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the standard

FINANCIAL COUNSELING • PLANNING • EDUCATION

Parting Ways: 10 Tips for Counseling Clients Through Divorce

By Lee Gimpel

If you're working around finances, the chances are good that your work and advising will touch on divorce. Here are some tips to think about it the right way.

1. Unfortunately—and ironically—the best way to prepare for a divorce is to think about it way in advance, says family law attorney Brad M. LaMorgese, a partner with McCurley Orsinger McCurley Nelson & Downing L.L.P. in Dallas. In a best case, that means before getting married. And it means being upfront with a partner about debt and assets. Further, it includes having an honest conversation about what happens if the marriage doesn't work out. The most obvious step to take here is to have a prenuptial agreement. That's especially true if there is great inequity in wealth at the start. However, beyond a legal agreement, the law still likes to see a clear and obvious line of financial ownership. Money acquired before marriage is more easily returned to its original owner, whereas money made during a marriage is more easily classified as joint money. Once you commingle all of your assets, it becomes harder to say later on, "Oh, but that's mine!"

divorce. The so-called legal advice that your divorced friend gives you may be accurate and true—but it may not. Like all legal matters, there are a lot of dependencies and permutations says LaMorgese. Two cases that look the same on the surface may produce results that are quite different. That may be because of factors and finances that you're not aware of as the friend-of-a-friend, or it may be that a different state or different court has different rules that it applies.

3. Speaking of hearsay, one great myth of divorce is the Hollywood-perpetuated battle cry of, "I'll take him (or her) for every penny!" says LaMorgese. Courts try to arrive at a settlement that's fair and tend not to arrive at settlements that inflict financial ruin on one person—even if one was unfaithful, did drugs, etc. Settlements tend to not be nearly as punitive as many wronged spouses hope. If you go into a divorce seeking Biblical-style retribution, you may be disappointed—and pursuing vengeance may mean that attorney fees outweigh your financial settlement.
4. If your client is convinced that they're getting divorced, they should talk with an attorney before telling their spouse,

2. There is an awful lot of hearsay that happens within the conversation of

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President's Message

By Rebecca J. Travnichек, Ph.D., AFC®, 2012 AFCPE President



Hard to believe that I have been the captain of this ship for three months now (I am going on my first cruise in June so I am thinking in nautical terms in preparation)! I thought last year floated by quickly, but this year is going at top speed (hope there are not too many icebergs in my future—I want to see a few, as my cruise is to Alaska).

Your AFCPE Board of Directors is working diligently to ensure that *your* organization is meeting *your* needs. These activities

include working on the accreditation package for the AFC®, establishing and setting procedures for a certification council (more on this in the future), updating the policies and procedures manual to fit with accreditation, and tabulating the results of the Job Survey (*see results on page 15*). Thank you to all who completed the survey. We have had over 843 total responses, with 651 responses submitted in the first 72 hours! Fantastic response!

We are working with Financial Planning Association (FPA) to set the terms of the Memorandum of Understanding (MOU), which was signed at the conference in November. Jan Garkey, Michael Gutter, Gordon Genovese and I are working with FPA Board of Directors and staff to move the MOU into action items that can create success for both associations. The previous issue of *The Standard* contained news about the future plans for working cooperatively with FPA.

I know AFCPE and FPA working together will be successful because for me, it already is. At the first Financial Therapy Association conference in Manhattan, Kansas, I was sitting in a concurrent session when I happened to look down at the briefcase of the gentleman sitting in front of me. The business card tag on the briefcase said he was from St. Joseph, Missouri (this is the area where I live as well). After the session, I introduced myself and shared what I do. We had a conversation and exchanged business cards. I wouldn't learn the significance of this conversation until several months later when an associate in his financial planning practice called me. A potential client had come into their office for financial planning. However, after a few moments of visiting with this couple, he realized they had spending and debt management problems that needed to be tackled first. He remembered our conversation and he referred this couple to me for financial education and counseling. And the rest is history. I have counseled three of his potential clients thus far and anticipate the relationship will continue. By the time you read this message, I will have travelled with him to attend the Greater Kansas City Area FPA meeting. It is my hope to be able to share what we, AFCPE members, do and how we can be successful together. I will share more in the future!

I want to encourage *you* to get involved in AFCPE—beyond being a member and more than just attending annual conference. Volunteer for our various committees—this is a great way to start. It takes the work of many to have a successful association. If you have ideas, suggestions, and yes, complaints, do not hesitate to contact me. My e-mail address is TravnichекR@missouri.edu, office telephone number is (816) 324-3147, and my cell phone number is (816) 261-4778. ✨

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Higher Education: Opportunity or Financial Disaster?

By Terrance Stuart, AFC®

I have the opportunity to provide military folks with financial, employment and transition counseling services. Consequently, I look at education pragmatically, evaluating what increased benefit it renders for the military member and their family economically versus what type of opportunity cost comes with it. As a former adjunct college professor, I applaud higher education as a means to not only broaden one's perspective, but as a potential means toward career achievement and enhancement.

One of the principal recruiting tools for the military has been the offer of education and training to new recruits. Additionally, up to \$250 per credit hour is available in the form of tuition assistance to active duty and reservists for college credits earned while in the military. This is apart from the GI bill or generous payments made by some services towards the retirement of pre-existing student debt.

Yet, I see numerous examples of individuals and families burdened by the load of pre-existing student debt, as well as programs that do not, apart from delineating someone as a college graduate, provide a degree that translates directly into employment.

Real-Life Case Studies

One example is a case that was too late to salvage. A young airman went to a for-profit school and obtained the education to be a veterinarian assistant at the cost of close to \$20,000. True to the school's promises, she gained employment in the field at \$8 per hour. A second case of similar nature is an individual with \$60,000 in loans outstanding for an incomplete degree in history at a four-year public university. On a scale of 1 to 10, ten being

hireable in the K-12 school system, his incomplete degree rates "1" in terms of being hired as an educator. My rating system is based on consultation with state level education officials with knowledge in national hiring trends. In another instance, I consulted with someone accepted into a four-year aeronautical engineering program and I asked him what they earned? He said \$80,000 per year. I asked him how many of such engineers are needed. He did not know. The department of labor website indicated thirty were needed in the entire United States that year and the top 10 percent capped at \$81,000. I encouraged him to look at his skills and evaluate whether another type of engineering would be satisfactory.

I tell clients that colleges are businesses, this includes public colleges, and that they will educate you in anything you are willing to be educated in. I tell them that while institutions will market college as a way to increase earning potential though if it does not work out they may apply the axiom of providing learning experiences that are invaluable for the sake of learning. When a person takes a class at one college and it does not transfer to another, this is due to "Academic Sovereignty" where each learning institution is free to evaluate the equivalent value a course from one institution to another. I often encourage two-year public colleges to start. They are a great value if the credits are transferrable to the target university.

