose of helping individuals improve credit scores.

An 800 credit score is more important than ever for creating financial opportunities. Higher credit scores save hundreds or thousands of dollars on insurance premiums and qualify someone for a job, as well as qualify for higher compensation.

In Al Bingham's *The Road to 850*, the author explains step-by-step each part of a credit report, the creation and evolution of the credit scoring system, how scores are calculated and how we can raise our scores to qualify for the best terms on any financial transaction and promote any employment possibilities in the future.

The following questions were ones that were posed to me as a financial educator. Thanks to the well-written manner of this book, answers were easy to find. The author has advised legislators on credit and mortgage issues and he addresses—among many others—the following questions:

Should I keep my credit card accounts open, even if I do not use the credit card?

The author suggests we 'always demonstrate an ongoing ability to borrow and pay back' on agreeable terms. So even if an account is open, it will not help a credit score if there is no recent activity. *(Page 13.)*

How many credit cards should I keep to maintain a high score?

The author suggests maintaining at least one open revolving account that reports to all three credit bureaus. Periodic use of revolving credit and maintaining low balances creates depth to a credit file, demonstrates credit responsibility and keeps accounts open over a long period of time, resulting in an increased credit score. *(Page 45.)*

Should I close my unused or paid-off credit card accounts?

Yes, if you have an 'excessive number of open accounts'. However, accounts that have been established and open for over ten years are called 'Golden accounts' by the author, who suggests maintaining two to four 'Golden accounts'. Doing this positively affects credit scores in many ways. *(Page 52.)*

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Book Review: The Road to 850

Continued from page 12

How many hard inquiries can I acquire before it will hurt my credit score?

Hard inquiries for credit (such as applications for auto, mortgage or education loans or requests for higher credit card limits) should be limited to two within a twelve-month period, or six between all three credit bureaus. If more credit is needed, use lines of credit, which are already established. *(Page 30)* The author suggests the best way to keep hard inquiries low, is to contact several direct lenders yourself and provide your credit score, loan type, income and monthly debt for them to provide you with a baseline to compare with others. This strategy also finds the lowest interest rate and best loan terms. *(Page 31.)*

Will becoming a cosigner be reported on my credit file?

Yes. A current (or a late) payment is recorded in both the main borrower's and the co-signer's payment history. To be most productive for establishing or raising the score of the main borrower, make sure the lender reports to all three credit bureaus. *(Page 36.)*

Did You Know that...

1. You can and should ask if the lender reports to all three credit bureaus when applying for a loan for your credit history to be most productive and reflect in your overall score. A reputable and direct lender will report to all three bureaus. You should also ask when applying to the utility company for service, if they report to at least one of the three credit bureaus, as this is an opportunity to increase credit scores with consistent payments.

2. Using a variety of credit sources creates the proper mix of installment and revolving loans, increasing your credit score. Having a variety of loan types such as installment loans (i.e. mortgage or auto) as well as revolving loans (i.e. credit cards or merchant accounts) creates "depth" and is imperative to achieving the highest credit score.

3. Refinancing, consolidating or changing loans may have a negative impact on credit scores if the original account has been open for several years. Because a valuable credit reference is lost when refinancing to a new loan, change only for a lower interest rate, to pay off a delinquent loan, or to move to a higher quality lender (a finance company to a bank).

In his book, the author covers in detail the vast credit industry and navigates with ease the questions that plague even "qualified" people. I highly recommend *The Road to 850* for financial and credit counselors as well as all individuals wanting to increase their scores—which would be everyone.

Shara Young is an AFC, based in Lehi, Utah. She can be reached at Shara.Young@juno.com.

The Road to 850: Proven Strategies for Increasing Your Credit Score

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Available at: TheRoadto850.com

Viable Options for College Choice and Loan Repayment

Continued from page 4

Borrowers who are repaying student loans should also investigate alternatives. There are flexible repayment options for borrowers who are already making payments on a federal student loan who might need some relief. Borrowers can request alternate repayment plans to extend or reduce the payment amount. Consolidating federal loans into a single, long-term loan may also be a viable alternative.

Loan payments can be deferred if the borrower has an economic hardship or during periods of unemployment. Deferments are available for those called to active duty for war, military operations or national emergencies. Forbearances that temporarily reduce payments are also available.

Sometimes after a job loss or layoff, returning to college or re-training may be an option for those who already have student loan payments. Repayment on federal student loans is deferred if the borrower goes back to college at least half time. Loan forgiveness options are also available for teachers and other public service professions.

If your clients are considering choices for financing college, federal student loans offer low-cost, flexible repayment options that allow families to effectively manage their finances. For those who already have federal student loans on their balance sheet, there are choices for making repayment manageable in challenging economic times.

If you have questions about federal student loans that you'd like answered during NSLP's webcasts, at the AFCPE conference, or in future issues of The Standard, please send them to Sharon Cabeen at sharonc@nslp.org.

