



Your Financial Forecast

Ohio Northern University

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Campaign Summary

Each year, high school students in Allen County Ohio graduate knowing only rudimentary math skills. However, financial literacy is a topic that is not taught in households or school districts. This is a result of adults not having received the proper education about financial literacy growing up. The ONU Bateman Team's goal is to better educate students and families in Allen County about financial literacy and to prepare students for post-graduation expenses. The reason our team solely targeted students and families in Allen County is due to the county's lower income and larger population.

Allen County's median annual income is one that is below average in the state of Ohio. As a result, the team's primary audience was high school students who have not yet begun earning a solid income. Additionally, the team wanted to reach out to parents to help them be more prepared to talk to their children about financial literacy and possibly learn more about financial literacy themselves.

The first step in the campaign process was to research ways in which we could effectively communicate financial literacy to students and parents. Allen County's primary sources of communication are television, radio and newspaper. Realistically, the team felt students would not pay close attention to these mediums, nor social media that promoted financial facts and figures. The team then decided it would be best to use word-of-mouth, as well as a hands-on learning approach, to make this campaign successful.

To begin campaigning financial literacy to the Allen County community, the team reached out to local schools in the area. Allen East High School was the only school that was able to accommodate our sessions. Due to a low interest within the county school district we resorted to going to the county's largest community center, the Allen County YMCA. After making connections with both of these localities, the team developed a PowerPoint presentation titled "Your Financial Forecast" that would encourage students to learn more about credit, saving and budgeting. To make this more credible, the team also recruited two ONU faculty members who were knowledgeable in the field of finance. As a measuring tool for the team and an incentive to students, we also created a hands-on game that asked students questions about the previous PowerPoint presentation. Additionally, we created pretest and posttests to measure how effective these financial literacy sessions were to students.

In addition, we utilized a couple resources to make this campaign more successful within Allen County. We posted fliers in the YMCA to gain members' attention and we also gave away prizes to winners of our interactive game. The team felt that both of these methods were successful in getting students and parents' attention.

After looking through our campaign efforts, we successfully reached out to Allen East High School students and Allen County community members.



Situational Analysis



Ally Financial Inc. is expanding its outreach and bringing awareness to a broader audience through the use of their financial literacy program. This curriculum is an educational tool for automotive financing, crediting, budgeting, home buying, insurance, paying off debt, savings and banking. Ally offers this curriculum by holding local seminars, community events and online tutorials. These sessions give the public an opportunity to receive education about vital financial obligations at no cost. Ally's challenge is reaching their intended public to better inform them about financial literacy. Through research, Ally has found that young adults, women and low-income families are among the majority of the financially illiterate. In order to reach these targeted audiences, individual strategies need to be crafted to directly relate to that specific audience.

To educate each target audience, our team developed a grassroots program complete with objectives and strategies and tactics for reaching those objectives, a timeline of implementation and post-campaign evaluation. Our team held financial literacy sessions with the key publics to help educate them about the importance of financial literacy. Our team aimed to make our campaign fun and creative in order to gain and retain our audience's attention.

Ally Financial sees a plethora of challenges as the company rebrands itself. Our team realized that some of the difficulties and problems Ally faced did not lie within company grounds, but within customers' minds. When advertising the new financial literacy program, our team took into consideration that people do not want to sit down and learn about finances. Our team developed ways to make learning about financing enjoyable. Also, customers have different levels of education and finance can be a complicated subject. To make the subject of financing simple our team kept facts straightforward and easily readable. To eliminate these issues, our team first resolved some underlying problems, because Ally is lacking credibility.

Formerly branded as GMAC, the company lost the trust of some customers after falling into debt. The lack of trust was a problem our team needed to resolve, by trying to earn trust when the company is not so financially inclined. Not only did our team face difficulties with advertising Ally, but also our team identified issues within ourselves. Being a group of young adults, our fear was that the team would be taken less seriously. Because our age bracket was one of the categories that tend to suffer with financial problems, establishing a strong front with this group was a top priority. Our goal was to help educate people and get the word out about financial literacy. Another major challenge was that many people do not like discussing finances or money. Approaching people in the right manner was key for us to succeed. Our team aimed for target publics to respect and trust our team whose goal was to try to help others establish knowledge of financial literacy.



Strengths: Positive public satisfaction and the success of rebranding GMAC to Ally. Also the financial literacy program offered by Ally will entice people who take the course to use their services.

Weaknesses: The fact that the bank is strictly online is a weakness because Ally limits their audience. Some banks offer both online and in-person banking, which some customers may prefer having both available.

Opportunities: Ally has the opportunity to expand their current products and services, and because they are new, people willing to learn and understand this new bank.

Threats: The local banks give Ally competition because they possess personal face-to-face banking experiences.



Core Problem/Opportunity

To create a campaign based on Ally's financial literacy curriculum to educate individuals in the community about financial literacy. To implement the campaign our team organized financial literacy sessions, which presented community members with some advantages and benefits of living financially literate.

Research

The team conducted extensive primary research that was very interactive and conducive. Research included a pretest and posttest method, Ohio Northern professors and Allen East teachers, and a hands-on PowerPoint game.

Pretest and Posttest Methods

The team felt it was necessary to use a pretest and posttest method to successfully measure the effectiveness of the PowerPoint presentation that was employed. We made sure that the questions on the pretest asked questions about the current financial situation of each high school senior, how they use their current income and how familiar they are with financial terminology.

After all pretests were collected, the team presented a PowerPoint presentation and concluded with an interactive game 'Betting the Bank.'

Further results were concluded using the posttest. After the presentation was completed, students were given a survey asking if the presentation helped them better understand the concepts of credit and budgeting. Over 50% of students felt that our presentation benefitted them for the future.



Ohio Northern University Professors and Allen East Teachers



To learn more about the education young adults are receiving about financial literacy, the team reached out to Allen East teachers. The team found that students were in fact learning about financial literacy through a personal finance class. However, not every student is required to take this course so the team also held three additional sessions to reach a more diverse audience.



Additionally, the team found that it was necessary to speak with two professors who are financially literate to understand financial literacy better. The team paired with a marketing professor and an accounting professor at Ohio Northern. The two professors were very accommodating to the campaign, and actually agreed to speak at two of our sessions. After the professors talked to students about financial literacy, these professors had a better understanding of the concepts we covered in our PowerPoint and our team felt more confident about speaking with students about this challenging subject.



Interactive Teaching Methods

As stated previously, the team had students participate in an interactive game after the presentation. This game, 'Betting the Bank,' was used to measure how much students retained after listening to the team's presentation. Students were divided into teams and were given \$200 worth of fake money. The students took the game seriously and knew many of the game's answers. At the end of the game, there were incentives that students were given, including T-shirts and key chains.

Additionally, the accounting professor that we assigned to one of our sessions had a game where students learned to budget their money wisely by creating a spreadsheet. This was very successful method as students got a hands-on experience on what it is like to live on one's own.

Key Messages

- The need for financial education has never been greater, as the United States is emerging from the credit crisis and consumers are facing damaged credit, job loss, foreclosures and bankruptcy
- Whether buying a home, balancing a checkbook, or purchasing a vehicle, consumers should understand the basics of personal finance
- Buying a home or car, researching insurance, managing a budget and credit and choosing banking and savings products that are right for you can be complex, but with a little extra effort, many resources exist that can help consumers become well-versed in these areas
- Financial literacy is important for taking out student loans for college and will help with budgeting for living independently for the first time



Goals

- Develop a grassroots public relations campaign with objectives, strategy, tactics, timeline and evaluation to promote financial literacy and Ally's course with an emphasis on reaching low to moderate-income consumers and recognizing Ally Financial as a leading authority in financial literacy education and personal and consumer finance.
- Coordinate and facilitate a minimum of five financial literacy sessions with a target of educating a total of at least 150 individuals
- Collect the data required to earn CRA credits via financial literacy sessions
- Leverage Ally's existing financial literacy curriculum using one or more modules
- Deliver the information in creative, innovation and effective ways
- Tailor the campaign to fit each community's unique demographics, values and interests to make it as culturally relevant as possible



Objectives, Strategies and Tactics

Objective #1: To design a financial literacy program that will inform our target audiences of young adults, low-income, and women.

Strategy: Develop a rapport with a financial professor to obtain credibility for our financial literacy sessions

Tactics:

1. Email ONU business professors in Dicke College to gain a contact
2. Approach business professors in Dicke College to gain a contact

Strategy: Research finance ourselves and become more well-versed in financial literacy

Tactic:

1. Use the Internet, as well as other references and interview professionals, as a way to gain further knowledge on different financial aspects

Strategy: Become familiar with Allen County

Tactics:

1. Search the Internet and other resources to obtain demographic information on the communities in Allen County
2. Participant observations in the communities

Strategy: Develop a pretest and posttest

Tactics:

1. Distribute pretests before each financial literacy session, then re-distribute posttests after sessions are completed
2. Evaluate both pretests and posttests at the end of the campaign to determine the success or failure of the session, based on how much information the participants retained





Objective #2: To hold five financial literacy sessions within a range of 20-30 people attending each session.

