

Nefe Digest

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NEFE to Partner with Foundation for Financial Planning on Grants Program

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The National Endowment for Financial Education® (NEFE®) and the Foundation for Financial Planning (FFP) have announced the signing of a partnership agreement that NEFE indicates will assist in furthering its ongoing objective of bringing organizations, activities, and people together to advance the cause of financial education.

The Foundation for Financial Planning, which began in 1995, upholds the mission of helping people take control of their financial lives by connecting the financial planning community with people in need. The FFP achieves this by supporting pro bono advice and outreach activities, for which it has awarded almost \$1.8 million in grants to organizations through 2005.

Effective in early 2007, NEFE will utilize its extensive grantmaking experience to administer the FFP's grants program.

"The NEFE-FFP partnership is consistent in every way with NEFE's philosophy of collaborating with others in support of shared goals," said Ted Beck, president and CEO of NEFE. "This effort promotes the

idea that alliances between financial education and financial services organizations can contribute to each other's knowledge base and leverage limited resources to vastly improve the financial well-being of Americans."

"Because our organizations' grants programs have pursued different objectives, this partnership will serve not only as a conduit to share information, but also as a means to achieve participation from each other's core constituencies," explained Jim Peniston, executive director of the Foundation for Financial Planning. "This will lead to a synergy between the programs that, hopefully, will make them even stronger than they are today."

NEFE's experience in grantmaking includes managing its own grants program, launched in 1999, as well as administering programs for other organizations that share a similar philanthropic interest in the public's financial security. NEFE previously administered the grants program for the American Express Economic Independence Fund and currently does so for the NASD Investor Education Foundation.

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NEFE Grant Used for Booklets on Coping with Health Care Crises



Millions of Americans today are uninsured or underinsured. When consumers lack adequate health insurance coverage, they put themselves at a substantial risk should a catastrophic or chronic illness strike. The best defense to protecting one's finances when faced with a medical crisis is to understand all the choices available in the health care system.

A new series of booklets, titled "Managing Medical Bills: Strategies for Navigating the Health Care System," is now available to inform consumers about the resources that may help them prevent or minimize financial damage, including bankruptcy.

The new series was authored by researchers at the Georgetown University Health Policy Institute and was made possible through a grant from NEFE. The three consumer guides offer important information for people seeking to get and keep health insurance, and those who are trying to cope without it. The booklets help individuals understand the type of insurance they have, explore avenues for obtaining private or public coverage

when the need arises, and identify alternatives that may help with medical bills when other coverage options fail.

"Navigating insurance transitions and problems can be confusing, even treacherous, especially for people with serious health care needs," observed project director Karen Pollitz of Georgetown University. "Gaps occur when coverage is not available, adequate, affordable, or when it's just too hard to find and use. The medical and financial consequences can be devastating."

The first booklet in the series, titled *Understanding Private Health Insurance*, presents tips for evaluating the adequacy of private insurance options, with some cautionary words about products that may not provide satisfactory protection. It also reviews steps that one can take to get the most out of insurance coverage and summarizes laws that support consumers with health problems when they shift from one plan to another.

Medicare and Medicaid: A Health Care Safety Net for People with Serious Disabilities and Chronic Conditions, the second publication, outlines treatment assistance offered by government

programs, including eligibility requirements and benefits, and identifies federal and state agencies to contact for more information.

The third book is *Options for Avoiding and Managing Medical Debt*, which discusses possible sources of free or reduced-cost care and their limits. The booklet also gives an overview of recent changes in the bankruptcy system that may restrict this choice for people with mounting medical debts.

The "Managing Medical Bills" guides can be accessed on the NEFE consumer Web site, www.smartaboutmoney.org. Click on the NEFE Financial Literacy Resource CenterSM or visit Get the Facts of Life and select the Medical Issues section of the Web site to find the series.

The booklets, along with many other health insurance resources from the Georgetown University Health Policy Institute, are available online at www.healthinsuranceinfo.net. The Georgetown University Health Policy Institute is a multi-disciplinary group of faculty and staff dedicated to conducting studies on key issues in health policy and health services research.

NEFE to Partner with Foundation for Financial Planning

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The NEFE-FFP agreement was first conceived as a strategic partnership within the financial literacy community by G. Joseph Votava, Jr., JD, CPA/PFS, CFP®, chairman of the NEFE Board of Trustees, and president and CEO of Nixon Peabody Financial Advisors, LLC, in Washington, D.C.; and Larry W. Johnson, CFP®, chairman of the Foundation for Financial Planning, president of Sterling Financial Advisory Services, Inc., and managing partner of Sterling Financial Group in Itasca, Illinois.

In commenting on the agreement, Votava said, "By combining NEFE's extensive research and education capabilities with the Foundation for Financial Planning's substantial support of practitioners' pro bono and outreach efforts, both organizations can be even more effective in helping consumers take charge of their finances and, in so doing, achieve a higher quality of life."

Johnson observed, "Having these two organizations partner to help each other further their financial literacy objectives is both an altruistic outgrowth and a natural progression of

the financial planning movement that began in the early 1970s. By working together, capitalizing on each other's strengths, and avoiding duplication of effort, they can apply their available resources more efficiently to serving the public good."

Additional information on the FFP grants program can be found on the NEFE Web site, at www.nefe.org, in the Grantmaking section. To learn more about the Foundation for Financial Planning, visit www.foundation-finplan.org.