With college loan debts nearing one trillion dollars according to USA TODAY, which exceeds combined American credit card debt, we as a society need to expect accountability. The following tools are those I encourage my folks to look at.

► Careers require the aptitude, interest

and temperament to see it through. It would be nice to validate those areas before obtaining a credential. I direct them to the Department of Labor website at www.careeronestop.org where they can obtain some free online testing, in depth knowledge of job requirements, awareness of salary ranges and employment opportunities locally and nationally.

► In terms of identifying temperament, the book, *Please Understand Me II*, by David Keirsey, includes a temperament test. Many colleges offer the Strong Interest Inventory that measures the student's responses and matches them with the interests of those already working in different vocations.

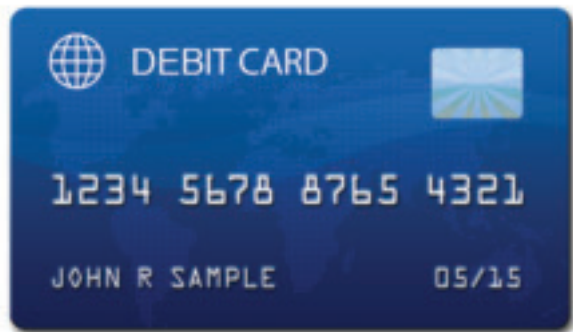
Financial counselors can help America recover economically by promoting responsible educational and vocational pathways. In a free society the consumer is the ultimate decider, but by being thoughtfully informed they can place education in the matrix of goals they have for their lives. Our present situation has higher education starving other sectors of our economy due to the debt burden and disconnect between what is offered and what is needed vocationally. Finally, I believe the military is a great place for youth to develop themselves vocationally and academically. ✂

Terrance Stuart, AFC®, is currently the director of the 911th Airman and Family Readiness office for the Department of the Air Force. He can be reached at terrance.stuart@us.af.mil.

The opinions expressed here are solely those of the author and do not reflect the official position of the Department of Defense or any of its Entities.

Debit Card Questions: More on Using Them Wisely

By Bobbie Shaffett, Ph.D. and Jeanne Hogarth



Inspired by discussion of AFCPE members in our “Use Debit Cards Wisely” concurrent session at the 2011 annual conference in Jacksonville, this article explores questions and ideas raised by participants. As program presenter and Extension Service educator, I definitely did not have all of the answers, but I knew where to begin. I consulted Jeanne Hogarth, our colleague at the Federal Reserve Board in Consumer & Community Affairs to address some of these questions.

Have average overdraft fees changed with the new opt-in rules? Although the opt-in rule requiring banks to get a customer’s approval to process debit- and ATM-card transactions that exceed available balances has helped many avoid overdraft fees, banks and credit unions losing overdraft revenues are responding by raising fees. According to a recent survey from Moebs Services, the median overdraft fee was \$30 in 2011, up from \$27.50 in 2010. The opt-in rule applies only to debit and ATM transactions, not to checks written or automatic monthly debits which can still trigger overdraft fees even without opting in.

Unlike over-the-limit fees on credit cards, there is no limit on overdraft fees for small amounts—if you overdraw by \$5 or \$500, the fee is the same.

How does the new swipe fee cap affect debit card fees for merchants?

Before the Durbin amendment of the Dodd-Frank Wall Street Reform and Consumer Protection Act took effect (October 1, 2011), swipe fees averaged 44 cents. Now, the total merchant interchange or swipe fee for a \$100 debit transaction might be about 27 cents. This includes the base fee of 21

cents for each transaction, plus a 0.05% fee (calculated at .0005 times the transaction amount), and a fraud prevention adjustment fee of 1 cent. Keep in mind that this cap applies only to large card issuers with \$10 billion or more in assets. The Dodd-Frank Act also prohibits payment card networks from denying merchants the ability to offer consumer discounts for paying in specific ways, for example, cash versus credit, or credit versus debit.

How is the new swipe fee affecting consumers?

The rate cap may be costing merchants more on small purchases (around 25 cents versus 7 cents), for which card issuers often provided discounts in the past. Now merchants may encourage cash purchases, give a 25 cent discount for cash, or raise prices at least 25 cents to cover fees, particularly for small purchases.

How do credit card fees for merchants compare to debit card fees?

Credit card fees depend on the type of card, the merchant category, the merchant’s transaction volume, and the processing mode (for example, in the store versus over the Internet). Credit card fees average about 2% of the transaction, so a \$100 charge would involve a \$2 fee (compare this with the 27 cents for debit cards in the example above). This fee is split between your credit card issuer and the

Fact Sheets Available Online

“Use Debit Cards Wisely,” Mississippi State University Extension Service, <http://msucares.com/pubs/publications/p2529.pdf>

“Debit vs. Credit Cards: How They Stack Up,” FDIC, Fall 2009, http://www.fdic.gov/consumers/consumer/news/cnfall09/debit_vs_credit.html

“What You Need to Know: New Overdraft Rules for Debit and ATM Cards,” http://www.federalreserve.gov/consumerinfo/wyntk_overdraft.htm

bank the merchant uses. When you choose to use the signature/credit option on a debit card, it is still a debit purchase, and the transaction fee for merchants should still be around 25 cents.

How do protections differ for credit and debit cards?

Unlike the federal protections for credit cards, which cap your liability for unauthorized charges at \$50, you could technically lose all the money in your bank account if you did not report an unauthorized debit card transaction within 60 days after a statement showing it is sent. Under federal protections for debit cards, the maximum legal liability is \$50 if you notify the bank within two business days after discovering an unauthorized transaction. Some banks may voluntarily offer “no risk” policies, waiving all liability for unauthorized transactions if the cardholder takes reasonable care to avoid fraud or theft. If you discover an error with your debit card, notify your bank. Federal rules require banks to investigate errors or fraud

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Your Office May Be a Stressor: Understand How the Physical Environment of Your Office Affects Financial Counseling Clients

By Sonya Britt, Ph.D., CFP®, AFC® and John Grable, Ph.D., CFP®

It will come as no surprise to financial counselors that asking clients to talk about money issues can be a stressful experience for both the counselor and client. This is particularly true for financial counselors whose clientele consists of individuals and families facing financial emergencies. Sometimes clients even feel ashamed about seeking help from a financial counselor. Although it may seem like an obvious statement, it is nonetheless true that being stressed can create negative outcomes in the counselor/client engagement process. The academic literature clearly shows that stressed clients are unlikely to consider the long-term consequences of their attitudes and behaviors. Further, stressed clients are less likely to develop trust in their financial counselor. The end result can be frustration for the client and counselor, especially in situations when someone fails to take action to improve their financial well-being.