Strategy: Promote financial literacy program in high schools and college campuses

Tactics:

1. Write articles for school and local newspapers
2. Hand out incentives to students who participate during the sessions
3. Hand out workbooks as a reference for students as a way to gain further insight into financial literacy
4. Create and hang up fliers around Lima YMCA to attract campus students to the sessions

Strategy: Use business professor to gain credibility among students and encourage them to attend a financial literacy session

Tactic:

1. Contact a business professor who is proficient in finance and who has good rapport with students
2. Coordinating schedules so that the professor can participate in the workshops

Strategy: Contact high schools and colleges to acquire relationships with guidance counselors and faculty

Tactics:

1. Email and phone calls to institutions
2. Maintain these contacts throughout the campaign

Strategy: Develop an opening to present to students to gain attention and trust

Tactic:

1. Present ourselves in a way that allows the students to feel as though they are on the same personal level as both the members of the campaign and the professional speaker
2. Begin session by asking students about their lives and how they perceive credit and budgeting



Outcome Objective #1 - Success

Through the use of our strategies and tactics we were able to build a financial literacy program to present to the people of Allen County. One of our first steps was to establish a relationship with a business professor who with knowledge in finance. We felt as if we were to approach people about money issues than we should have a credible source accompany us. Building upon the Source Credibility Theory we contacted three professors who agreed to help, two business professors and one mathematics professor.

Second, in order to establish a program we had to become familiar with what financial literacy was and how it affected our target public. We accomplished this by researching academic journals and informational websites then constructed a literature review documenting our research.

Third, we had to find effective places to hold the sessions. This required a review of Allen County high schools and community centers. We chose these because students, young adults, woman who are head of house and low-income families are our target public. We developed contacts at Allen East High School, Lima Shawnee High School, Lima Bath High School, Rhodes State College and University of Northwestern Ohio, as well as the YMCA, YWCA and Crossroads Church.



After establishing our initial contacts we constructed our presentation. We had tailored it to the high school setting since the majority of our contacts were high schools. We created a PowerPoint presentation from the information provided in the SmartEdge workbook. We felt as if the information in this workbook was ideal for high school students because it was basic enough for them to understand and create an interest in finances. We created another PowerPoint as a trivia game that tested the information we presented to the class. This game was called “Betting The Bank” and had the students split up into teams. Each team was handed \$200 play money and depending on how well they knew the answer they could bet any amount they wanted. This game was effective and provided excitement to the session since the winning team received prizes. These prizes were donated to us from various Ohio Northern University departments and ranged from T-shirts, stress balls, pens, hats and flash-drives. We used this trivia game in three of the four sessions. For the one session that we did not use the trivia we had a budgeting activity that was brought in from one of our business professor contacts. She walked through this exercise to the students explaining how to budget and provided a worksheet that allowed them to see first hand the benefits of creating a budget. We had also written a pretest and posttest that was distributed before and after the session to gather information from the students and gauge what they thought of the presentation.



Outcome Objective #2 - Failed

We did not obtain our objective to hold five financial literacy sessions nor did we reach 150 people. We had made the necessary arrangements and contacts to have five sessions with 150 people but due to many conflicts our sessions at the other locations did not happen. In the end we held four sessions at Allen East High School reaching 52 people.

We had established contacts from Allen East High School, Lima Shawnee High School, Lima Bath High School, Rhodes State College, University of Northwestern Ohio, YMCA, YWCA and Crossroads Church. We heard back from Allen East and the YMCA the representatives developed times and dates for us to hold our sessions. Shawnee High School was very interested to have us come in but despite many follow up emails and phone calls on our part, they did not continue any further communication with us. Also, the rest of our contacts would not cooperate with us, respond to our phone calls, emails and follow-ups or were not interested in the program.



We had also anticipated greater numbers than we had reached. The guidance counselor from Allen East had told us that there were 78 senior level students that we could talk to but we had only reached 52. This was because the 26 other students were attending a vocational school during the time of our sessions.



We had a session scheduled at the YMCA but we had zero attendance. Despite having a flyer distributed a week in advanced, we there have been external factors that may have caused this. One factor was that the Black Achievers group meets regularly on Saturday; our session was on a Tuesday so if people had commitments at that time then obviously that could not





attend. Another factor was that we have been experiencing heavy snowfall and many public school closings. Our session on Tuesday, February 22, was one of these snow days. The final factor was that we could not reschedule the session was because our spring break was the following week.



Conclusion



The Bateman competition provided a challenge for PRSSA members to work with Ally Financial and promote financial literacy. Our team crafted a campaign plan to attack this challenge and set out to reach 150 people in the Allen County area by holding five workshops about financial literacy.

Our team faced many challenges but in the end we deemed the campaign a success. Challenges that our team encountered was gaining connections in area high schools, area churches and commitment for the workshops. These challenges did not weary our team, but encouraged us to put our best work into those workshops we did hold.

Financial literacy is an extremely important issue that affects many of our population. Our team devised workshops to be educational and interactive. We wanted the audience to gain knowledge about financial literacy and retain that knowledge by reinforcing finances with an interactive element.





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Appendix A

Literature Review

Introduction

The United States as a whole has been struggling financially the past few years. As Baby Boomers dip into retirement money, Millennials are only beginning the journey into the financial world. Currently, 27% of Americans are financially unaware. To educate those who are financially illiterate, Ally Financial is taking steps toward making financial choices more easily understood. However, before the company can educate future bankers it must handle an issue of its own.

Ally recently rebranded itself from its former name, GMAC. As a result, the company also developed a new approach to banking, as well as new campaign strategies. Our research indicates that the majority of young adults and women are not financially conscious. Ally has made its new services convenient and accessible to target audiences in order to accommodate these issues. Services that the bank is implementing include live 24/7 customer service and no monthly fees, and consistent, competitive rates with no minimum deposits (Ally Bank, 2010).

History of Ally Financial

Ally Financial has a new approach to banking. This is ideal to new customers because a renewed image of the bank and the idea of banking project a positive perception of the firm and the industry. To earn customer's trust, the company must dig into its past and improve its services to avoid earlier mistakes and begin advertising the company in a better light.

Ally was originally branded as GMAC in 1919 (Ally, 2010). When the company was branded under this name, it worked with General Motors (GM). Partnering with GM, the company offered financing for automobile companies and customers. GMAC then branched out into retail banking to attract a new market (Ally, 2010). However, as GMAC attracted new customers its partner began to falter financially.

As years went by, GM struggled financially, which also had an effect on GMAC. According to Aparajita Saha-Bubna (2010), GMAC owed \$16.3 billion dollars to taxpayers. GMAC saw itself weakening and realized it had to get out of this situation. In May of 2010, Ally Financial was created.

According to the *Wall Street Journal*, Ally Financial is attempting to steer away from the poor reputation that was conjured by customers after GMAC faced financial issues in 2010. To make Ally more appealing to customers the bank offers: Classic CDs, No Penalty CDs, online savings accounts, and money market accounts. However, the most distinctive service is Ally's (2010) "no penalty CD," which allows customers to "lock in a great rate while still retaining the flexibility to break the CD without penalties." These CDs give customers more independence, but the bank is still accessible and willing to help with any issues that customers have with their banking needs.

Additionally, Ally is offering customers a 24-hour hotline, as well as, online banking. To make these new offers appealing, the company has promoted these services through commercials, radio, and the web (Bank Savings Review, 2009). Through these strategies and new efforts, Ally hopes to gain a stronger customer base.

Campaigns of Ally Financial

With the rebranding of GMAC bank to Ally Financial in May 2009, the company steps out with a new campaign launched on September 20. The campaign features three TV spots with a focus on why its customers love Ally Financial. The TV spots highlight customer satisfaction in his or her bank in a job applicant's interests a dog owner teaches the pet to speak "we love our bank," to a musician adds a lyrical ode to his bank. To promote customer satisfaction with Ally Bank (2010), which according to a survey conducted by the company has more than a 90% customer satisfaction rate, each new TV spot ends with the slogan: "Ally. Do you love your bank?" Previous ads from May 2009 compare Ally to other banks, where an "unscrupulous man" in the commercials represents the opposing bank. The new advertising strategies are aimed to emphasize Ally's customer friendly services and easy accessibility. The bank offers four quality services with no start up fees or monthly fees. These services include: Interest Checking High Yield CD, No Penalty CD, and Raise Your Rate CD. Ally aims to keep the customer happy by offering 24/7 customer service, online banking, competitive rates, interest checking and more. Ally is also a member of FDIC (PRnewswire, 2010). Last year's advertisements from the previous campaign were designed to introduce Ally as well as highlight features and services of the bank. Ally Financial's new campaign, which also includes other channels of communication such as radio, print materials and online promotion,

has a new focus on emphasizing the company's customer-friendly services, products and features like the previous campaign, but also reflects the success of Ally so far and focuses on why customers love this bank.

