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The Gradual Disappearance Of Financial Literacy In Today's World. What Is Financial Literacy And Why Is It So Important? My Own Story Of Acquisition

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THE GRADUAL DISAPPEARANCE OF FINANCIAL LITERACY IN TODAY'S WORLD. WHAT IS FINANCIAL LITERACY AND WHY IS IT SO IMPORTANT? MY OWN STORY OF ACQUISITION

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Abstract

There is a growing concern in this country that the middle class is disappearing and not in the way one would hope. Instead of families moving into a higher socio-economic class and being able to provide richer life experiences for themselves and their children, vast numbers are shifting to a lower socio-economic status level. The gap between the affluent and those barely eking out an existence is increasing at an alarming rate. This trend will directly affect who can successfully attend college and who will be available and capable to perform the blue-collar jobs that are vital to the continuation of our economy. Many of these jobs are becoming increasingly complex and sophisticated. While they may not require a college degree, they do require additional post-secondary training and expertise. Longer reaching concerns are that a dwindling middle class equates to a smaller tax base and contributes to a larger segment of the population that needs financial assistance.

The productive management of money is part of a concept known as **financial literacy**. People that have money take this knowledge for granted. Somewhere along the line, whether it was at home, in school, or from personal experiences, successful people learned the value of earning money and using it thoughtfully and intentionally in order to achieve a future goal. No one disputes the fact that personal choices and discretion are parts of the picture.

Imagine, however, that the environment in which you grew up did not contain earning possibilities. Perhaps you had to work without pay caring for your siblings, leaving no time to go out and earn your own money. Maybe your family was in the situation where everything that each family member earned was required to try to make ends meet. The result can be a feeling of ignorance and powerlessness around financial literacy and a lack of understanding the difference it could make in your life.

This dissertation examines these issues. As a Scholarly Personal Narrative, it will also relate the story of my own journey of acquiring financial literacy and how that knowledge has affected my life. It concludes with a proposal that I created for teaching the concepts of financial literacy to underserved members of our society living at the lower socio-economic level. This education is important because understanding financial literacy can build self-confidence, empowerment, and purpose. This knowledge can also set an example that parents can pass on to their children and future generations. I believe this is one possible route toward breaking the cycle of poverty.

Dedication

I am dedicating this dissertation to my parents, Erling and Gertrude Kristiansen. They were my role models and teachers and they shaped me into who I am today. Our love for one another was unconditional and I was blessed to have them in my life.

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I would like to take this opportunity to acknowledge some individuals that have been instrumental in helping me arrive at this culmination of my scholarly efforts.

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Hans Jørgen Holm, my friend and writing inspiration. When I struggled with putting words on paper and asked for some motivation, you gave me this advice:

> Jeg synes nemlig du er meget klog og at du hel sikker har alt stof til den afhandling du døjer med i hovedet. Du må stole på dig selv. Ikke have præstations angst. Du må være parat til at være grænse overskridende. Du skal prøve at undgå at skrive i et akademisk sprog. Prøv at skrive i et folkelig sprog.

Prøv at skrive lige ud af hovedet uden al for meget riset, så kan målgruppen også bedre forstå meningen.

Translated, it says:

I think you are very clever and that you certainly have all the material for the dissertation you are struggling with in your head. You have to trust yourself. Do not have performance anxiety. You have to be prepared to cross the finish line. You should try to avoid writing in an academic language. Try to write in a vernacular language. Try to write straight out of your head without too much extra, so the target audience can also better understand the meaning. I hope this is what you had in mind.

Poul Erik Berntsen, my cousin and friend. Your support has been true, constant and unwavering. Thank for always being willing to listen.

I would not have been able to do this without you all. Thank you from the bottom of my heart!

Table of Contents

Chapter 1: Introduction

In 2008, the President's Advisory Council on Financial Literacy was convened by President George W. Bush. Its objective was to improve financial literacy and financial education among all Americans. In its 2008 Annual Report to the President, it agreed on the following working definitions:

> **Financial literacy**: the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being.
>
> **Financial education**: the process by which people improve their understanding of financial products, services and concepts, so they are empowered to make informed choices, avoid pitfalls, know where to go for help and take other actions to improve their present and long-term financial well-being (Hung, Parker & Yoong, 2008 p. 3).