It is relatively easy to identify stress by watching how clients react during a meeting. If a client complains of fatigue, headaches, muscle and joint pain, poor concentration, reduced problem solving skills, anxiety, or irritability it is likely that the person is clinically stressed. It is possible to quickly gauge how stressed a client is even if they do not display obvious signs of tension. A handshake can serve both as a greeting and as a stress assessment. How warm or cold is a client's hand when you shake it? Cold hands (assuming the client has had time to adjust to a comfortable room temperature) are a direct indication of stress. Using terminology from the transtheoretical stages of change model, stressed clients are likely in the pre-contemplation or possibly the contemplation stage

of behavioral change. It is difficult to encourage change in clients who are stressed. They are simply not ready to change. The good news is that simple office environmental features can help induce a calm state among clients and financial counselors, which should reduce stress and increase the likelihood of client action.

One of the most important keys to promoting relaxation is to be engaged in a trusting relationship. Research has shown that physical environment can help stimulate relaxation and encourage more trusting relationships. Some easy to implement stress-reduction strategies include adding naturalistic features to your office, such as plants and neutral wall colors. Playing soft, non-lyrical music in the client waiting room may also help keep client stress levels low.

The use of furniture is one technique that, although somewhat expensive to implement, can be used to provide a more relaxing physical environment for clients. Research conducted through the Institute of Personal Financial Planning financial therapy clinic indicates that meeting with a client in a room with a couch and arm-chair creates a less stressful environment for clients when compared to a traditional financial counselor office with a few chairs placed around a table. Figure 1 shows an office arrangement that can be used to create an inviting environment. The use of a couch/arm-chair arrangement—what

Figure 1: Low-stress Office Arrangement



some might call a therapy model—while consistently resulting in the lowest level of financial stress for clients, does not shelter clients from feeling stress and anxiety when asked probing financial questions. What a couch does is provide fewer barriers between you and your client, which then allows for a greater freedom of information exchange and the development of a trusting relationship.

Another important research finding to consider is that stress transference from financial counselor to client occurs on a frequent basis. Clients are able to perceive their counselor's stress even when the advisor takes steps to conceal tension-generating emotions. When advisors are stressed, clients experience a heightened stress level. Therefore, it is important for financial counselors to periodically assess their own stress levels. How hot or cold are you when meeting with a client? Implementing stress reducing regimes, such as deep breathing before meeting with a client, taking a short walk outside, reducing caffeine immediately before

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\$3,000 vs. Free: Which Would You Choose?

Effective Ways to Market Your Services

By Staci Mintz, AFC®



As a profession, we have some serious public relations issues to address when people are choosing to pay thousands of dollars for a service we offer for free!

I know several people who are in the middle of a loan modification. Some are trying to do it on their own. Others are paying a lot of money to have a loan modification “professional” or “specialist” do it for them. Many of these specialists are attorneys and agencies marketing themselves as experts even though they may not have specialized training. In spite of the bad press they’ve gotten, people are still going to them and paying big bucks. It makes me wonder, “What are these people thinking?!” But what baffles me more is why people would choose to pay several thousand dollars for something they could get for free from a nonprofit housing counseling agency.

Could it be the old adage, “You get what you pay for,” therefore free is

interpreted as inferior? Companies charging a lot of money want you to believe that! Whether it is real or perceived, marketing professionals will create selling points based on their research. They are looking to create the perception that their product or service has more value and therefore the additional expense is worth it. The fields of education and counseling are not immune from the competition created by these perceptions. Many people are willing to pay hefty tuitions for their children to attend private schools from preschool to higher education based on the perception that private equates to superior. Frequently people will only consider working with a counselor who holds a Ph.D. and will pay more money for that degree. However, the increased academic training and research may not have prepared the counselor to be as effective as someone with a lesser degree, but who has special certifications and years of experience.

So perceptions are really important and I think our services would have a higher value if we charged for them. If you are like me I’m always giving my services away for free. We love helping people. That’s why we do this, but our services have *value* and we need to begin charging for the value we bring. This means having a clear fee schedule so both the clients and staff know exactly what the charges are. You can also differentiate between when free advice is part of doing business and when a client should be charged.

What can we do to get the word out and gain more credibility in the public eye?

- **Share ideas.** Invite smaller agencies and accredited professionals to brainstorm with you on how to get the word out about our industry and the value of the varied services we offer. Doing this together always brings a better result as the sum is greater than each of its parts.
- **Educate the public.** Financial and Housing Counselors are relatively new professions. Some people think we are financial planners. Other simply never heard of these professions. Let’s get the word out so people know who we are, how we are qualified, what we do and how we can help them. Spread it around to everyone you know—talk it up and write about it. Include the information on all materials that are available to the public.
- **Get to know other businesses in your community.** Join your local chamber of commerce and at least one other related organization and go to the meetings. People who go to

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\$3,000 vs. Free

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networking meetings want business and they want opportunities to get to know you to exchange referrals. Every industry has been hit by our financial crisis. Whether it be credit help, basic budgeting or foreclosure prevention everyone knows somebody today who needs our help. (Bonus: You may even be able to trade some training or counseling for marketing, technical support and other services you need!)

► **Make friends with other agencies.**

The thing that brings esteem to organizations is when they band together and let others know how great they are. Once clients have established a relationship with people in one organization, they will respect their recommendations and are more likely to follow through.

What Else Can We Do to Make Our Services Attractive?

Let's learn from the well-funded marketing campaigns by using their strategies when we develop our own brochures, public service announcements and do presentations in the community. It doesn't cost any more to change the wording and the look to be compelling. Here are a few things to think about.

► **Tell them who you are.** What makes you an expert? What are the degrees and certifications of your staff? How many years of experience (individually or collectively) do you offer? How long have you been doing this? Provide a few questions so a potential client can differentiate between experts and know why you are more qualified than the others. This is not the time to be humble! Use a quote from a client saying how professional you are and how great it was working with you.