Ally Financial is also on track for removing riskier assets and improving performance in order to continue lessening the dollar amounts the former GMAC bank has in mortgages. By cutting back risky assets, Ally is able to earn back a considerable amount of what was lost in the first six months of 2009. Ally Financial is the primary lender to General Motors Co and Chrysler Group LLC and maintains itself as the top provider of new car financing in the United States. Worldwide, Ally has boosted consumer financing by more than 30% (Ally Bank, 2010). GM will continue to have an important and mutually beneficial relationship with Ally Financial, which finances more loans to GM customers than any other subprime relationship with the automotive company. CEO of Ally Michael Carpenter said, he has "high hopes for the future of the bank by focusing on GM and other areas of auto lending" (Ally 2010). The automotive companies to which Ally gives subprime loans, he notes, determine much of the success (Ally Bank 2010). Their continued relationships with GM and Chrysler demonstrate the strength and success of Ally Financial, even through the credit crisis in the United States.

The campaign is part of Ally's new strategy to present a positive image: to give positive image to current and future customers. With a positive image, Ally attempts to set itself apart from other banks. Another reason Ally decided to advocate a more upbeat image campaign was to erase the old advertisements that marketed that other banks were not treating customers fairly. An article titled "Ally Bank to Launch Campaign Reflecting Strong Customer Satisfaction" (2010), says that with the new campaign the company hopes to build a stronger customer-base and building strong brand awareness for the future.

Based on recent popular press, people and companies are beginning to take notice of Ally. Ally's new direction and determination to not repeat the past has contributed strongly to its new blooming satisfaction rating. Bloomberg Businessweek along with PR Newswire have praised Ally and the new changes it is bringing to the table (Campbell, 2010). If big companies are turning their heads, it will only be a matter of time before individuals start to do the same.

Young Adults

The Millennial age generation has a spending power of \$172 billion a year, yet people under 25 are filing one-fourth of bankruptcies in the country. They are spending money they do not possess, and do not have efficient ways to pay the deficit. Research conducted by Lusardi, Mitchell and Curto (2010) shows that only 27% of young adults knew about inflation and risk diversification. "Without adequate guidance or information," says Cudmore (2010), "Most young adults must learn how to manage their money by trial and error, and they often join the workforce without knowing how to balance their checkbooks or control their credit card spending" (pg. 2).

There is a concern that young adults, especially those looking to attend college, are in desperate need of financial literacy. Author Adrienne Kezar (2010) said, "Most low-income high school students are not educated about the complex finances involved in attending college." (p. 35). With this problem at hand, research has been conducted to find ways to solve this dilemma is through financial education.

Kezar (2010) notes that financial literacy education will "establish a campus wide task force, integrate financial education into the curriculum, and increase educational offerings through campus services" (p. 35). These are not implications that can be easily done. Perseverance must be used in order to help current and future students have success with financial experiences. It is imperative to start helping these young adults now, as each year more young adults are falling into debt (Kezar, 2010).

The hope for college students is not lost. If colleges and universities want to see higher enrollment numbers, they must start educating students on financial stability. Kezar (2010) states that, "the status quo is unacceptable. If colleges want to improve low-income student retention and graduation, things must change" (p. 35). California State University at Northridge and Texas Tech University have already begun developing a financial literacy program, and hopefully other schools will take notice.

Identity Force and CampusWatch Program

One company that is trying to actively combat this situation is Identity Force, a leader of credit management. It offers financial literacy courses through the new program CampusWatch, which targets college students and educates them about financing their money during college and in later years.

Through this program, students get hands-on experience with handling their money through security-enabled text messages and e-mails. Students learn about their debt, which includes private and credit card loans. Most importantly, students need to learn how to handle their student loans, as 20% of students will graduate with more than \$30,000 in debt (Identity Force, 2010).

The study completed by CampusWatch and researched by Identity Force (2010) demonstrates that another subject this program teaches about is identity theft and fraud. College students are 50% more at risk of theft due to an open-campus atmosphere. To help reduce this risk, CampusWatch is providing a course to better educate students about protecting social media sites, malware, phishing sites, etc.

CampusWatch also provides an informational session about what not to place on the Internet. It educates students that those who place derogatory remarks on social media sites as well as also inappropriate photos will have trouble finding a job. Employers also investigate applicant's credit reports, or what they call "financial resumes" (Identity Force, 2010). It is important for college students to become aware of and familiar with these issues to manage their future. Education and knowledge of financial literacy can allow students to make wiser decisions on how to spend, save, and invest their money.

Gender Differences

A recent survey conducted by Matthew Ford and Daniel Kent (2009) assessed gender differences and the affect they have on financial literacy. The study found that "gender-based differences in market-based financial literacy have been evident. Studies suggest that, on average, women are less knowledgeable than men about markets and investing" (p. 7).

To back up their findings, the researchers conducted further studies and found that a larger percentage of men take financial related courses than women. By taking more quantitative, or math-based courses women may increase their financial literacy (Ford, 2009). The two researchers also developed three hypotheses as to why women are financially illiterate. The first reason hypothesized is due to a feeling of intimidation in women. Women are scared of numbers because they do not feel as educated in this area, and, thus, do not want to take math-based courses. Not only are women intimidated, Ford and Kent (2009) propose a second hypothesis that this feeling of intimidation is due to a lack of interest because women do not find financial markets as appealing compared to their male counterparts. Lastly, the researchers' third hypothesis suggests that a majority of women are unaware of financial problems that take place in their surroundings. After much investigation, the researchers found that college women's cumulative GPAs were higher than men's, averaging a 3.12 compared to 2.86, but men still dominated in finance courses, averaging a 4.1 out of 5 compared to women who had an average of 3.0 (Ford and Kent, 2009, p. 10).

Women and Financial Literacy

A general concern in society is the lack of financial knowledge in those approaching retirement ages, especially women. The women who are approaching retirement have low levels of financial wealth or assets. Lusardi and Mitchell (2008) focus on how "baby [boomers] are approaching retirement with perilously low levels of financial wealth and virtually no assets other than their homes" (p. 413). It is possible that the problem resides in the lack of financial literacy among women age 65 to 70.

Likewise, research done by the authors shows that financial knowledge and planning are interrelated; i.e. women who display high financial literacy are more likely to plan and be successful in financial planning. Rather than implementing one-time financial literacy programs that would be less than beneficial in reshaping long-term planning and saving decisions, the chances of retaining more benefits would result from a program that addressed fundamental differences in their preferences, saving needs, and financial knowledge (Lusardi and Mitchell, 2008). A new Web resource called LearnVest which teaches women about financial literacy, states that women who are earning an income larger than their male counterparts are not informed about how to invest these earnings. To make this website appealing to women, creator Alexa VonTobel places stylish pictures representing banking and auto industries. The webpage offers online boot camps that teach women about trading stocks to learning about mortgages.

Also on this website, women can keep track of their spending and learn how to take care of a budget. If women do not have access to a computer, they can receive a daily text in conversational format telling them tips on how to plan and invest wisely (Macasai, 2010).

Lusardi and Mitchell (2008) conducted surveys for a recent study that showed only about 62% of the women surveyed answered the questions about financials correctly. The importance of answering the questions correctly among female heads of household was stressed because much of their financial knowledge becomes relevant when making decisions regarding credit card and mortgage financing rates. According to Lusardi and Mitchell, (2008), "It is surprising that so many were unable to respond correctly, particularly because these older women have most likely made numerous decisions involving interest rates over their lifetimes" (p. 414).

The question then remains; does financial literacy affect retirement planning? The study conducted by Lusardi and Mitchell states that the failure in women in the "close to retirement age group" to successfully plan for later in life financially is because they are financially illiterate. Also, there are a number of variables that can determine why one of these women may have never become financially literate. Most of the variables deal with demographic aspect, for example, race, age, marital status, education and whether or not said female is a part of the Baby Boomers (Lusardi and Mitchell, 2008). Financial illiteracy is more common in women who lack a higher education and are unmarried due to divorce or widowhood, especially older women in the United States.

However, the study concludes that financial literacy is important among women, especially for those who are the head of the household and are planning for retirement. Lusardi and Mitchell (2008) state "our findings raise concerns about the ability of women to make sound saving and investment decisions over a long retirement period" (p. 417). With that said, there are still unanswered questions concerning why a higher rate of financial illiteracy is found among women and which ways would be best for addressing this type of literacy within this segment of the population (Lusardi and Mitchell, 2008).

Financial Literacy in Low-Income Families

In the U.S. banking system, electronic banking, or e-banking, has become one of the most popular and convenient ways for people to conduct daily transactions, and over the last decade, usage has increased significantly. Between the years of the millennium, the use of online banking increased by 47% (Servon and Kaestner, 2010). In 1994, only 150,000 people used online banking and by 1999, 3.2 million people began using online banking. As of late 2004, 44% of all Internet users and one-quarter of all adults were using online banking. A family's financial status and literacy is tied into their use of online banking. The lack of financial literacy in low-income families, as well as the digital divide, are two of the issues that discourage these individuals from obtaining the benefits associated with computer banking (Servon and Kaestner, 2010). However through the use of programs designed to promote financial literacy education, the authors of the article, "Consumer Financial Literacy and the Impact of Online Banking on the Financial Behavior of Lower-Income Bank Customers," suggest that low-income families will be better equipped to handle the digital divide and all that online banking has to offer. People who lack financial literacy are usually those who reside in distressed communities and are less likely to understand financial products or understand the implications of the transactions into which they are entering (Servon and Kaestner, 2010, p. 274). This means, the public, especially those within low-income families, must learn what the term "financial literacy" means and how financial literacy education can improve a family's future with banking.