From a survey conducted in 2013, the following conclusions arose. **Financial literacy informs financial behavior and that this behavior is directly correlated to financial management and prosperity. The stronger the literacy and management of resources, the greater the degree of prosperity is enjoyed by the individual** (Dwiastanti, 2015).

These concepts and their importance in the lives of people, especially people with lower incomes, will be explored throughout this dissertation. I will discuss how these concepts were learned and passed on to future generations, in general and in my case specifically. I will also try to bring to light how this method of learning broke down and discuss what is currently being done to restore these skills to everyone, regardless of their economic status.

Money is power and security. Money allows you to have choices. Money is also a necessary and basic necessity in our society. Money is needed to provide for the basic necessities such as food, clothing, and shelter. It is needed for transportation, insurance, health care, education, and retirement. The management of money encompasses a concept that can be identified as financial literacy. People that have money often take this concept and its understanding for granted. Somewhere along the line, whether it was in school, at home or in the pursuit of activities after school, these people learned the value of earning money and using it sensibly or deliberately in order to achieve a future goal. No one denies the fact that personal choices and discretion are parts of the picture.

Imagine, however, that the environment in which you grew up did not contain these earning possibilities. Perhaps it was because your parent(s) did not know themselves that there were possibilities. Perhaps they were held back because of the circumstances in which they grew up or because of their ethnicity. Or perhaps you had to work without compensation for performing tasks such as caring for your siblings or doing household chores, leaving no time to go out and earn your own money. Maybe your family was in the situation where everything that each family member earned was required to try to make ends meet. The result can be a feeling of powerlessness. Never having learned financial literacy can lead to a lifelong financial struggle.

There are many contributing factors as to why such a large percentage of our population has little or no financial literacy. Many years ago, before the implementation of such social programs as Medicaid, Supplemental Security Income and Social Security itself, the general population basically earned enough money to cover their existence and raise their children. At that time, life expectancy was much shorter than it is today (Lusardi, 2017). As our society became better able to care for itself, life expectancy increased. Many events in our history such as the stock market crash of 1929, the Great Depression of 1930-1933, and the Dust Bowl of the 1930s, to name but a few, brought to the forefront the fragility of life for large portions of our society. The creation of the aforementioned social programs was meant to protect the more vulnerable people in our society and to protect them from falling into poverty. The intent of these programs was genuine and well-meant and by and large, they accomplished their goal (Brents, 1986).

A huge and unforeseen drawback to this system, however, was a great reduction in any incentives to save personally for the time when one was no longer able to work. Education also plays an important part in this scenario. Research has shown that the less educated are more inclined to be less patient and less risk averse with investing than people who have a college education. The less educated statistically want to see a more immediate return on their investments and are much less inclined to think of what the investment will be in perhaps 10-30 years in the future. The way that contributions are made to retirement plans has also changed significantly over the last a few decades. In the 1980s, defined contributions to pension plans accounted for 40% of those retirement vehicles. However nearly 20 years later, the same plans accounted for 90% of the contributions. Additionally, these plans have become much more sophisticated requiring the investor to have a better understanding of how everything works (Lusardi, Michaud, & Mitchell, 2017).

The impact of financial illiteracy on both the individual and society is clear. How can/do we as a society interrupt this perpetuation of financial illiteracy? How do we identify and reach out to ensure that all the people that need to learn financial literacy get this education? How can all members of society be empowered to take control of their own financial destiny?

Many programs have attempted to break the cycle of financial illiteracy. Some initiatives target students while still in school (Liu, Franklin, Shelor, Ozercan, Reuter, Ye, & Moriarty, 2011). Others bring parents into the mix as they and their children are preparing for the next step in life after high school (Cude, Lawrence, Lyons, Metzger, LeJeune, Marks, & Machtmes, 2006). Other individual initiatives exist that use specific interest groups such as women's organizations, faith based and charitable entities as vehicles for delivery (Jarecki, Taylor, & Hira, 2014; Lerman, 2006). This is all well and admirable. Hopefully, this will effectively reduce further additions to the number people living at lower socioeconomic levels. However, what about people who have grown up in this environment? How are we reaching out to and engaging this segment of the population in order to bring about a lasting change in attainment of financial literacy?