- **Tell them what you will do for them.** Facts are important, but appeal to people's emotions. Which of the following statements from searching on the web would attract you?
 - This program will provide financial assistance so that homeowners can continue to make their mortgage payments and prevent them from going into foreclosure. (HUD)
 - We are the experts on stopping foreclosure and we tell you how we can save your home from foreclosure, and save your credit before it's too late. Let our caring staff of counselors help you over this hurdle! (Private company)
- **Tell them how you will take care of them and treat them.** People want to feel valued. They don't want to be embarrassed or feel they are getting into a big bureaucratic nightmare. Which statement below is more appealing? What words or phrases are reassuring?
 - HUD approved counseling agencies provide foreclosure prevention help free of charge. (HUD)
 - I have seen companies trying to scare people about foreclosure scams, but once you decide to work with us, the foreclosure experts, you are in good hands. Always remember if you are in foreclosure or behind in payments you are not alone. We have helped save thousands of distressed homeowners from foreclosure. We will discuss your Options to Stop Foreclosure and answer any questions you may have about how to Avoid Foreclosure on your house. Foreclosure help is why we were developed and we are the best in the industry. (Private company)
- **Tell them why you are the best deal in town and be assertive.**

Again, look at how the best marketing people approach this. Provide a brief five-point checklist so they can compare your services to the overpriced ones. It should be specific, address their fears and toot your horn! For example: All staff are certified housing specialists with a minimum of five years experience. All information is confidential. Conveniently located in the heart of downtown. Extended evening and Saturday hours. Ninety-five percent success rate for avoiding foreclosure. All this for only \$199 to work with certified professionals compared to \$500 to \$3,000 being charged by others. You may qualify for free or a discounted prices. Call or check our website for more information. Best professionals! Best service! Best price!

So I ask again, which would you pay, \$3,000 or free? Let's collaborate and use marketing strategies to inform the public that smart people use our services to work with qualified, caring people who can save them hundreds or even thousands of dollars and resolve their housing problems. ✂

Staci Mintz is co-executive director of 1st Choice Counseling & Education (DBSM, Inc) a 501(c)3 non-profit charitable organization that provides financial and housing counseling. She holds a Bachelor's degree in business and a Master's degree in psychology. Staci also is an Accredited Financial Counselor®, has numerous other certifications and has attended many other management and executive level trainings in housing counseling, financial education, communication and counseling. Staci is responsible for basic business operations, marketing, strategy and was a co-founder of 1st Choice, which help people needing assistance with their financial problems. She also co-wrote many of the educational materials for 1st Choice. She currently oversees company marketing and development. Staci lives in Los Angeles, California.

Student Aid Mentoring Program

By Andi Wrenn, MA, AFC®

Last year I had the opportunity to participate in a pilot student aid mentoring program for the Boston Tax Coalition held in conjunction with the Boston Earned Income Tax Credit (EITC) program. This new initiative was aimed at supporting students concerned with the cost of college. The program, Student Aid Mentoring, took place during and following the 2011 tax season.

Training was provided for those interested in being a Student Aid Mentor and included an online presentation from Financial Aid U describing Federal Student Aid and how to help participants fill out the Free Application for Federal Student Aid (FAFSA). A two-hour group training was completed to go through materials that could be handed out to participants, and to answer any questions mentors had before working with participants. Handouts included: What Is FAFSA?; Other Funding Opportunities; Budget Planner; Financial Products; and College Options.

The program was designed to help low- to moderate-income individuals and families with children who are currently or considering attending college. Participants learned about the availability of Federal Financial Aid, grants, scholarships, and other financial aid available to them. They worked with a financial coach to assist in making good financial decisions on the costs involved in attending college and the options available to them. If they had previous student loans, mentors could work with them as well when deciding whether or not to return to school.

Student Aid Mentors were placed at three Boston EITC sites. At the EITC sites, Student Aid Mentors spoke to individuals waiting to have their taxes completed about whether or not they were college students,

planned to enroll in college, or had dependent children that would be starting college in the fall. Mentors described the Student Aid Mentoring program and participants could sign up to participate after completing their taxes. Opportunities at local high schools were set up to work with students who desired to attend college in the fall.

The Student Aid Mentor guided the participants through the FAFSA application and assisted with any questions along the way. Mentors showed participants how to edit their application. During the appointment the mentor gave participants handouts relevant to their situation. After completing the application the mentor set up a follow-up appointment with the participant approximately 6–8 weeks later.

A survey was provided to track the types of participants and evaluate the effectiveness of their appointment. The original goal of 200 participants was met with over 214 participants who filled out the FAFSA during an initial appointment. A new goal was set to have 100 follow-up appointments with participants.

In the 6–8 weeks following the initial appointments, participants could finalize their applications for colleges, or may have already received acceptance letters. An e-mail and postcard were sent to participants to remind them of their appointment. Student Aid Mentors were encouraged to contact 10–15 participants each via phone to confirm they would attend the follow up appointment.

During the follow-up appointment, mentors met with participants to see what questions they had at this stage in their college plans. They could update their FAFSA, review awards letters, assist them in applying for college, look at old student loans, or help them with any other

needs. Some participants decided they would not be attending college, others were undecided and some had decided they would definitely attend college.

Getting participants to commit to a follow-up appointment proved to be a challenge in this program. Many of the participants wanted to work with the same Student Aid Mentor that they had for the initial appointment, and they were not always available. Follow-up appointments were not necessary or desired for all participants either, especially if they had decided not to attend college. Of the original participants, only 45 did not make a follow-up appointment. At the end of the appointment a survey of 16 questions was given to participants to track the program effectiveness. Additional appointments with Student Aid Mentors were encouraged. Participants could contact their follow-up mentor if they had questions related to college financial decisions.

My experience with participants in this program was positive. The participants I worked with found it helpful to have someone assist them to understand Federal Financial Aid, scholarships, grants, and the costs involved in college. With a few changes in setting up follow-up appointments, I would like to participate in a program helping high school youth and adults again with financial education relating to college. ✎

Andi Wrenn, MA, AFC®, works with military spouse fellows and graduates since 2008 as a contractor. She is the AFCPE Newsletter Chair, K-16 Committee member for the Massachusetts Financial Education Collaborative, and volunteers with the Boston EITC Asset Building Program. She can be reached at Andi.M.Wrenn@gmail.com.

Financial Literacy at the Worksite

By Jan Garkey

With roughly 300 active select employee groups (SEGs), Georgia's Own Credit Union, Atlanta, can barely keep up with demand. "We get a phenomenal response from our SEGs and keep getting asked back," says Ryan Behrens, premier partner liaison. "We used to call them 'consumer advocacy' programs, but now we talk about 'financial wellness' when we promote the seminars."

Today's economic climate is a breeding ground for financial stress. Many workers—desperate to boost credit scores, pay for children's college education, jumpstart decimated retirement accounts, or simply make ends meet—don't know where to start and are ill-prepared to make sound financial decisions.

When it comes to improving financial literacy for employees, it helps to go where they are—at work. If you're looking for a partner, credit unions are perfectly positioned to help.