That being said, financial literacy can be defined as the ability to understand and make use of financial concepts. (Servon and Kaestner, 2010, p. 273). Likewise, online banking is a major part of financial literacy as a form of emerging and established technology, therefore the ability to understand the proper way to use the concept becomes important when targeting low-income families. However, the problem arises when considering that most low-income families do not have access to mainstream financial institutions such as banks and credit unions. More than likely, the lack of availability is due to poor credit histories, insufficient and inconsistent cash flows and a lack of financial literacy. Not only are these variables contributing factors, but also race and gender discrimination also play a role (Servon and Kaestner, 2010, p. 273). According to Servon and Kaestner (2010), 22 million Americans are unbanked and even more are underbanked, which means that people from low-income families are not receiving banking opportunities, do not have any banking options available to them, or are not taking advantage of their banking systems.

In addition to the statistics shown, additional research shows that lower income families tend to have high debt to income ratios and are relatively more likely to make late payments, thus resulting in paying more for credit. Because of this, Carr and Schuetz (2001) theorize “lower-income families’ nonuse of traditional financial services occurs for complex reasons including: unfamiliarity with banking and savings services, not writing enough checks to justify an account, and distrust of mainstream financial services providers” (Servon and Kaestner, 274). However, research from Servon and Kaestner (2010) also shows that individuals from low-income families are the ones who are working the most and managing money as a result of the welfare reform, and, thus, are the individuals who need financial literacy the most.

With the increased need for financial literacy, banks are now beginning to see the benefits of meeting the need of financial literacy. “Banks will benefit by (1) moving people from alternative to mainstream financial institutions, (2) getting people to save and invest more, and (3) educating people about products that meet their needs and then purchasing these products” (Servon and Kaestner, 2010, p. 278).

Financial Literacy Education

Similar to low-income families where there is a lack of financial literacy among the community, education in this area will become more important as the world of banking and financing changes. According to Ben Steverman (2009), “it’s more essential than ever to educate Americans of all ages about how money works” (p. 16). The financial literacy education is even more important in light of the recent recession, and because financial education has seen a significant decline across the nation. America has never held high saving account rates, but even those percentages have plummeted to lower numbers.

Thus, Americans must find a way to turn the decreasing numbers around to show signs of improvement. One way to make that a success is through education in school systems and through the government. “Advocates for financial literacy are seizing on the economic crisis as an opportunity to confront the issue directly,” (p. 16) states Steverman’s (2009) article about financial literacy education. Research in Steverman’s article, “Financial Literacy: The Time is Now” shows these opportunities to confront the financial education issues, are being set into motion. New graduation standards are being set in place for high school students. Now, graduating high school students must take a personal finance/business course in order to receive a high school diploma (Steverman, 2009). Educating students earlier in their academic careers is the path many believe needs to be taken in order to resolve the financial literacy crisis.

However, the question of how to resolve the financial issues for those who already find themselves in debt or are adults who remain uneducated about financial situations, need to be answered. The Obama Administration has begun creating a solution through the implementation of a government agency called the Consumer Financial Protection Agency (Mandell and Schmid, 2009, p. 16). The purpose of the CFPA is to create a policy that will set up guards so financially illiterate Americans cannot fall into deep holes of accumulated debt. Though, the questions that still remain concern whether or not society will gain anything from the available knowledge and use those opportunities to become more financially literate. While there is no answer to these questions currently, the hope is that people take advantage of educational programs and begin to help reverse the literacy issue.

To further address these issues, a study conducted by Lewis Mandell and Linda Schmid (2009) examined 79 high school students who had taken a personal finance course against a group of students who had not taken the same course. Then, all members of the study were asked to answer the question, “How can education, which is correlated to financial literacy, improve financial behavior without first improving financial literacy?” (p. 16). After evaluation, the study found that many respondents to the question could not remember if they had taken a course in money management or personal finance in high school, which makes the impact of the education unclear. However, according to the Jump\$art surveys conducted by Mandell and Schmid (2010), some positive findings were discovered. First, the study illustrated that some of what is learned in high school financial education classes may lie dormant in the minds of students until much later in life when they have sufficient resources to utilize what they have learned. The student will have no need for the information until the knowledge actually has to be applied. The second conclusion gleaned came from respondents that graduated high school between 1964 and 1983, including families that were affected by the war and the depression, which means the attitudes towards growing up within these families could be different. Thus, the study is inconclusive concerning a meaningful positive impact for those taking a financial course.

Conclusion

After research was conducted, there are many groups of people who are not financially literate. These members of society range from high school and college students, to women and to low-income families. The lack of ways to find and receive education about being financially responsible and literate is problematic for remedying this illiteracy. These different groups either have no ways to obtain education, such as the low-income families, or are ignorant about the need to be financially literate, such as young adults and college students

Another variable observed through research were women nearing retirement, widowed and heads of estate, many of which were not financially literate. Women nearing retirement are less likely to know how to plan for a financial future for a successful retirement because their spouses previously took care of the family's financial needs. Thus, many of these women do not feel as though education in financial literacy is necessary or will be effective to be financially responsible. Likewise, men are statistically more likely to enroll and be successful in financial courses than women.

In conclusion, the best way to increase the financial literacy of Americans of all ages is through education. Since the recent recession throughout the nation, society has shown a significant decrease in its knowledge of money management and finances. According to research, the best way to improve these declining numbers is through education and programs that promote financial literacy. With Ally Financial, the renewed bank aims to educate these groups of people about the benefits of banking and financial literacy, as well as raise encouragement to take advantage of the available opportunities.

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Appendix B

Budget

Itemized Expenses

Printing:

5 Planbooks - \$30.00 each

Miscellaneous:

Batteries - \$2.29

Notcards - \$1.50

Play money - \$3.00

Thank You cards - \$5.00

Total Cost:

\$161.79

Itemized In-Kind Donations

ONU Merchandise:

4 T-Shirts

10 Pens

3 Polar Bear Stress Relievers

2 Flash Drives

1 Drawstring Bag

1 Coffee Mug

1 Plastic Back Massager

1 Ball Cap



Appendix C

Contact Sheets

Bateman Contact Sheet

Randy Woods
Allen East High School, Guidance Counselor
woods@ae.noacsc.org
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Karla Geise
Ohio Northern University, Alumni Affairs
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419.772.2685

**Allen East High School
Financial Literacy Sessions**

Name	Address	City	State	Zip Code
Alison Blair	5566 Hanthorn Road	Lima	Ohio	45806
Caleb Burkey	3300 Herr Road	Lima	Ohio	45801
Emily Coon	5600 Hanthorn Road	Cridersville	Ohio	45806
Ashley Fulford	5829 Amherst Road	Cridersville	Ohio	45806
Levi Hey	11212 Ada Road	Ada	Ohio	45806
Michel Kersher	138 South Roberts Avenue	Lima	Ohio	45804
JoRoadan Kill	701 Vassar Avenue	Lima	Ohio	45804
Courtney Mason	890 S. Phillips Road	Harrod	Ohio	45850
Derek McDaniel	1729 Ackerman Road	Harrod	Ohio	45850
Samantha Meteger	1663 Lee Ann Drive	Lima	Ohio	45801
Dante Pellegrin	5494 North Dixie Hwy	Lima	Ohio	45807
Michael Risner	8225 CR 35	Alger	Ohio	45812
Leah Roberson	8625 Bellefontaine Road	Harrod	Ohio	45850
Tiffany Schick	Brook HAvenuen Drive	Lima	Ohio	45805
Whitney Schick	7206 Ada, Road	Harrod	Ohio	45850
Justin Stone	6526 Bellefontaine Road	Harrod	Ohio	45850
Bryan Hager	6730 Mehaffey Road	Lima	Ohio	45801
Shelby Roughton	7676 Faulkner Road	Harrod	Ohio	45850
Nathan Bierly	7317 Ada Road	Harrod	Ohio	45850
Kevin Cummings	149 N Main Street	Harrod	Ohio	45850
David Spitznole	493 South Napoleon Road	Harrod	Ohio	45850
Henry Daigle	516 West Main Street	Ottawa	Ohio	45875
Robert Helms	2880 Fisher Road	Harrod	Ohio	45850
Casey Rex	100 N. Walnut Street	Harrod	Ohio	45850
Grace Halksberry	10835 HaRoading Hwy	Harrod	Ohio	45850
Blake Truex	5131 Bowdle Road	Harrod	Ohio	45850
Britt Van Leenwen	6800 Madden Road	Cridersville	Ohio	45806
Erin Morman	1190 Brentlinger Road	Harrod	Ohio	45850
Emily Mann	303 S. Washington Street	Lima	Ohio	45801
Tyler Vermillion	3580 Herr Road	Lima	Ohio	45801
Dylan Kersker	980 N Phillips Road	Harrod	Ohio	45850
Taylor Hites	9195 Sugar Creek Road	Harrod	Ohio	45850
Zach Eubanks	8715 Bellefontaine Road	Harrod	Ohio	45850
Cadin Mason	9029 Reservoir Road	Harrod	Ohio	45850
Grant Dues	7860 Faulkner Road	Harrod	Ohio	45850
Cortney Ronell	14979 Main Street	Harrod	Ohio	45850
Morgan Heverman	7992 Reservoir Road	Lima	Ohio	45801
Cody Lovejoy	6895 Amherst Road	Cridersville	Ohio	45806
Kayla Crow	7151 Reservoir Road	Lima	Ohio	45801
Levi Creeger	3020 Murray Road	Lima	Ohio	45801
Ashlee Winkeljohn	5000 E Lincoln Hwy	Columbus Grove	Ohio	45830
Anne Procter	2250 Bentley Road	Ada	Ohio	45810
Cortni Pinks	8151 Reservoir Road	Lima	Ohio	45801
Garth McDorman	5200 Napoleon Road	Harrod	Ohio	45850
Patrick Furry	214 Wood Street	Lafayette	Ohio	45806
Terry Whitaker	146 Railroad Street	Bluffton	Ohio	45817
Meagan Ackerman	2100 N Napoleon Road	Harrod	Ohio	45850
Danielle Q	1455 Blair Road	Harrod	Ohio	45850