This dissertation could focus its attention on several different populations. In this narrative, I will describe the efforts currently being made in the area of financial literacy with high school students, college students, and women (in general).

A recent review of the literature shows that efforts are being made in several areas of our population. One area where financial literacy is being discussed is the high school setting, where students and their parents are jointly addressed (Baron, 2015). These target populations are almost exclusively for college or post-secondary bound students and their families. Schools offer programming to help prepare both groups for the financial realities associated with additional education and/or credentialing that will require an investment personally by the student and/or their parents.

A second arena where financial literacy has received attention is the college student population (Furtuna, 2007). Institutions of higher education are recognizing that in addition to educating a generation of critical thinkers and writers within a wide array of fields and disciplines, they also are accepting the responsibility to ensure that these students are financially literate. This is due, in part, to the substantial debt many of these students are assuming in order to earn the credentials required to function in their desired field. Institutions are accepting more responsibility to ensure that these students are aware of the impact this debt will have on their ability to make informed future financial decisions. Institutions are also helping them understand how to incorporate repayment of this debt or whether to assume it at all (Cude, Lawrence, Lyons, Metzger, LeJeune, Marks, & Machtmes, 2006).

A third initiative involves reaching out to women and striving to increase their financial literacy regarding retirement investments and estate planning (Jarecki, Taylor, & Hira, 2014). Three factors make these interventions timely, 1) women are paid less than men are for the same work, 2) statistically, women live longer than men do and, 3) coincidentally, our population is experiencing an increase in life expectancy (Anthes & Most, 2014). Consequently, widows are now facing decisions about long-term health care and assisted living situations that many are unprepared for financially. These women need to be financially well informed in order to understand the language used by the industry that provides this care as well as the industry that provides insurance coverage for these instances.

These three types of initiatives are important and are presumably making an impact on their participants. The common shortcoming of all of these initiatives, however, is that they are targeting small segments of the population who need this education.

These initiatives are largely identifying and focusing on individuals that already have money, that have discretionary income, and the ability to use it to further their own or their child's academic development. These programs are designed for individuals that have the distinct probability to earn a salary that will afford them the luxury of having an excess of funds beyond what is necessary for daily living and survival.

In 2008, the federal government set the poverty levels. The guideline level was uniform for all of the contiguous 48 states. A different level was set for Alaska and Hawaii, respectively, due to their cost of living. This level is used to determine eligibility for public assistance programs. For a family of four, this was set at an annual level of $21,200 in the 48 contiguous states, $26,500 in Alaska, and $24,380 in Hawaii (Cauthen & Fass, 2008).

What this figure does not take into consideration, are the actual basic living costs necessary to support a family. A more realistic budget accounting for actual circumstances would be:

Basic needs budgets for a family of four, in selected urban, suburban, and rural localities*

	Urban New York, NY	Urban Houston, TX	Suburban Aurora, IL	Rural Decatur Cty, IA
Rent and utilities	$15,816	$10,224	$11,328	$6,324
Food	$7,878	$7,878	$7,878	$7,878
Child care	$20,684	$15,422	$18,793	$11,682
Health insurance premiums	$2,609	$2,834	$2,265	$2,436
Out-of-pocket medical	$732	$732	$732	$732
Transportation	$1,824	$4,808	$4,808	$6,288
Other necessities	$6,397	$4,887	$5,185	$3,834
Payroll taxes	$5,113	$3,873	$4,437	$3,270
Income taxes (includes credits)	$5,787	-$34	$2,572	$304
TOTAL	$66,840	$50,624	$57,998	$42,748
% of 2008 Federal Poverty Level	315%	239%	274%	202%

*Assumes two-parent family with one preschool-aged and one school-aged child. Source: NCCP's Basic Needs Budget Calculator (available online at www.nccp.org/tools/budget).
Results are based on the following assumptions: children are in center-based care settings while their parents work (the older child is in after-school care); family members have access to employer-based health insurance; in New York family relies on public transportation, in all other locations, costs reflect private transportation (Cauthen & Fass, 2008 p. 3).