Bottom line 'hit' from low literacy.

When employees experience financial problems at home, it's difficult for them to forget about their problems and become productive employees. This takes a toll on productivity. In MetLife's *9th Annual Study of Employee Benefit Trends* (March 2011), 78% of employers said their employees are less productive at work when they're worried about financial problems.

Stress is expensive. The American Institute of Stress estimates businesses lose \$300 billion annually from lower productivity, higher absenteeism, higher turnover, and higher insurance and legal costs. Financial Literacy Partners puts the cost per year per affected employee at \$15,000.

Employers report other problems.

Since the recession began, 51% of employers report an increase in garnishments, 42% report an increase in emergency loans, and 34% report more requests for time off to handle financial issues, according to a recent survey by Personal Finance Employee Education Foundation (PFEEF).

Economy presents teachable

moments. Employees are worried about debt and losing jobs. More than half of working adults live paycheck to paycheck.

Collaborate with employers to maintain a healthy workforce and strengthen our economy.

And although bankruptcy filings in 2011 were down 8% over fiscal year 2010, the nationwide average is troubling: about 5,000 filings per one million adults, or about one in every 200 people.

Make no mistake—the underlying problem has been brewing for decades with declining savings rates, overuse of credit cards, poor investment decisions, complicated and confusing products, and no consistent approach to financial education in schools.

The worksite as classroom. The National Endowment for Financial Education (NEFE), Denver, Colo., funds financial literacy research projects, some with implications for workplace education. A recent study focused on tech-

niques to boost savings rates in employer-sponsored retirement plans. "The workplace is a huge area of opportunity for financial educators," says Pat Seaman, director of marketing and communications. "Besides school, the other place most people need to show up at is work."

Worksite financial seminars are

growing in popularity. More companies realize that financially literate employees benefit the bottom line, and there's conclusive evidence to prove it in the form of increased productivity, employee morale, and company loyalty. This translates to less absenteeism, reduced health costs, fewer wage garnishments, and lower turnover.

Credit unions team up with employers.

Andrew Huber, Georgia's Own Credit Union's business manager, learned that providing educational seminars at worksites—with no sell—quickly builds trust. "Basically, we put the ball in their court. If employees want to sit down with us, we're there to help, and that boosts credibility." He adds, "The employers love it because we bring lunch and education to their employees."

"We like to start with basic budgeting as the foundation before moving on to credit scores, identity theft, and then investing basics. A lot of people come away and say, 'Wow, I had no idea!' and they want one-on-one follow-up," said Behrens. He also gives money management seminars for graduating seniors at a local college campus and identity theft seminars at a local senior learning center.

Buddy Aucoin, vice president of marketing at EducationFirst Credit Union,

Continued on page 12

Debit Card Questions

Continued from page 4

and provisionally credit the amount in dispute back to your account.

Consumers should beware of holds that can also block funds in your debit account for hotels and car rentals. These will likely be for more than you actually spend to cover potential merchant losses.

Although a hold may be put on your credit card account too, it should be lifted by the time you have to pay the bill.

Protections for credit cards may be better when there is a problem with a purchase or a billing error. By law, you can withhold credit payment until the problem has been corrected. Credit card issuers may provide mediation services to address disputes, as well. For a debit card purchase, you would already be out of pocket for the amount in dispute and may find no assistance in solving the problem.

Using a credit card may be a better choice for major purchases, buying online, paying in advance for goods or services to be delivered later, and travel expenses, such as hotels and car rentals. For debit cards, you may have to rely on company policy, keeping a cash cushion, and your own good account management. For all these reasons, debit cards may be best for routine purchases, and cash best for small transactions. ✂

Bobbie Shaffett serves as Extension Professor and state family resource management specialist at Mississippi State University. She can be reached at bobbies@ext.msstate.edu. She also serves as a member of the board of directors of AFCPE.

Jeanne Hogarth is the manager of the Consumer Research section of the Division of Consumer and Community Affairs at the Federal Reserve Board. She can be reached at jeanne.m.hogarth@frb.gov.

Parting Ways

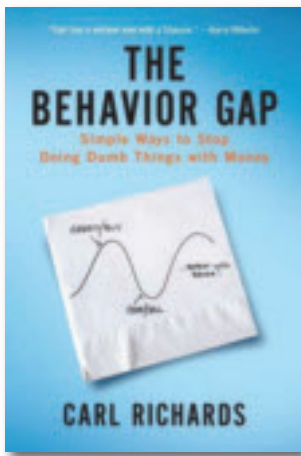
Continued from page 1

says Randall M. Kessler, founding partner at Kessler, Schwarz & Solomiany, P.C. in Atlanta and current chair of the American Bar Association's Section of Family Law. This is partly to protect your client from financial shenanigans. In most cases once you file for divorce, the court will move to keep either party from making exceptional purchases or transfers with their finances.

5. Similar to thinking one will ruin a spouse, people often put too much faith in alimony and a court compensating them for the intangible parts of a marriage. It's much easier to divide up a pot of money than it is to compensate someone for giving up a career or staying home and raising children, says Kessler.
6. Because divorce is a legal matter, your client will probably need a lawyer. Can someone do it him- or herself? Well, maybe. Will it get done right? Maybe not says Kessler, who notes that like a will or a contract, a trained professional helps ensure that there aren't surprises or oversights an amateur wouldn't catch or understand.
7. In choosing a lawyer, it's a good practice to ask for recommendations from people who've gone through a divorce, says LaMorgese. Or, try asking other lawyers you know to make a referral even if they don't have family law practices. It's not unusual to interview a few different attorneys before settling on one. Unfortunately, you'll likely pay a consultation fee for the privilege of doing that initial interview.
8. In making a settlement—and most cases settle versus go to court—
9. To keep the process moving (a realistic divorce timeline is six months) and let spouses keep more of the money versus give it all to attorneys, Kessler is a big advocate of having both people in the same building, but not necessarily in the same room. It's much easier for an intermediary to walk back and forth with proposals versus go through a laborious cycle of having attorneys draft, edit, and send letters and then wait for replies and repeat the process.
10. Finally, people feel they need to hurry up in the process or else their spouse will get the jump on them. However, Kessler says, that while you may want to be expedient, don't be afraid to take your time. That may mean interviewing multiple attorneys. Or it may mean changing attorneys midstream. ✂

people will sometimes give up a legitimate financial claim. After all, pursuing it will drag the process out and they'd rather get the divorce over versus wait weeks or months to get more money. LaMorgese says that if a claim is hundreds of thousands of dollars, it makes sense to spend the extra time to sort out the money. However, there are couples who spend hours and hours (while attorneys are billing hundreds of dollars for each of those hours) to divide up a \$200 set of pots and pans. That's not necessarily a good financial decision.