Appendix D

Pretest & Posttest Data

Pretest

Name:

Address:

1. Do you have checking and/or savings account?

Checking Savings Both None

2. Do you have a debit or credit card?

Debit card Credit card Both None

3. How do you obtain your income?

Job Allowance Other: _____

4. Have you ever saved toward a certain item or trip? If yes, what was the item/trip and how much did it cost?

Yes No _____

5. Do you have monthly bills? If yes, what are they for?

Yes No _____

6. Do you plan to pursue further education after high school?

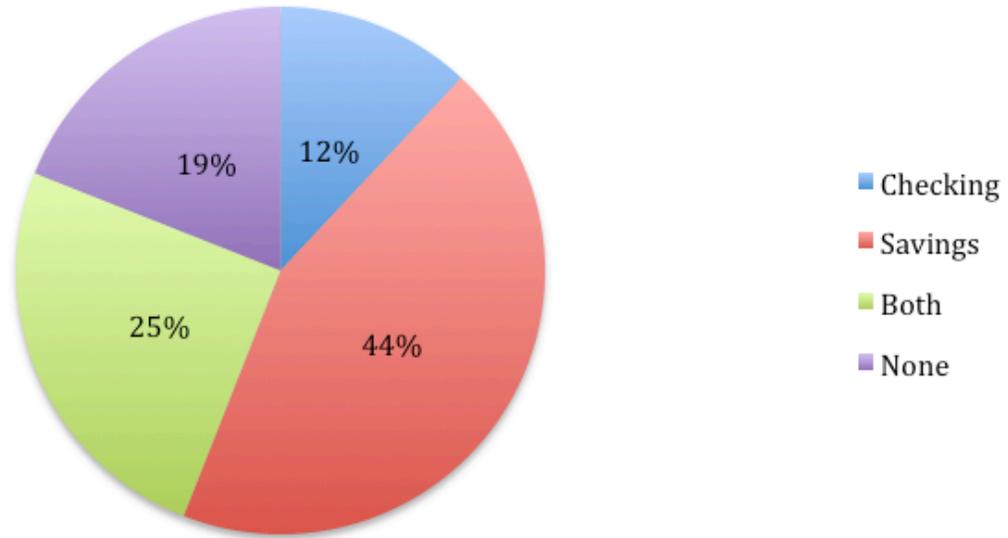
Yes No

7. Which type of banking do you prefer?

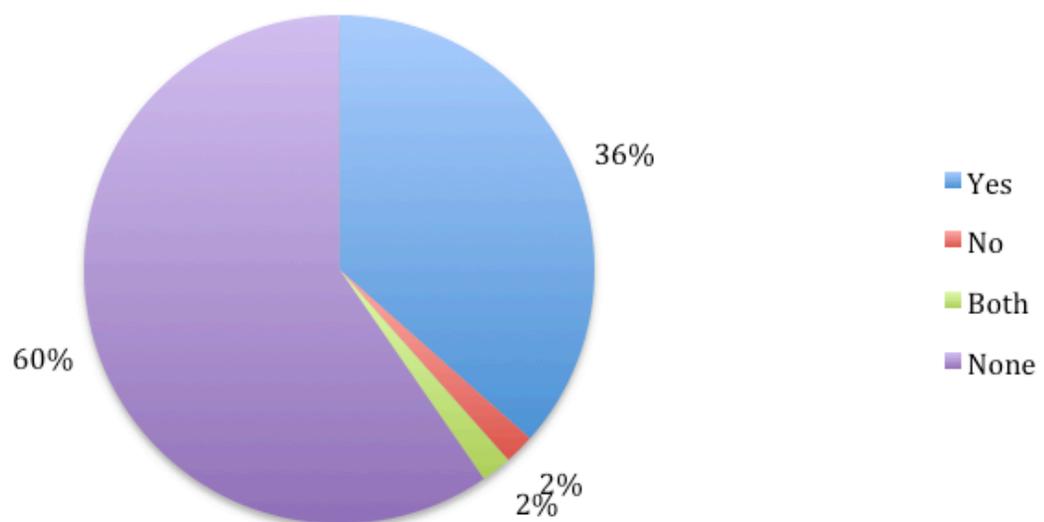
Online At the bank

DISCLAIMER: Your name and address will not be released to any third party, nor will it be used for marketing strategies. All information is for educational purposes.

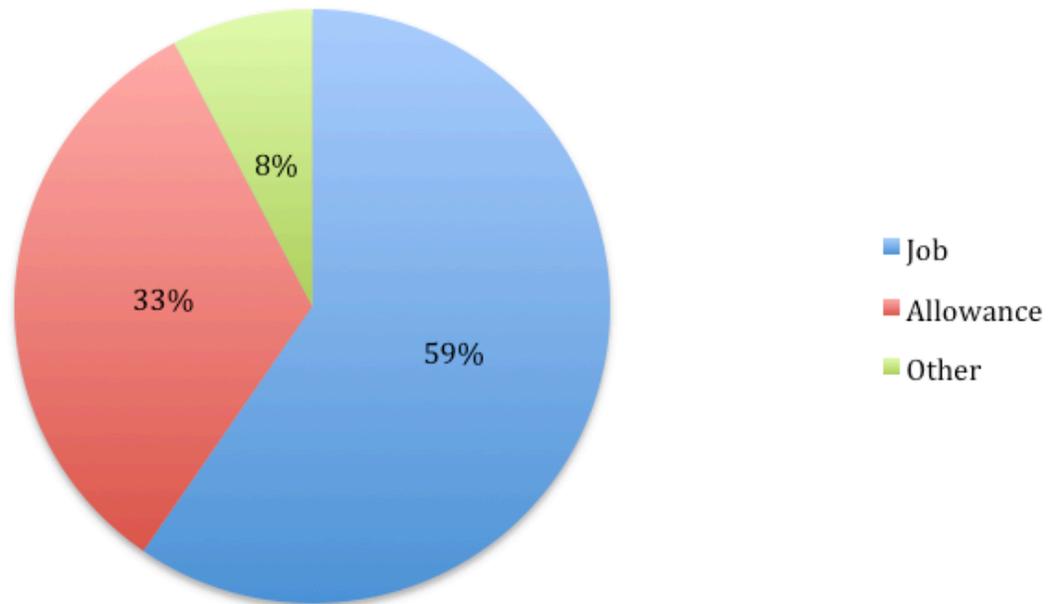
Do you have a checking or savings account?



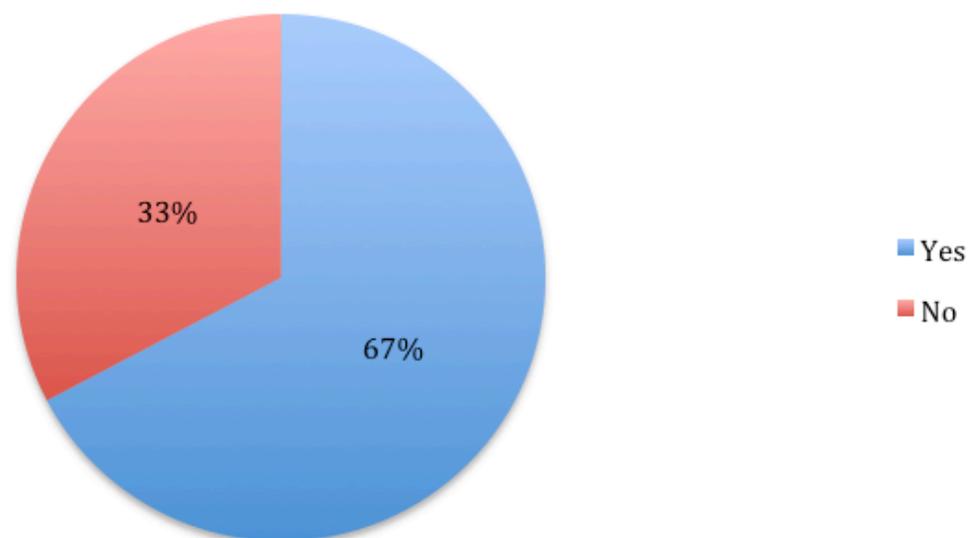
Do you have a debit or credit card?