There is a critical need for an intervention with families that are hovering at or barely exceeding the poverty line. It is unclear whether it is felt that the task is too daunting or if there are not currently funds available for this intervention. However, if

the process is not started somewhere, the problem will only continue to grow at an alarming rate.

Why aren't the people who need it the most receiving this education? Perhaps, the sentiment is that these families have so little money that it is a waste of time to teach them about financial literacy because they will never have any discretionary income. Perhaps, this population is not thought about at all in any depth. However, withholding that information from them can perpetuate a cycle of poverty and struggle. Inaction is condemning millions of Americans to a future of struggle and hopelessness, carried on by their children and future generations to come. It is possible to intervene, to educate, and demonstrate how they can use their money to build a stronger financial foundation (Lusardi, 2011). Furthermore, these choices, albeit hard and seemingly insignificant at first, can in a very short time change their financial situation. The results can support a more desirable lifestyle with the hope of a better future filled with more choices for themselves and their children.

What follows is a narrative that explores the concepts of financial literacy and financial education. The narrative will then discuss the methodology of Scholarly Personal Narrative and why I chose this style of writing for my dissertation. It will conclude with stories and examples to illustrate how I acquired my financial literacy. Primarily, I learned about financial literacy from my parents, the lessons they taught me and my brothers and sisters as well as the examples they set. However, knowing my parents and the very different backgrounds from whence they came caused me to wonder how they acquired their own financial literacy and how they chose to pass it on to me and my brothers and sisters.

I will relate my personal experiences and provide stories and examples of how I learned financial literacy throughout this dissertation. I intend to look more deeply into when and where financial literacy ceased to be knowledge possessed by everyone in our society. Finally, I will propose a method of teaching financial literacy that can be adapted to any given population. My hope is that my program, as well as my personal experiences, can be used as substantive tools of intervention so that individuals can learn from this method and finally break the cycle of poverty. However, let us first turn our attention to a review of the literature surrounding financial literacy.

Chapter 2: Literature Review

Financial literacy is a concept that exists in the culture and economy of nearly every society on the planet (Lusardi & Mitchell, 2011). For the purpose of this dissertation, the following definitions of financial literacy and financial education are being used:

> **Financial literacy**: the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being.
>
> **Financial education**: the process by which people improve their understanding of financial products, services and concepts, so they are empowered to make informed choices, avoid pitfalls, know where to go for help and take other actions to improve their present and long-term financial well-being (Hung, Parker & Yoong, 2008 p. 3).

It is important to acknowledge that the "finance" part of financial literacy is not strictly related to currency but rather to whatever aspect of finance is being discussed. This includes but is not limited to **mortgages, credit cards, retirement investments, insurance, financial advice and savings**. (Allgood & Walstad, 2016). This is a broad range of topics and they are all very important if one is to enjoy financial security. Their importance is clarified by the following quote:

> What adults know about household finance is important because of the many personal financial responsibilities people assume over a lifetime. Adults must manage household budgets subject to income constraints, buy goods and services, monitor financial accounts, handle credit cards, save and invest for a future event

> such as a child's college education or retirement, purchase insurance to reduce risk, pay taxes, and seek sound financial advice (Allgood & Walstad, 2016, p. 675).

Financial literacy, in one form or another, has existed for centuries. To get a truly firm grounding in the concept, one needs to go back to the first industrial revolution, roughly 1760-1840. During this time period, huge sections of the population changed from being self-sustaining in an agrarian society to a more formalized labor force. This revolution occurred in continental Europe, Great Britain, the United States and Canada (More, 2000). As More explains:

> A popular method of explaining the Industrial Revolution is to list a number of factors which are thought to have contributed to it in some way. Such explanations usually include several, and sometimes all, of the following: growing demand, occurring as a result of population increase, export growth, changes in taste or some combination of these; efficient capital markets and a plentiful supply of capital; productive agriculture; a base of scientific knowledge and artisanal skills; a good transport network; Protestantism in general and Nonconformity in particular; and stable government (More, 2000, p. 158).

People that understood this new system of financial transactions tended to be financially successful and thrive while those that did not struggled or languished (More, 2000).