Lee Gimpel is director of business development for LifeWise, the producer of Money Habitudes® cards. Money Habitudes makes it easy for people to talk about the difficult topic of money, be it with a spouse, family member or financial counselor. The cards are used by therapists, financial educators, career counselors, attorneys and financial planners available at www.moneyhabitudes.com.



The Behavior Gap: Simple Ways to Stop Doing Dumb Things With Money

Written by Carl Richards

Reviewed by Lisa McLain-Sharp, MBA, AFC®

Carl Richards has a penchant for Venn diagrams and paper napkin sketches, but does he know his stuff when it comes to money? In *The Behavior Gap: Simple Ways to Stop Doing Dumb Things With Money*, it would appear that he does.

Unlike some personal finance gurus, Carl Richards reminds us of a few simple concepts for individual investors: (1) Keep it simple. (2) There is no one-size-fits-all approach. (3) You, the investor, must be in control of your financial future. (4) Forecasts are always wrong. (5) Simple but not easy.

Keep it simple. The book opens with an analogy about four pairs of skis. Each is valuable for certain conditions and terrain but when it boils down to it, three of those pairs of skis are excessive. As it relates to investment strategy, the key message is simplicity. Don't invest in anything you can't understand. Don't put your money into so many pots you can't keep track of them. Don't put your advisor in the driver's seat. He or she can draw the map, but you make the final decisions when it comes to your money.

There is no one perfect investment or investment strategy. My favorite part of this book is that the investment advice is centered around fundamental investment analysis. Unlike its sexy counterpart technical analysis, fundamental analysis involves looking at the fundamentals of the investment itself. For stocks, that would be the company itself: financial statements, financial ratios, price-

ing ratios. This is buy and hold investing, not buy and pray. Many times throughout the book, Richards highlights the propensity of investors to buy high and sell low because of technical analysis and "hot" tips from advisors and friends.

You are in control. Financial advisors do not get paid to be right. Granted, if they are often wrong they may not stay in business, but that doesn't help you in the long term. You must have clearly defined goals and objectives for your financial future and the confidence to reject advice from an advisor who you disagree with. Your investment strategy should match your goals, life stage and risk tolerance, not that of your financial advisor.

Forecasts are always wrong. This is more of a blanket statement covering a few concepts. First, it is not possible to beat the market. This means that technical analysis never works. It often leads to investors buying high and selling low because of timing issues. Once you've gotten a hot tip, odds are everyone else has too. Second, forecasts are based on statistics. To quote Mark Twain: "There are lies, damn lies and statistics."

Statistics are open to wide interpretation when it comes to investment analysis. Other numbers: price/earnings ratios, profit and loss (P&L) statements and balance sheets are far more objective and useful.

Simple, not easy. Once again, the fundamentals of personal finance; Richards points out, are not easy. Ratios are easy to understand. Fundamental balance sheet

and P&L analysis isn't hard, but it is work. It is harder to do the right thing than the easy thing and focus on long-term goals over short-term, prospective gains. The market gives and the market takes away in the short term. Over the long-run, it gives. Slow and steady wins the investment race.

The hardcover version of this book measures 240 pages in length, making it an easy weekend read. The author's paper napkin diagram illustrations add an element of fun while clarifying key concepts of the book. I highly recommend this book along with the author's website, www.behaviorgap.com. ✂

Lisa McLain-Sharp, MBA, AFC®, is a 2010 Military Spouse Fellow currently stationed with her family at Fort McCoy, Wisconsin. To read more of her thoughts, please visit www.lisasharp.com.

Thank You to this Issue's Contributors

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Financial Literacy at the Worksite

Continued from page 9

Beaumont, Texas, has been delivering member seminars for more than 12 years and recently began offering worksite programs. “People are hungry for information about credit reports and credit scores,” says Aucoin. “Whenever we do the CreditAbility seminar, we have a loan officer there and almost everyone wants to sit down to review their credit report. There are tears and hugs because they can see light at the end of the tunnel.”

Call to action. Worksite financial education has risen to the national agenda. The Financial Literacy and Education Commission’s national strategy includes an objective to improve financial education infrastructure by delivering financial education in the workplace. And the President’s Advisory Council on Financial Capability identified the establishment of a Workplace Financial Education Honor Roll as one way to strengthen and recognize workplace financial literacy efforts.

Take the challenge set forth in the national agenda and embrace workplace financial literacy. Collaborate with employers to maintain a healthy workforce and strengthen our economy. Leverage community partners, including credit unions. Continue to focus on the basics desperately needed in tough times—how to live within a budget, boost credit scores, and borrow responsibly. And provide employees with financial tools and resources to live a more balanced life. ✎

Jan Garkey is manager of member education, Credit Union National Association, Madison, Wis.

The views expressed in this piece are solely those of the author and do not reflect the views of Credit Union National Association.



Notes from the Executive Director

By Gordon Genovese, AFCPE Executive Director

In the first quarter 2012 issue of *The Standard*, I outlined one of the two Bylaws changes enacted by the AFCPE Board of Directors at the November 2011 Board meeting: the addition of the “Emeritus” membership class. As promised, this issue I will outline the second Bylaws change regarding AFCPE certification programs.

AFCPE is in the midst of structural realignment that will facilitate meeting the standards necessary to have our certification programs accredited by an outside accrediting organization. Having our certifications accredited will add a level of credibility to our programs and increase the value of the certification(s) you hold.

To that end, Article V of the AFCPE Bylaws now reads as follows:

ARTICLE V Certification Programs

1. General. The Association’s certification programs (collectively, the “Certification Programs”) are critical educational components of the Association.
2. Purpose. The purpose of the Certification Programs is to develop and present certification and training programs for professionals in the financial services industry.
3. Certification Programs Management. The Certification Programs shall be managed by a Director of Certification, who may be an independent contractor or employee of the Association, who reports to the Executive Director.
4. The Board of Directors shall charter a Certification Advisory Council. The Certification Advisory Council shall function independently from the AFCPE Board of Directors. Composition, authority, and responsibilities of the Certification Advisory Council shall be as described in the Certification Advisory Council Charter and AFCPE Operations Manual. The Certification Advisory Council will be provided with the resources and a level of autonomy needed to objectively manage the Certification Programs.
5. No member of the Certification Advisory Council may be a member of the Board of Directors.
6. Board of Directors Meeting Attendance. The Director of Certification shall attend meetings of the Board of Directors at the request of the President or Secretary.
7. Disciplinary Procedure. A Professional Review Board, composed solely of persons who have been (a) licensed to use the Association’s certification marks and (b) appointed to the Professional Review Board by the Certification Advisory Council, shall take disciplinary action against persons who have been licensed to use the Association’s certification marks or are currently enrolled in Certifications Programs in the event of a violation of the Association’s code of ethics, standards of practice or other rules and regulations related to the use of the Association’s certification marks. The Professional

Continued on page 13

Notes from the Executive Director

Continued from page 12

Review Board shall conduct hearings and take disciplinary action against persons licensed to use the Association's certification marks or enrolled in Certification Programs pursuant to the policies and procedures established by the Association from time to time.