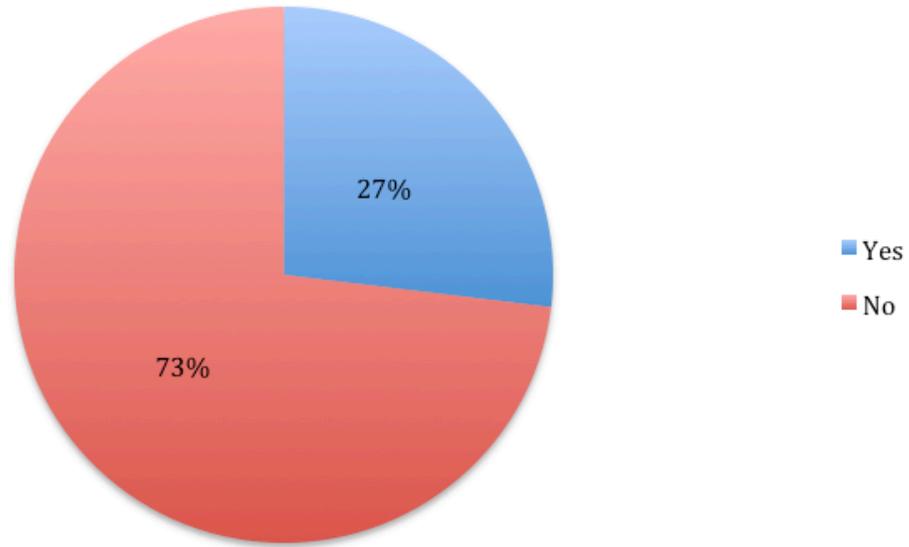
How do you obtain your income?



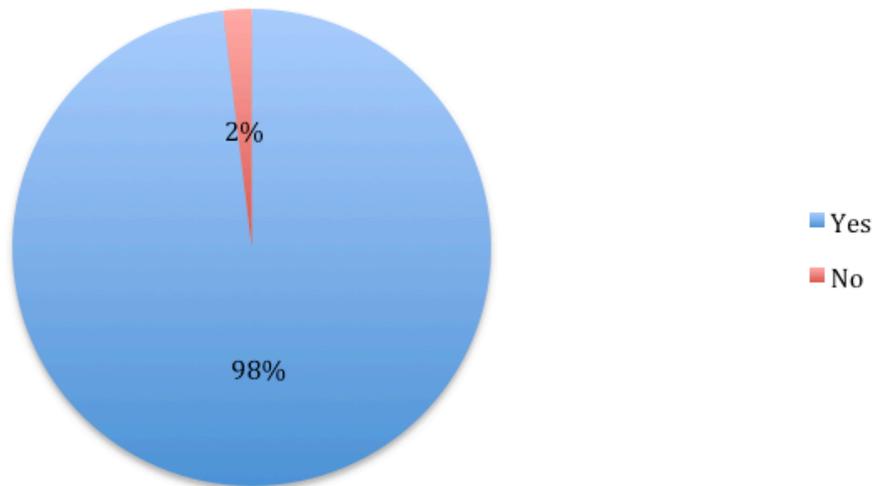
Have you ever saved toward a certain item or trip?



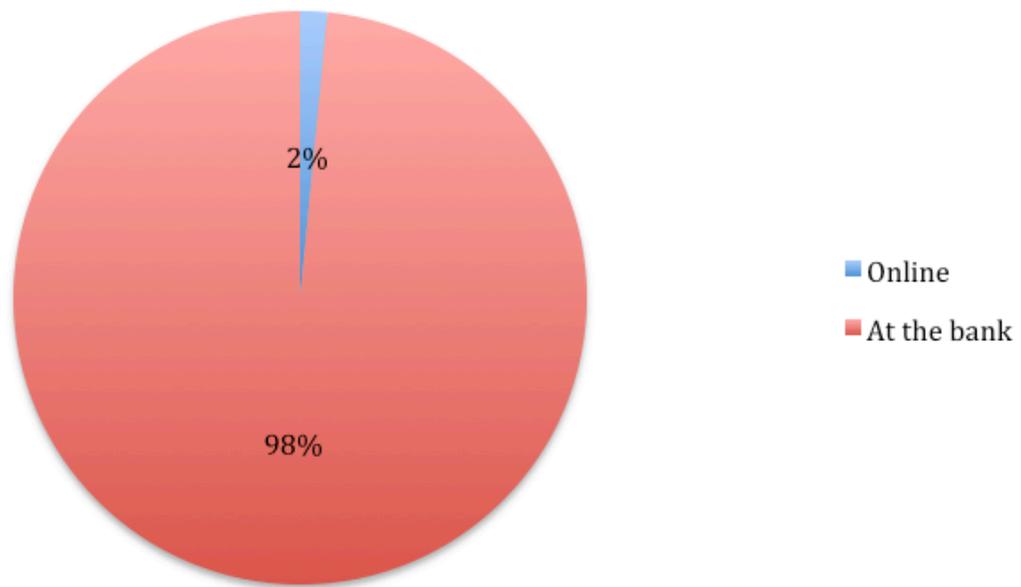
Do you have monthly bills?



Do you plan to pursue further education after high school?



Which type of banking do you prefer?



Posttest

Name:

Address:

1. Do you feel more informed about how to use your checking and/or savings account?

Yes No Indifferent

2. On a scale of one to seven, how helpful was this program in helping you learn more about financial literacy?

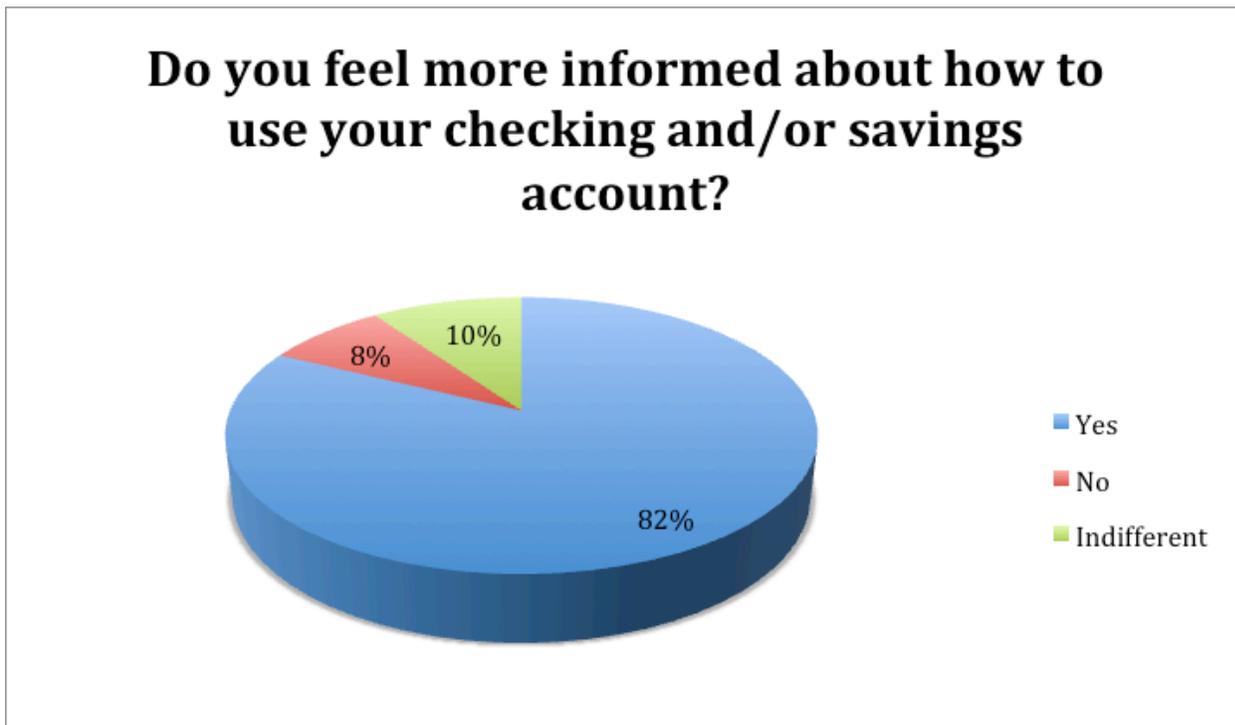
Not Helpful 1 2 3 Somewhat Helpful 4 5 Very Helpful 6 7