Notes from the Executive Director

By Gordon Genovese

AFCPE Executive Director

As I sit to write these comments, April is just beginning and a Senate resolution has proclaimed April as Financial Literacy Month. With that in mind, my comments are centered on two key areas that AFCPE can contribute to: (1) the financial literacy effort, and (2) pending legislation that may affect educators and practitioners working to educate and counsel people to better manage their personal finances.

AFCPE's roots are grounded in research. This gives our association the unique ability to act on the Ten Recommended Research Priorities as identified by the National Research Symposium on Financial Literacy and Education that was convened in October 2008 (see page 15 of *The Standard*). These research priorities provide a framework in which we can conduct research and add to the body of knowledge regarding personal finance, financial literacy, and financial education. Next time you see Dr. Jane Schuchardt, thank her for the great work her team at USDA CSREES in conjunction with the Department of Treasury did defining these research priorities.

There is much going on in Congress that may affect the way in which we educate and counsel people in regard to personal finance. Some legislation that has been introduced may also create employment and volunteerism opportunities for those in the personal finance professions. The following are very short synopses of bills that have been introduced:

The "Edward M. Kennedy Serve America Act" (H.R.1388/S.277) is awaiting signature by the President. The bill promotes volunteerism and has added a financial literacy component to the Opportunity Corps that was created within the AmeriCorps.

The "Credit Card Accountability, Responsibility, and Disclosure Act of 2009" (S.414) was introduced in the Senate on February 11, 2009 and has been approved by the Senate Banking Committee. The bill includes a Credit Card Bill of Rights, as well as more stringent requirements for issuing credit cards to those between the ages of 18 and 21.

The "National Financial Literacy Act of 2009" (H.R.767) was introduced in the House on January 28, 2009. The bill seeks to require financial institutions, small business, and others to provide financial education to costumers, borrowers, and employees.

A bill "To Require Financial Literacy Counseling for Borrowers, and for Other Purposes" (H.R.1325) introduced to the House on March 5, 2009 seeks to amend Section 485 of the Higher Education Act of 1965 (20 U.S.C. 1092). The bill would require a certain level of financial education be provided to students prior to approving them for student loans.

The "Financial and Economic Literacy Improvement Act of 2009" (S.638/H.R.1645) was introduced to the Senate and House on March 19, 2009. The bill seeks to provide funding to develop financial literacy standards, teacher development, and financial literacy evaluation. Funding is aimed at and would be split between K-12 financial literacy education and college and university financial literacy efforts.

Information on these bills can be found at www.thomas.gov. I encourage everyone to become familiar with the bills and evaluate whether you feel they are worthy of becoming legislation in our effort to promote financial literacy and help our economic recovery. Although AFCPE as an organization does not lobby the Congress, you as members can certainly write your Senator or Representative and either encourage or discourage support of these bills.

Our voice in research and our voice in legislative efforts can positively affect the personal finance profession and our nation's financial literacy.

Our voice in research and our voice in legislative efforts can positively affect the personal finance profession and our nation's financial literacy.

Please note, if you are not receiving regular e-mails from AFCPE, it is possible that we do not have your current e-mail address on file. To update your information, please contact Cara Defibaugh at cdefibaugh@afcpe.org. Thank you.

Ten Recommended Research Priorities

1 What are the core principles of personal finance that every consumer needs to know, and what evidence exists that current standards are effective in helping people reach their financial goals?

2 What are reliable valid measures of the success for financial education, and what measures should be used to document success for various financial topic areas and target audiences?

3 What is the most effective mix of financial education, decision framing, and regulation to improve financial well-being?

4 How do socialization factors, including conflicting messages, influence and affect household financial behavior?

5 How do financial socialization and education processes vary by gender, life stage, race, socioeconomic status, education, and ethnicity?

6 How do financial education, financial socialization, and psychological factors interact, and how does this interaction affect financial well-being?

7 How do people perceive and manage risk, and what are their financial risk tolerances and capacities?

8 How do economic shocks alter risk exposure and risk management choices both at the individual and household levels?

9 What are effective coping strategies and behaviors during times of financial crisis?

10 How do relevant theories of financial behaviors and attitudes apply to various subgroups (i.e., age, socioeconomic status and ethnicity) and contribute to improving financial well-being currently and over time?.

Results of the National Research Symposium on Financial Literacy and Education convened by the U.S. Department of the Treasury and the U.S. Department of Agriculture Cooperative State Research, Education, and Extension Service on behalf of the Financial Literacy and Education Commission.

AFCPE's Research Journal Has a New Name

By Frances Lawrence, Editor, *Journal of Financial Counseling and Planning*

In a recent issue of *The Standard*, we detailed some changes to AFCPE's research journal and Web site. These changes are part of an ongoing effort to establish the AFCPE brand. To that end, the AFCPE journal has undergone a name change. *Financial Counseling and Planning* is now the *Journal of Financial Counseling and Planning*.

AFCPE strives to set the standard in the field of financial counseling, planning and education, and the *Journal of Financial Counseling and Planning* will continue to serve as a key resource for our members and the research community. Please look for the next issue of the *Journal of Financial Counseling and Planning* in June 2009.