The two key changes to Article V are in Section 3 and Section 4. The language in Section 3 requires the certifications programs to be managed by a Director of Certification who will manage the activities of the Certification Advisory Council chartered by the Board of Directors. Section 4 stipulates that the Certification Advisory Council will function independently from the Board of Directors.

Your Office May Be a Stressor

Continued from page 5

meeting with a client, and staying organized are all ways to help financial counselors manage their own stress.

These strategies are fairly simple to employ and may seem like obvious stress reducers. There is clinical evidence to verify that implementing these approaches can be effective in reducing stress. Besides the benefits of gaining an improved perspective of the future, having more energy, better health, and fewer headaches/migraines, an overall improved mood is a key outcome associated with stress reduction. Perhaps more importantly, reducing personal stress will be noticed and possibly replicated by your clients. To reduce client and personal stress, making small, but noticeable changes to your office environment may do the trick. ✂

Sonya Britt, Ph.D., CFP®, AFC® is an assistant professor of personal financial planning at

The thrust of this structural change is to have governance of our certification programs become more independent and free from undue influences that may arise. A key benefit to these structural changes is opening the avenue of governance of the certification programs to all those who hold AFCPE certification(s).

Please stay tuned to the AFCPE website and watch your e-mail as we implement these changes to our Bylaws. There will be opportunities for you to volunteer and help set the future direction for AFCPE certification programs.

As always, I am continually impressed with the enthusiasm and commitment of AFCPE members and certificants. It is truly a privilege to be your Executive Director and to represent AFCPE to outside organizations. ✂

Kansas State University. As founding president of the Financial Therapy Association—an international association of practitioners and academicians—Sonya enjoys the opportunity to integrate her skills in marriage and family therapy with her knowledge of financial planning. Sonya's groundbreaking research in financial therapy has been featured in the Wall Street Journal and New York Times, along with other publications.

John E. Grable, Ph.D., CFP®, is co-director of the Financial Therapy Clinic at Kansas State University. His research interests include financial risk-tolerance assessment, financial planning help-seeking behavior, and financial therapy/counseling. He has been the recipient of several research and publication awards and grants, and is active in promoting the link between research and financial planning practice where he has published numerous refereed papers, co-authored two financial planning textbooks, and co-edited a financial planning and counseling scales book.

Congratulations New Certificants

AFCPE Accredited Financial Counselor® Graduates (12/5/11 through 2/14/12)

Avery, Francisca	Munson, Marcia
Davis, Downer	Perry, Debra
Fischer, Elizabeth	Ramsey, Mark
Foyou, Reneé	Smith, Ronald
Glazier, David	Smith, Cathleen
Hanson, Wayne	Sneddon, Bruce
Heckman, Jeremy	Stafford, Joan
Johnson, George	Swank, Margaret
Johnson, Ester	Teevan, Elliejean
Korolewicz,	Vedvig, Cheryl
Mitchell	Verhoff, Martha
Malaguti, Robert	Walsh, Linda
Morano, Jodee	

AFCPE Accredited Financial Counsellor® Canada Graduates (12/5/11 through 2/14/12)

Ahmed, Kamal	Jackson, Nancy
Anderson,	McEwen, Debbie
Kathryn	Singh Teggarrh,
Arnold, William	Avtar

Calendar of Events

May 16–18, 2012

University of Maryland Personal Finance Seminar for Professionals
<http://www.money.umd.edu/>

June 23–25, 2012

American Association of Family and Consumer Sciences 1034d Annual Conference and Expo, Indianapolis, Ind. <http://www.aafcs.org>

November 14–16, 2012

AFCPE Annual Conference, Hyatt Regency St. Louis Riverfront, St. Louis, Mo. <http://www.afcpe.org>

AFCPE Job Analysis Yields Fresh

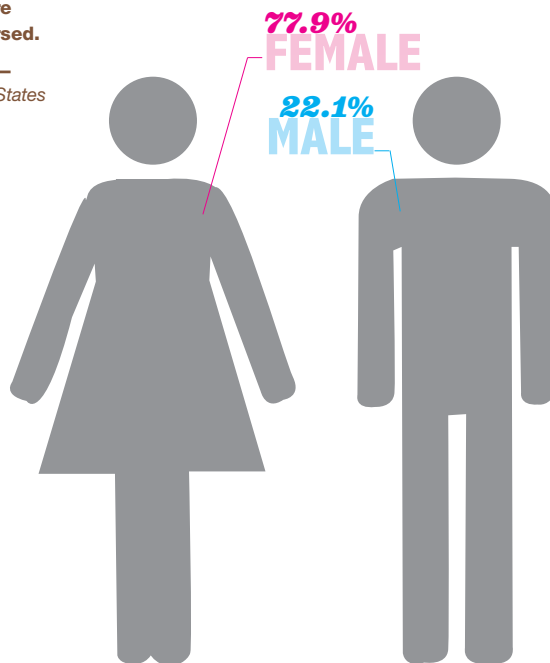
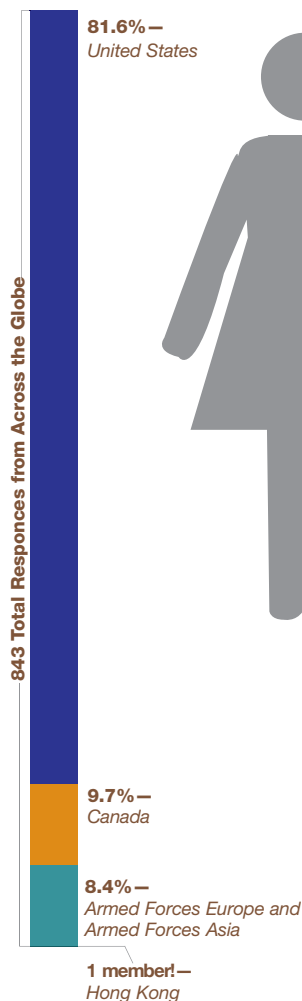
First and foremost, I would like to extend a very hearty “Thank You” to the 843 AFCPE members and certificants that took the time to complete the AFCPE Job Analysis survey fielded early this year. The survey was sent to just over 2,200 members and certificants, which means we had a response rate of 38%—absolutely phenomenal. You have provided AFCPE leadership a wealth of data we can use as we seek to move the Association forward strategically.