3. Do you plan on budgeting more efficiently after this presentation?

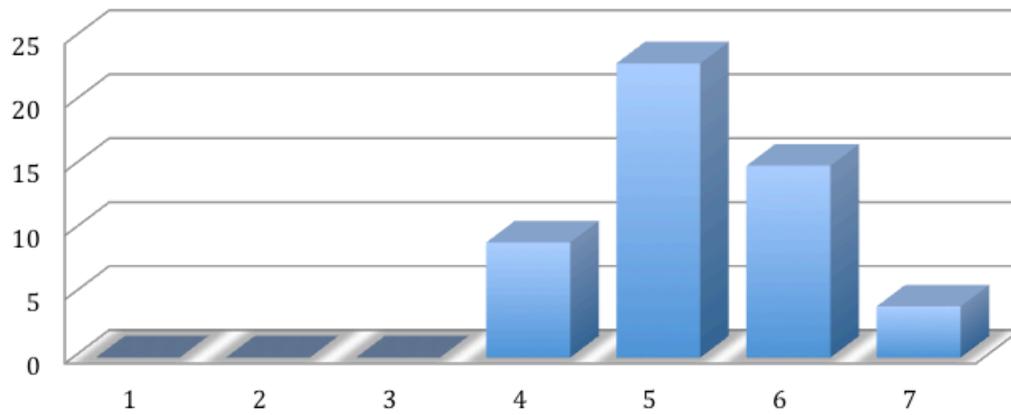
Yes No

4. If you plan on establishing good credit after this presentation, please explain how will do this.

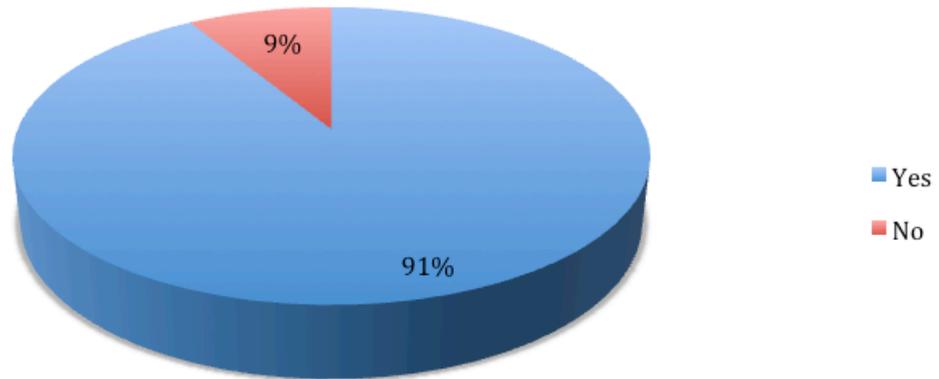
Posttest Results



On a scale of one to seven, how helpful was this program in helping you learn more about financial literacy?



Do you plan on budgeting more efficiently after this presentation?





Appendix E

Promotional Material

Your Financial Forecast



Come learn the “ins and outs” of budgeting and crediting. The sessions will be led by a professor at Ohio Northern University.

When: February 22, 2010

Time: 7:30 p.m.

Where: Allen County YMCA

Questions? Contact Becca Risner at r-risner.1@onu.edu or Karlie Franco at k-franco@onu.edu



Appendix F

Presentation Material



Your Financial Forecast

Presented by Karlie Franco, Courtney O'Banion, Rebecca Risner and Joseph Sasak

What is credit?

- ◆ The word credit can be used in two ways:
 - ◆ Credit can allow you to buy now and pay later
 - ◆ Credit is also a person's reputation for paying bills when they are due

Why do you need credit?

- ◆ If you have no credit history, creditors have a limited basis on which to make a decision about whether or not to give you credit
- ◆ If you are over the age of 18, you can establish credit by obtaining a gasoline or department store credit card and make payments on time

Importance of good credit

- ◆ Your employment
 - ◆ Some employers require a credit report
 - ◆ Poor credit could mean you are not offered a job
- ◆ Your living accommodations
 - ◆ Landlords regularly request credit information for applicants seeking an apartment
 - ◆ Landlords do not want tenants who do not pay their bills

Important of good credit

- ◆ Your finance rate
 - ◆ Individuals with better credit histories can generally negotiate lower finance rates than those who are greater risks
- ◆ Your convenience
 - ◆ Renting a car, making hotel reservations and hundreds of other transactions are much easier if you have a credit card
 - ◆ Credit cards may be difficult to obtain if you have bad credit

Consequences of bad credit

- ◆ You may be charged a late fee
 - ◆ Anywhere between a few dollars to a percentage of the balance due
- ◆ Your credit card may be frozen
 - ◆ So you can't make any more purchases

Consequences of bad credit

- ◆ You could face legal action
 - ◆ Such as garnishing your wages, where your employer is forced to send a portion of your pay to the creditor before you get your check
- ◆ You could lose your property
 - ◆ Creditors may seize, repossess, or foreclose on your property, such as your car or home

What is a credit report

- ◆ A credit report is a document that contains information about you and your payment history
- ◆ Your credit report provides useful information and the answers to questions as:
 - ◆ Do you pay your bills on time?
 - ◆ How many credit obligations you have?
 - ◆ What is the total amount of credit that has been extended to you?
 - ◆ How much do you actually owe on all of your accounts?

What's in your credit report?

- ◆ Personal Identification Information
 - ◆ Your name, spouse's name, Social Security number, current and previous addresses, birth date, and current and previous employers
 - ◆ This information comes from your past credit applications, so it is important to completely and honestly fill out forms every time you apply for credit
- ◆ Public Records Information
 - ◆ Includes bankruptcies, tax liens and monetary judgments, and – in some cases – overdue child support

What is a credit score?

- ◆ Credit scoring is a scientific process where a mathematical model determines a consumer's credit risk by comparing information about one consumer to the credit performance of many others with similar credit profiles
- ◆ Scores range from 300-850
 - ◆ The higher the score the less risk you are
 - ◆ Aka: The higher the score the better

Four things that make Creditors smile 😊

- ◆ 1.) You pay your bills on time
- ◆ 2.) You have a small amount of total debt
- ◆ 3.) You don't have a lot of open credit
- ◆ 4.) You are stable and responsible

Denied credit?

- ◆ Be sure to find out why you are denied
 - ◆ Ask for an explanation when you receive notification
- ◆ Reasons for denied credit could be something simple like not being employed, living long enough in the community or it may be that you have too many outstanding debts

Weak credit on your own?

- ◆ A creditor may allow you to have a co-signer sign the finance contract with you in order to make up any credit weakness
 - ◆ A co-signer is a person who assumes equal responsibility for a contract or lease agreement
- ◆ The creditor will evaluate your co-signer's and your creditworthiness both individually and combined
 - ◆ A co-signer needs to know that he/she assumes equal responsibility for the contract, and the account history can be reflected on the co-signer's credit history as well

Budget – the key to living within your means

- ◆ The best way to ensure you build and maintain good credit is to live within your means
- ◆ What is a budget?
 - ◆ A tool commonly used to measure expenses against income
 - ◆ A written plan that helps people manage their money

A budget helps keep you on track

- ◆ A budget allows you to analyze:
 - ◆ How much money is coming in
 - ◆ How much money is going out
 - ◆ How much is left over for major purchases, like a new or used vehicle

How to create a budget

- ◆ First, collect all you bills:
 - ◆ This includes your credit card statements, your checkbook register, and receipts for gas, groceries and anything else you buy with cash, check or a debit card
- ◆ Use a budget checklist
 - ◆ Write down expenses and check them off when you pay them
- ◆ When you know what expenses are needed, versus what expenses are for wants, you'll be in great shape to make budget adjustments – as necessary – to help save for the car or home of your dreams.

Pay yourself first

- ◆ Decide on a certain amount to deposit into a savings account each month, 5-10%
- ◆ This will allow your money to grow that can really pay off in the long run!

Betting The Bank

A financial literacy quiz game!



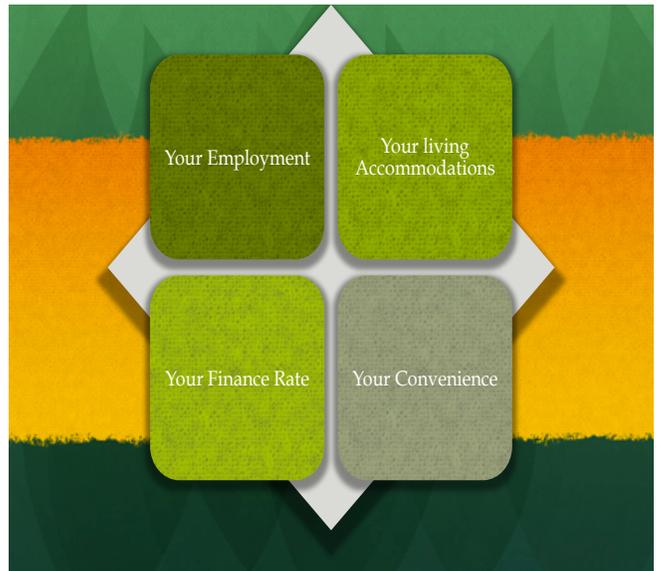
Game Rules

- Each team starts out with \$200.
- Bet any amount of money to answer a question.
- If you answer correctly, the bank gives you that amount. If you answer incorrectly, you must give that amount to the bank.
- The team with the most money wins!

Question #1

What are 2 of the 4 important reasons of establishing good credit?

Establish credit by obtaining a gasoline or department store charge card and make payments on time.



Question #2

What are 2 of the 4 things that can happen if you don't pay your credit card bill?