The second industrial revolution occurred between 1870-1914. This period saw the development of mass production as well as the discovery and implementation of technology. According to Englemann:

> The Second Industrial Revolution fueled the Gilded Age, a period of great extremes: great wealth and widespread poverty, great expansion and deep depression, new opportunities, and greater standardization. Economic insecurity became a basic way of life as the depressions of the 1870s and 1890s put millions out of work or reduced pay. Those who remained in the industrial line of work experienced extremely dangerous working conditions, long hours, no compensation for injuries, no pensions, and low wages. But for a limited minority of workers, the industrial system established new forms of freedom. Skilled workers received high wages in industrial work and oversaw a great deal of the production process. Economic independence now required a technical skill rather than ownership of one's own shop and tools. It was labeled "progress" by its proponents, but those who worked the floor at the factory knew it came at a price (Engleman, 2016, para. 16).

For better or for worse, one can see that in a relatively short period of time, historically speaking, the day-to-day lives of people were drastically changed as the means of production shifted. Self-sufficiency was now the exception to the rule. An increased supply of capital, a major change in the supply and demand of goods, and the invention and implementation of technology laid the groundwork for the need for the discussion of financial literacy.

Financial literacy as a term and concept can be found in research as early as the beginning of the 20th century (Faulkner, 2015). Financial literacy seems to have been learned by example and passed down to the next generation (Faulkner, 2015; Hogarth &

Hilgert, 2002). The Federal Reserve has been conducting monthly Surveys of Consumers since the 1940s. At the beginning of 2000, questions were added to measure financial literacy. Among other things that the results of these surveys brought to light, was the fact that children overwhelmingly learned their financial knowledge and consumer habits primarily from their family and subsequently their peers. Sadly, another fact that surfaced was the enormous lack of financial literacy possessed by the survey participants (Hilgert, Hogarth, & Beverley, 2003).

In the beginning of the 2000s, the international bestseller, *Rich Dad Poor Dad: What the Rich Teach Their Kids About Money-That the Poor and the Middle Class Do Not!* hit the stands (Kiyosaki & Lechter, 2001). The book examined two different dads, the Poor Dad being the author's father and the Rich Dad being the father of the author's best friend. The five main concepts of the book were:

1. The poor and the middle-class work for money. The rich have money work for them.
2. It's not how much money you make that matters. It's how much money you keep.
3. Rich people acquire assets. The poor and middle class acquire liabilities that they think are assets.
4. Financial aptitude is what you do with money once you make it, how you keep people from taking it from you, how to keep it longer, and how you make money work hard for you.

5. The single most powerful asset we all have is our mind (Kiyosaki & Lechter, 2001).

This book had quite an impact, selling 32 million copies, being published in more than 51 languages covering more than 109 countries and having a place on the New York Times bestsellers list for over six years. Financial literacy was now becoming a hot topic of discussion and was identified as an area needing attention. An examination of spending habits of Americans revealed that a growing number of families were spending more than they earned. An even larger trend showed more and more families were living paycheck to paycheck. The federal government decided to step in. The national Money Smart Week program was developed in 2001. This was followed by the establishment of the Financial Literacy and Education Commission in 2003. This commission published "A National Strategy for Financial Literacy" in 2006. As of 2007, the National Council for Economic Education reported that 40 states in the United States had established standards and guidelines for personal finance. The economic crisis of 2008 made the issue of financial literacy crucial.

1. 43% of Americans were spending more than they earned consistently each year,
2. An estimated 70% of Americans were living paycheck-to-paycheck even before the 2008 recession,
3. Between 10% and 13% of households in the United States did not have a bank account,

4. In 2012, more than 70% of students graduating from 4-year colleges had student loans, averaging $29,400 per capita, with estimations for U.S. national student loan debt as large as $1 trillion (Faulkner, 2015, p. 9).

2.1 Progress in financial literacy education

Financial literacy education has made some progress. What follows is an investigation into developments in three key groups: high school students, college students, and women. **The first area that I am exploring is high school students.** The creation and implementation of high school programs has made an inroad on the acquisition of financial literacy skills. It appears however, that these courses are solely of the elective nature and not necessarily required. This approach seems to alienate those individuals from a lower economic background (Lerman, 2006).