National Multiple Sclerosis Society Collaborates with NEFE to Help Individuals with MS

Multiple sclerosis (MS) is a complex and unpredictable disease that affects approximately 400,000 people in the United States. Diagnosis usually occurs when individuals are between 20 and 50 years old—a time when they are coping with the challenges of raising families, buying homes, and pursuing careers.

“A diagnosis of MS has huge financial implications both for people affected by the disease and their families,” says Brent A. Neiser, CFP®, director of Collaborative Programs at the National Endowment for Financial Education. “Depending on its severity, MS can disrupt a person’s ability to earn an income at the very time when he or she has taken on major financial responsibilities.”

Planning for the Future

To assist individuals with MS in maximizing their financial options and planning for their future, NEFE developed an informative, easy-to-use booklet in partnership with the National Multiple Sclerosis Society and the Paralyzed Veterans of America (PVA). The 72-page booklet, *Adapting: Financial Planning for a Life with Multiple Sclerosis*, uniquely blends financial planning basics with the special considerations of the illness.

The variable progression of MS is reflected in this booklet through advice tailored for every stage of the disease. There are tips for newly-diagnosed individuals that include the need to review health-care coverage and talk to an employer. People with advanced forms of the illness receive guidance on topics, such as how to apply for disability income benefits and hire help at home. Interwoven with the distinct financial aspects of living with MS are basic money management steps everyone should follow, such as developing a spending plan, getting debt under control, and having an estate plan completed.

Dorothy Northrop, the National MS Society director for Clinical Programs, says that getting individuals with MS to accept the need for financial planning is often the first hurdle to clear. “People want to be optimistic that the disease won’t progress. They would rather not think about planning ahead for the possibility of increasing disability,” she explains. “The NEFE booklet does an excellent job of presenting financial planning suggestions in a positive way with a format that’s pleasant to read and easy to use, whether the individual has been diagnosed with the disease recently or has been living with the illness for many years.”



Thomas Stripling, PVA director of Research, Education, and Practice Guidelines, agrees. “NEFE succeeded in blending the science of MS and the basics of personal finance into a colorful, imaginative presentation,” he says, noting that the *Adapting* booklet complements an earlier collaboration between NEFE and PVA that resulted in *On the Move*, a booklet for individuals with spinal cord injuries.

Collaborators’ Role

The National MS Society and PVA were instrumental in providing NEFE with background on the physiology of MS, its psychological effects, and the

financial needs of people affected by the disease. The two organizations also took responsibility for distributing approximately 70,000 booklets through their respective local chapters and other contacts in the MS community.

“Several of our chapters have built programs around the booklet,” Northrop says. “For example, they might invite a financial planner to attend a chapter meeting, give an overview of planning issues, and field questions. Participants receive the booklet as a tangible, take-away piece. The planners also use it to get up to speed on the special issues of MS prior to their presentation.”

This year Northrop had the opportunity to host several programs via teleconference. “The presentations were successful and would not have been possible without the booklets,” she stated. “They are one of the best gifts we have ever received at the Society.”

The mission of the National Multiple Sclerosis Society is to end the devastating effects of MS. Through its home office and 50-state network of chapters, the Society funds MS research, offers services to people with MS, provides professional education, and advances MS advocacy efforts. For additional information on the Society, visit www.nationalmssociety.org.

The Paralyzed Veterans of America has worked to secure health care and benefits for veterans of the armed forces living with spinal cord injury and disease and funded research into finding care and cure since its founding. To learn more about PVA, go to www.pva.org.

Holiday Closings

NEFE will be closed on November 23 and 24 for Thanksgiving, December 22, 25, and 26 for Christmas, and January 1 for New Year’s Day.

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NEFE Awards New Grants for Research Projects

Three projects recently were approved for funding through the NEFE Grants Program.

The University of Notre Dame was awarded a \$100,000 grant for a 12-month research project to be conducted by Gilberto Cárdenas, Ph.D., Assistant Provost and Director of the Institute for Latino Studies. The project, “La Tercera Edad: Latinos’ Financial Literacy, Pensions, and Impact on Families,” will focus on current Latino workers, the Latino elderly, and their family members. It will examine the retirement behavior of Latinos and compare it with that of their Caucasian and African-American counterparts. Dr. Cárdenas plans to provide practical recommendations, based on his research, for

retirement planning education programs for Latinos residing in the U.S.

A grant totaling \$112,552 was awarded to the University of Wisconsin-Madison to conduct a study on the effectiveness of financial education programs in high school. Assistant Professor Michael Gutter, Ph.D., will study the relationship between the exposure to financial education in high school and the financial behaviors of college students following the conclusion of high school.

Another NEFE grant was awarded to the University of Wisconsin-Madison in the amount of \$104,807. The project will focus on understanding the personal finance management and education needs of new and developing teachers, as well as offering viable

solutions for these teachers’ personal finance challenges. Wendy Way, Ph.D., professor, and Karen Holden, Ph.D., professor, will lead the 24-month collaborative research project. During their work, they will draw on the assistance of an advisory board from six other universities, including: Iowa State University, North Dakota State University, University of Nebraska-Lincoln, Colorado State University, University of California-Fullerton, and Virginia Tech. The six universities will support the two professors in all aspects of the project with the goal of improving personal finance practices and teaching abilities of teachers.

On completion, the results of these projects will be reported in *NEFE Digest*.