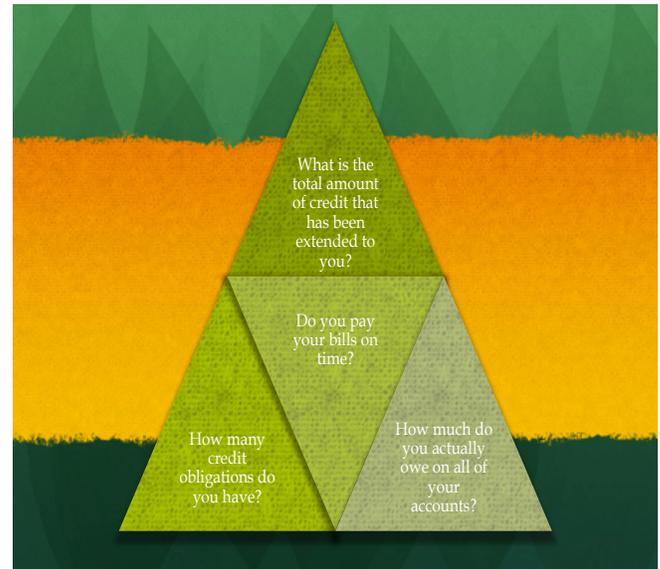
Falling behind on payments can cause serious financial problems for years.



Question #3

What are some questions that your credit report answers?

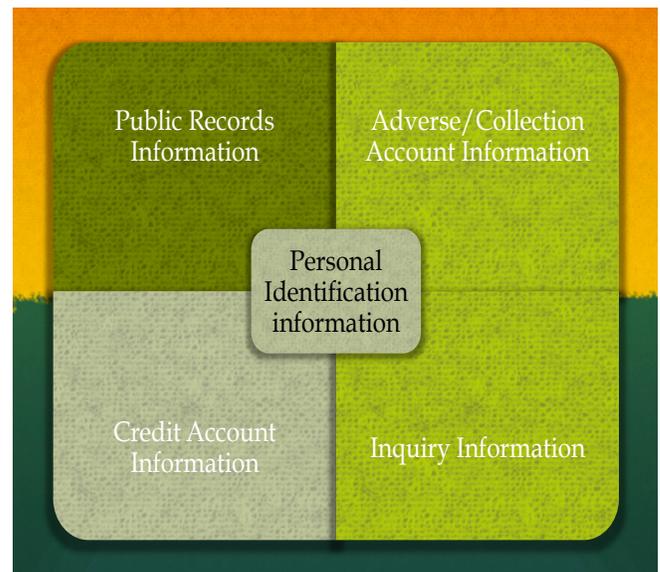
What's contained in your credit report can impact both the decision to grant you credit and the rate that you will pay.



Question #4

Name 2 of the 5 things in your credit report.

Your credit report does not contain any personal information (race, religion etc) or information about your checking or savings account or major purchases paid with cash or check.



Question #5

What are 4 things that make creditors smile?



Question #6

What is a co-signer?

Answer

A person who assumes equal responsibility for a contract or lease agreement

Question #7

What information is provided in the credit report?

For more information on credit scoring visit www.myfico.com

Answer

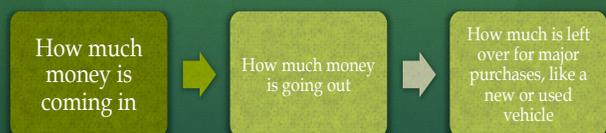
- **Do you pay your bills on time?**
- **How many credit obligations you have?**
- **What is the total amount of credit that has been extended to you?**
- **How much do you actually owe on all of your accounts?**

Question #8

How does a budget keep you on track?

When you know what expenses are needed, versus what expenses are for wants, you'll be in great shape to make budget adjustments - as necessary - to help save for the car or home of your dreams.

Answer



Question #9

What is the the range of a credit score and what is a good score to get?

Answer

- Credit scores range from 300 to 850
- 750, but the higher the score, the less risk there is for the creditor

Question #10

What does a budget allow you to analyze?

Know your monthly budget - Then you will know how much you can afford to spend on any big ticket item like a car or home

Answer

- How much money is coming in
- How much money is going out
- How much is left over for major purchases, like a new or used vehicle

Who Will Have More Money in the Bank at the Tenth Year Class Reunion?

PART - 1 :

Jack and Diane graduate from high school the same year. Jack begins a full-time job, starting at \$19,900, and keeps his part-time job (where he earns an additional \$1,500 a year). Feeling flush, Jack moves into his own apartment, buys a new car (\$400 a month for four years), purchases \$1,300 worth of new clothing and goes on a one-week vacation to Florida.

Diane heads to Florida as well — to college, where tuition for the first year is \$13,500 and a room in a

dormitory costs \$7,000. Diane works all 12 weeks of the summer for \$350 per week, enters a work-study program at her school, wins a partial scholarship and qualifies for financial aid. In addition, she sells her car for \$1,000 and spends the money on clothes (\$250 per year).

Use this information to complete Year 1 of the spreadsheet below for both Jack and Diane. Then forecast revenue and expenses over the next three years for each, making the following assumptions:

FOR JACK: Revenue increases 3% each year over the prior year and all expenses, except the car payment, increase 4% each year (over the prior year).

FOR DIANE: Revenue remains constant each year and expenses increase 2% each year.

JACK	1	2	3	4	DIANE	1	2	3	4
REVENUE					REVENUE				
Full-time job	\$19,900	20,497	21,112	21,745	Summer Job	\$4,200	4,200	4,200	4,200
Part-time job	\$1,500	1,545	1,591	1,639	Scholarship	\$1,500	1,500	1,500	1,500
					Financial Aid	\$6,500	6,500	6,500	6,500
					Work-study Program	\$2,000	2,000	2,000	2,000
					Sale of Car	\$1,000	—	—	—
Total Revenue	\$21,400	22,042	22,703	23,384	Total Revenue	\$15,200	14,200	14,200	14,200
EXPENSES					EXPENSES				
Rent	\$4,800	4,992	5,192	5,399	Tuition	\$13,500	13,770	14,045	14,326
Utilities	\$600	624	649	675	Meal Plan	\$2,100	2,142	2,185	2,229
Food	\$2,500	2,600	2,704	2,812	Room & Board	\$7,000	7,140	7,283	7,428
Insurance	\$200	208	216	225	Books	\$1,000	1,020	1,040	1,061
Car payment	\$4800	4800	4800	4800	Spring Break	\$500	510	520	531
Car insurance	\$1,200	1,248	1,298	1,350					
Gasoline	\$700	728	757	787					
Clothing	\$1,300	1,352	1,406	1,462	Clothing	\$250	250	250	250
Vacation	\$1,800	1,872	1,947	2,025					
Total Expenses	\$17,900	18,424	18,969	19,536	Total Expenses	24,350	24,832	25,324	25,825
Savings/(Debt)	\$3,500	3,618	3,734	3,849	Savings/(Debt)	(9,150)	(10,632)	(11,124)	(11,625)
Cumulative Savings (Cumulative Debt)	\$				Cumulative Savings (Cumulative Debt)	(9,150)	(19,782)	(30,906)	(42,531)

PART-2: Diane graduates from college and lands a job with an accounting firm, starting at \$35,000 a year. Diane gets her own place, buys a new car, takes a vacation, and can now spend more money on new clothes. Use this information to complete Year 5 of the spreadsheet below for Diane. Then forecast revenue and expenses for both Jack and Diane up to the point they meet again at their tenth-year high school reunion, making the following assumptions:

FOR DIANE: Revenue increases 10% each year over the prior year and all expenses, except the car payment, increase 4% each year over the prior year. Assume that the car payment remains constant and is made for four years, starting with Year 5.

FOR JACK: Same assumptions since graduating from high school.

Jack's Forecast Years 5 Through 10

Diane's Forecast Years 5 Through 10

	5	6	7	8	9	10		5	6	7	8	9	10
REVENUE													
Full-time job	\$ 22,398	23,070	23,762	24,474	25,209	25,965		\$35,000					
Part-time job	\$ 1,688	1,739	1,791	1,845	1,900	1,957		—	—	—	—	—	—
Total Revenue	24,086	24,808	25,553	26,319	27,109	27,922		85,000					
EXPENSES													
Rent	\$5615	5840						\$ 6,000	6240	6490	6749	7019	7300
Utilities	\$ 702	730	759	790	821	854		\$ 700	728				
Food	\$2925	3042	3163	3290	3421	3558		\$ 3,000	3120				
Insurance	\$ 234	243	253	263	274	285		\$ 250	260				
Car payment	\$ -	-	-	-	-	-		\$ 6,250	6250	6250	6250	—	—
Car insurance	\$1464	1460						\$ 1,400	1456	1514	1575	1638	1703
Gasoline	\$ 819	852						\$ 800	832	865	900	936	973
Clothing	\$1521	1582						\$ 2,000	2080	2163	2250	2340	2433
Vacation	\$2106	2190						\$ 2,300	2392	2488	2587	2691	2798
Total Expenses	15,325	15,938	16,576	17,239	17,928	18,645		\$ 23,358	24,042	24,759	25,511	26,291	27,104
Savings / (Debt)	8761	8870						\$ 12,300					
Cumulative Savings / (Cumulative Debt)	8761							(\$ 30,231)					

PART-3: Write a brief explanation of the effect savings and debt have on Jack and Diane's net worth, and the effect that each might have on their respective lifestyle options in the future.



Appendix G

Pictures