Congratulations New Certificants

AFCPE Accredited Financial Counselor® Graduates (1/30/09 through 4/6/09)

Abbott, Peter
Abrams, Jessica
Burkett, Christopher
Cain, Kermit
Clark, Byron
Dillard, Brandon
Dominguez, Angel
Duncan, Christopher
Dunn, Michael
Erickson, Luke
Falkner, Rosalyn
Flores, Maria Cecilia
Ghanoo, Brian
Henderson, Kasey
Jackson, Eugene
Jefferson, Debora
Jensen, Tiffany
Kibarian, Cheryl
King, Joe
Livingston, Laurie
Lockney, Norma
Mansfield, Alyssa
Mosisa, Dawn
Naylor, Margaret
Norem, Arnold
Pladson, Bonnie
Richter, Jessica
Robinson, Novice
Roman, Sylvia
Schuldt, Patrick
Schwartz, Holly
Sommers, Dianne
Stewart, Kelly
Teel, Mary
Usher, Cynthia
Vasquez, Mayel
Wells, Kimberly
White, Billy
Wolfe, William
Wood, Tim

AFCPE Accredited Credit Counselor® Graduates (1/30/09 through 4/6/09)

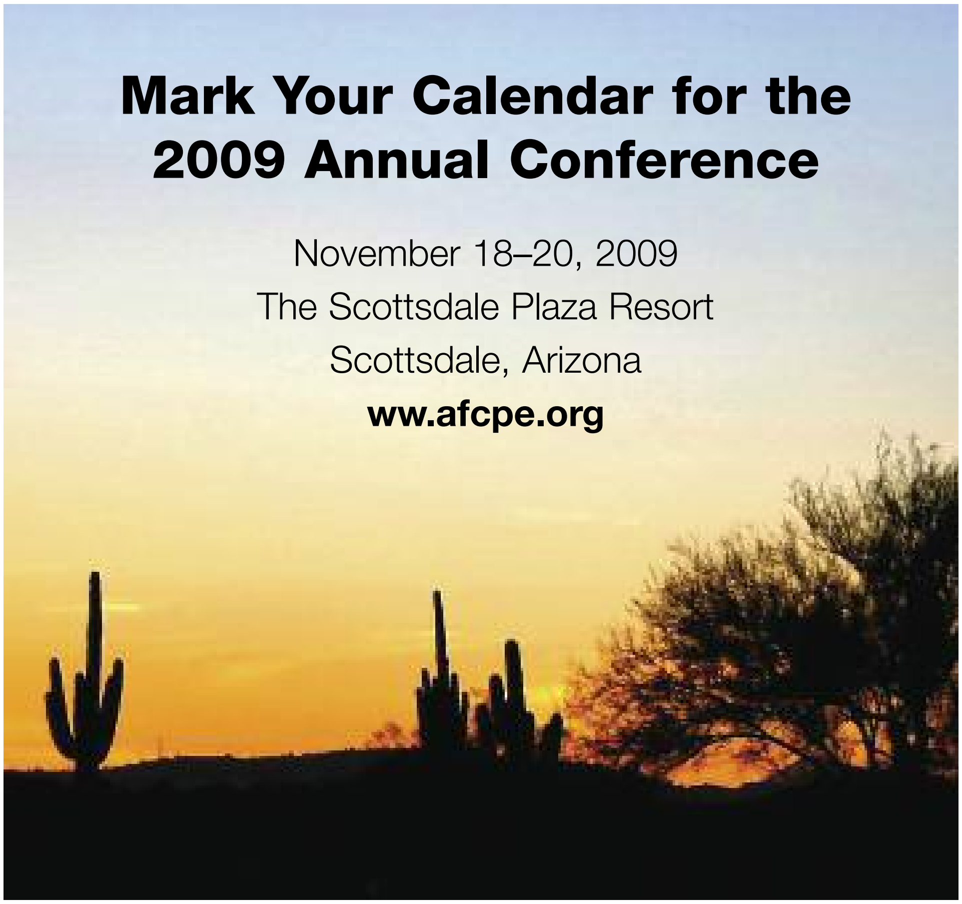
Barnes, Alicia
Crutchfield, Laurie
Farmer, James
Hicks, K. Michael
Jones, Pam
Kuenstler, Tricia
Leathers, Michelle
McQuade, Kevin
Moniz, Susan

AFCPE Certified Housing Counselor® Graduate (1/30/09 through 4/6/09)

Blaise, Carmen
Deak, Jennifer
Green, Anthony
Jackson, Kimberly
Moore, Kara
Ossenfort, Laca

AFCPE Accredited Financial Counselor–Canada Graduates (1/30/09 through 4/6/09)

Bedesky, Birgit
DeSimone-Maida, Vittoria
Dubiel, Marni
Grise, Joel
Klimos, Yianni
McCarron, Vanessa
Peters, Kyle



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.

AFCPE

Association for
FINANCIAL COUNSELING • PLANNING • EDUCATION

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