This is just a glimpse of some of the information we can glean from the data collected on this job analysis survey. AFCPE will conduct a complete analysis of the survey and publish the results. Look for the announcement that it has published and posted to the AFCPE website later this year. Once again thank you for your participation, your dedication to your clients and students. Your enthusiasm and support for your profession and AFCPE is appreciated!

—Gordon Genovese

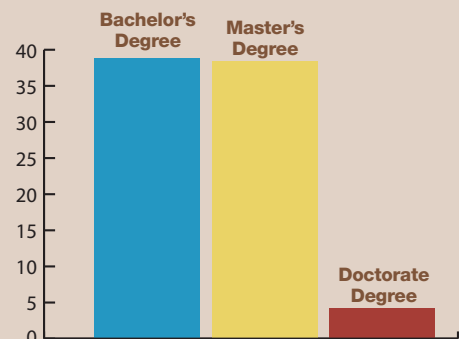
Demographics

AFCPE members and certificants are geographically dispersed.



Education—

All AFCPE members and certificants have at least a high school diploma or equivalent and many have associate's degree or some college level classes. The most common majors among those with at least a four-year degree are business administration, accounting, education, finance, and counseling.

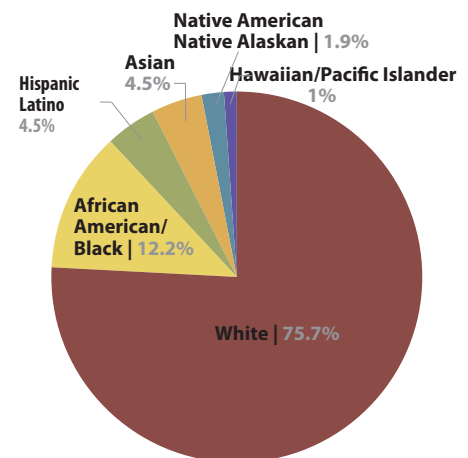


AGE



Demographic data indicates that we are a mature organization.

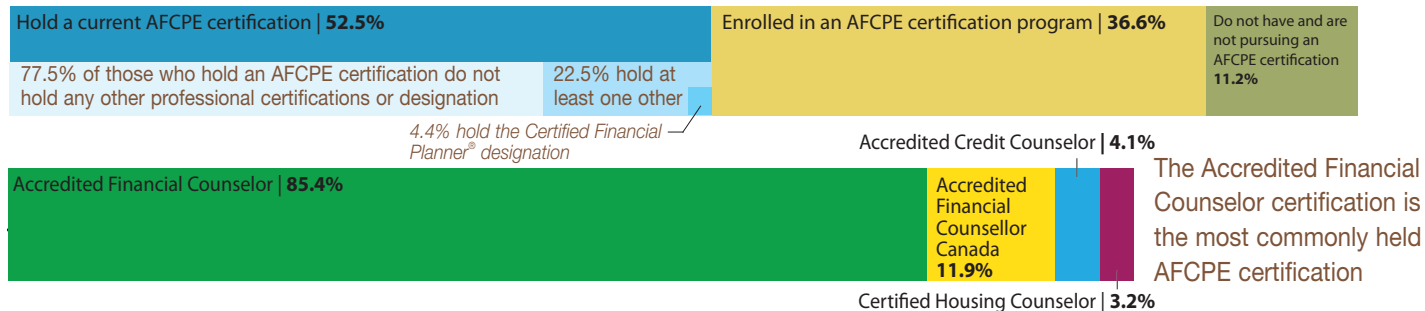
Racial and Ethnic Composition



Look at the Association

Certification

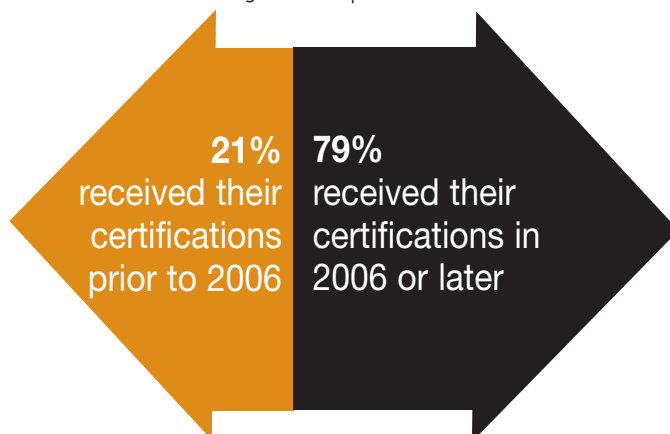
Certification was a strong component within the job analysis.



CONTINUING EDUCATION



Respondents who indicated they complete continuing education requirements outside of AFCPE sponsored activities cited online courses, local workshops and training, and other professional conferences. Survey respondents provided myriad ideas for AFCPE to consider for continuing education development and delivery.

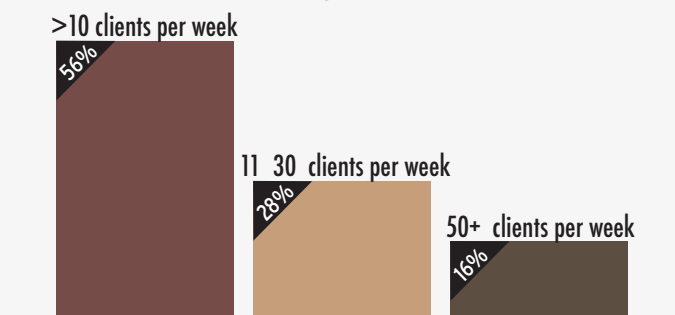


There is a strong correlation between number of years certified and number of years in practice.

Work

The majority of survey respondents indicate they spend most of their time teaching/educating clients and students. Budget counseling, credit counseling, financial counseling, tax planning, and housing counseling follow educating clients and students closely. AFCPE certified counselors indicated their areas of expertise closely matched the services they provide their clients.

Number of Clients Served ...



90%
of the time clients are seen 1-5 sessions.

82.7%
of clients seek counseling voluntarily



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Mark Your Calendar for the 2012 Annual Conference

November 14–16, 2012

Hyatt Regency St. Louis Riverfront

St. Louis, Missouri

[www.afcpe.org/
conference/](http://www.afcpe.org/conference/)



*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.