College students are the second area of consideration. For a large majority of students, college is their first opportunity to manage their own funds. It is very often the first time that the student gets a credit card. Additionally, the vast majority of students graduate college with some or a significant student loan debt. Many colleges are taking the initiative to make students aware of the debt they are incurring. The financial aid office is often the conduit for this information. However, this system is by no means foolproof nor completely effective. Students surveyed are reporting that they mainly have gained their financial knowledge from their parents and or family (Cude, Lawrence, Lyons, Metzger, LeJeune, Marks, & Machtmes, 2006).

The third area of consideration regarding financial literacy focuses on women. Statistically, women live longer than men do. Studies showed that when women were widowed, they had much less awareness of their financial situation as well as its management than their husbands had. Women are also typically the caregiver and anchor of their families (Lusardi, 2019; Lusardi & Mitchell, 2011).

I will be examining the current literature on financial literacy to investigate what efforts are currently being undertaken to improve the situation. I will examine the efforts being made with **high school students, college students, and women** in the United States. Unfortunately, it seems that the current literature for all three of these populations operates with the assumption that money is available to be managed. There seems, however, to be a lack of information on any efforts being made with adults in the middle to lower income segments of the population. I will conclude by suggesting a program that I have created that can be implemented with individuals in these groups that also takes into account some of the other obstacles that are present, such as availability to attend a program and childcare.

There is evidence of efforts being made with all of the aforementioned groups. Perhaps high school students have been targeted because they are a captive audience. Education in the United States is a requirement. The exact parameters vary from state to state but financial literacy programs targeted at high school students are thought to have the greatest possibility of making an impact (Lusardi, Mitchell & Curto, 2010).

College students can also be considered a captive audience. The difference with this population from that of the high school students is that college students can determine the courses they wish to take. Unless college make a financial literacy course a core requirement, the impact will be markedly less (Furtuna, 2007).

Finally, women have resources available through career counselors, volunteer organizations, adult education classes, and faith based organizations to name but a few options. Women need to be self-motivated and have the time available to take advantage of these options (Jarecki, Taylor, & Hira, 2014).

2.2 High school students and college students

Because high school students and college students can be considered as captive audiences, I will take a combined look at their literature. I begin my discussion by looking at the Program for International Student Assessment (PISA). PISA was established in 2000 with 35 original countries participating (https://nces.ed.gov/surveys/pisa/). Its goal is to determine and compare the performance of 15-year-olds, approaching the end of their compulsory education, in the three major areas of mathematics, reading and science. Additionally, a few other areas that are deemed important and relevant are measured. One of these areas is that of financial literacy.

Since its inception, the pool of participants in PISA has grown from 35 countries to 70 countries. The assessments are given every three years. The financial literacy assessment measures how well fundamental concepts are understood. The most recent assessment was administered in 2015. The United States performance average was just slightly below the average of all participant countries, 487 compared to 489. Scores ranged from a high of 566 to a low of 393. Additionally, its performance average had declined four points from 2012. This report was not gender specific (Gonzales & Sen, 2017). This is important because it highlights the fact that the efforts being made at the high school level are having no measurable effect, based on the fact that the performance score had decreased from the prior assessment. If students do not understand the concepts, they are unable to utilize them.

Successfully utilizing financial literacy is not just a question of understanding the concepts and being able to manipulate the skills. As a reminder, these skills include but are not limited to **mortgages, credit cards, retirement investments, insurance, financial advice and savings** (Allgood & Walstad, 2016). It also requires an understanding of the long-term goals of the individual as well as what the effect of current spending and financial management might have on the future. It must also incorporate a component of commitment to these goals, i.e., an understanding and agreement to accept the impact of current actions and decisions on the financial future (Liu, Franklin, Shelor, Ozercan, Reuter, Ye, & Moriarty, 2011).

