

Financial Planning for Women: An Educational Model

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Kilpatrick and Glass (1998) describe the dilemmas facing American women as many prepare for extended periods of retirement with insufficient resources. This article describes a financial education program for women designed to address this issue. The program can be adapted to meet the needs of a variety of communities.

Financial Planning for Women (FPW) is based on the philosophy of empowering women to plan for their financial future. The program is conducted by a university professor and involves university students in program planning and delivery. FPW uses a combination of traditional program delivery (evening monthly meetings) with a non-traditional component (E-mail program summaries) to provide information to women who cannot attend each session.

Program Model

The Women's Financial Information Program (WFIP) whose goal is "to enable women to make informed decisions about their finances" (Fullner, 1994, p. 1) served as the model for FPW. The WFIP model uses financial professionals as speakers and trains women facilitators to conduct follow-up discussions. At the completion of the WFIP participants requested more programs on financial issues, and thus FPW was born.

FPW deviates from the WFIP "expert speaker-group facilitator" model because it can be difficult to find appropriate speakers each month on an ongoing basis. Very few of the financial experts in this community are female and, with our goal of empowering women, we wanted to avoid reinforcing the male authority figure. Further, combining the presenter and facilitator role allows for a shorter program. WFIP encourages participants to make a commitment at each meeting to act on what they learn (Fullner, 1994); this action could be as simple as making a phone call to find the answer to a question. FPW continues this encouragement to take action.

Program Topics

Topics range from goal setting to estate planning. The most popular program to date was a workshop on financial planning resources on the Internet held in a university computer lab. Another program with high attendance was a three month series on planning for retirement.

In the first three years of FPW we have repeated some topics due to popular demand, adding new material and fine tuning the presentation. At each session participants are asked to fill out an evaluation form which includes a request for suggestions for future topics.

Program Materials and Resources

Educators who would like to offer a financial education program may feel overwhelmed by the plethora of financial education materials available, many from commercial sources. From our experience, the best resources are available free or at low cost from the Cooperative Extension Service (CES). Extension provides adult education in virtually every county in the United States and produces excellent personal finance materials at no or low cost. Extension publications are accurate, high quality and do not promote a specific product or firm. Materials are not copyrighted and many are available on the Internet.

The first materials we used were the "Investment Basics" series from Kansas Cooperative Extension (Jones, 1996). The six publications formed the basis for six monthly programs. An advantage of a series was participants could read the material before each workshop. Total cost of materials was \$2 with the option to download free from the Internet. We also used the estate planning materials from Montana Extension (Goetting, 1998). While some of the information is specific to Montana, we used the generic materials on basic estate planning concepts.

Prior to receipt of a small grant, limited handouts were provided with copying costs covered by contributions from participants. Free personal finance materials were solicited from educational and industry sources. Materials were evaluated and selected to avoid bias, or if bias was present, it was discussed with participants as part of the educational experience. The Consumer Information Catalog (Superintendent of Documents) is another good source. At each session we suggest where to find more information on the subject.

Program Promotion

FPW relies on word of mouth, free newspaper and radio announcements, and flyers on community bulletin boards. At each meeting participants are encouraged to take flyers to post on workplace and community bulletin boards. We also provide 2" x 3" notices to give to friends.

Each month a program announcement is sent via E-mail with a request to forward the message to another woman. Participants without E-mail receive a postcard reminder. In the third year a small grant was obtained to cover copying, materials, and postage costs.

Student Participation in Program Delivery

University students majoring in Family Finance collaborate in presenting and facilitating the FPW programs. As part of their graduation requirement students must complete an internship in financial counseling at the Family Life Center (FLC). While this internship provides excellent counseling experience, there is no equivalent requirement for presentation skills. For students who plan to pursue careers related to financial advising and education, FPW offers the opportunity to present financial planning topics to an audience with real life concerns and questions.

Do Participants Take Action?

The financial planning literature cites the frequent failure of clients to implement plans even after paying hundreds of dollars for the advice (Peers, 1988). FPW continues the WFIP focus on individual commitment to take action. At the beginning of each FPW program participants are encouraged to share examples of an action they have taken since the last program. At the end of the evening each woman is encouraged to write down a specific action she will take as a result of the program. This process reinforces a commitment to act.

Examples of actions taken as a direct result of attending FPW include: calculating the future value of retirement benefits as part of a divorce case, choosing to repay debt through a PowerPay debt reduction program instead of a home equity loan, buying long term care insurance, contributing to a qualified retirement plan, and opening a money market fund to replace a lower interest savings account. Future research will determine which motivational strategies are most effective in generating action.

Evaluation

Evaluation forms are distributed at each session to assess what the women liked least and best about the presentation and suggestions for future programs. Results indicate a reluctance to make negative comments but plenty of suggestions for future topics. While the

evaluations are uniformly positive, many participants do not return. A survey will be conducted to determine reasons for failure to attend.

After three years of FPW we conducted focus groups with selected participants in the summer of 1998 to determine future directions for the program. "Focus groups can improve the planning and design of new programs, provide means of evaluating existing programs, and produce insights for developing marketing strategies" (Krueger, 1994, p. 3). The focus groups revealed that participants support the woman-only format. Some of the changes being implemented as a result of the focus groups include occasional use of guest speakers and shortening the sessions to 1 ½ hours. Focus group participants were given a packet of financial education materials to thank them for their time.

As a result of the focus groups, a speaker was invited to participate in the program "Guide to financial planning and selecting a planner." The leader presented the program using materials developed by the CES and NAPFA (National Association of Personal Financial Advisors, 1995). Following the presentation, a professor of financial planning who is a Certified Financial Planner spoke about how to work with a planner and answered questions. This program generated high attendance but it is difficult to determine if it was the topic or the guest speaker that drew the larger audience.

Feedback from the focus groups and non-participants indicate that many women would like to attend but have a conflict with the meeting time or feel they cannot afford the time. Most participants are employed full time and many have children at home. To assist them, a brief e-mail summary of the program is provided about a week after the session.

Future Directions and Recommendations

Some of the goals for the future include increasing attendance from the average of 12 per session to 20, involving more students, giving students more responsibility for programs, and increasing the emphasis on goal setting and follow-up action.

Consumer educators often lack the evidence to document the impact of their programs. Research in the coming year will survey participants to determine who participates and why, the most effective methods of promotion, and how best to motivate participants to make tangible changes in their financial management and planning. Some additional questions include: Will attendance increase with guest speakers? Why do some women attend once and not return? Informal feedback indicates the most common reason for failure to attend is lack of time.

How does one motivate women to place a higher priority on their long term financial security?

A key concern is how to increase attendance among women with young children and less educated women. Currently most participants are college educated; we are not reaching a cross section of the community, including those women who are least likely to have adequate retirement savings and thus need the information the most. Does the title "financial planning" deter low income women who feel they have no money for planning? Ideally we would like to offer child care but unfortunately the Family Life Center does not have suitable facilities.

Some of the strategies for reaching out to a more diverse audience include offering to speak to established women's groups and community organizations. However, many low income women do not belong to the traditional women's groups. Perhaps the best way to reach them is through church or workplace programs. Garman (1997) advocates employer personal finance education and provides extensive suggestions for implementing such programs. FPW has generated invitations to speak to university clerical staff, the professional employees association and the annual meeting of staff of one of the colleges. While we will continue to pursue such opportunities, word of mouth by participants appears to be the best advertising.

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