Especially in communities whose membership is comprised of low income and marginalized groups, the lack of opportunity to accumulate any savings is compounded by the lack of basic financial knowledge and skills. In a project called Count On Yourself that was tested in Hawaii, adults and students were each taught the basic components of numeracy (students) and financial literacy (adults). Numeracy relates to the basic mathematical functions such as addition, subtraction, multiplication, division and how those concepts can be applied to financial management. A critical component in this project was making the examples actual and relatable to the participants. Families that completed this project reported having a marked increase in feelings of empowerment and self-worth (Baron, 2015).

The Council for Economic Education (CEE) spearheads a movement directed at the success of young people as they take their place in society as consumers, savers, investors, citizens and participants in a global economy. One of the tools CEE uses to highlight the critical importance of a personal finance education is the Survey of the States. This is a biennial survey that takes place across the United States. Some of the issues brought to light by this survey are:

> Just as it was not possible to live in an industrialized society without print literacy—the ability to read and write, so it is not possible to live in today's world without being financially literate. To fully participate in society today, financial literacy is critical. (Lusardi, 2011 p. 1)
>
> Financial literacy is an essential tool for anyone who wants to be able to succeed in today's society, make sound financial decisions, and—ultimately—be a good citizen. (Lusardi, 2011 p. 2)

Sadly, the 2011 Survey of the States showed that only 22 states required a high school course in economics to be taken. Fourteen states required a course in personal finance to be offered. The number of states that required student testing in economics decreased by three. Finally, there was no change from the 2009 survey in the number of states that required a course in personal finance to be taken.

Financial literacy is a global issue. A survey was conducted in Indonesia in 2013.

The survey included approximately 8,000 people from 20 different provinces. These people came from diverse backgrounds with respect to their social, economic, and educational background. The survey sought to determine the level of financial literacy in this population with respect to the understanding and function of financial management.

> Financial Services Authority (FSA) in 2013 showed that the financial literacy levels of Indonesian society is still very low reaching only 21.84%. This means that out of 100 people of Indonesia, only about 21 people understand the meaning and function of financial literacy and financial management (Dwiastanti, 2015, p. 99).

While Indonesian economics differ from that of the United States, the elements of the survey were quite similar with respect to its composition and conclusions. **The survey further showed that financial literacy informed financial behavior and that this behavior was directly correlated to financial management and prosperity. The stronger the literacy and management of resources, the greater the degree of prosperity was enjoyed by the individual.**

> However, generally speaking, the results of this research show that to manage financial resources effectively in order to achieve the welfare of someone's life, individuals need a basic financial knowledge and skills in finance. Individual needs and increasingly complex financial products require an individual to have sufficient financial literacy. Having a mastery of knowledge and skills in finance enables individuals to understand and engage in national issues in the financial

> sector such as health care costs, taxes, investment and access to the financial system (Dwiastanti, 2015, p. 103).

The survey was conducted in order to try to identify ways to intervene and mitigate the nearly 79% of the Indonesian population that was unsuccessfully managing their resources (Dwiastanti, 2015).

2.3 Women

The next group to be examined is women. Studies show that there is a distinct difference in the amount of financial literacy possessed by men in contrast to women. Women in general, lag well behind their male counterparts.

> One striking feature of the empirical data on financial literacy is the large and persistent gender difference. Not only are older men generally more financially knowledgeable than older women, but similar patterns also show up among younger respondents as well (Lusardi & Mitchell, 2014, p. 17).

> Sex differences may be rational, with specialization of labor within the household leading married women to build up financial knowledge only late in life (close to widowhood) (Lusardi & Mitchell, 2014, p. 19).

It is clear from the discussion that a woman's intelligence and competency have no bearing on her ability to be financially literate. Rather, it appears to be a result of exposure to and familiarity with financial situations such as investments, insurance, and financial management in general.

Historically, women are expected to be the caregiver of the children in the family (Mason & Jensen, 1995; Merchant, 1990). If they are fulfilling this role on a fulltime basis, there is little opportunity for them to be outside of the house in the labor market. As the cost of living increases, many women have opted to work outside of the home in addition to being full-time home engineers.

If, however, women do not work outside of the home, not only are they not earning the actual dollars going to support the family, but equally as important, they are gaining zero exposure, little opportunity to gain expertise, and confidence in negotiating the realm of employment. If they are working as well as caring for the children and the home, in all likelihood they are employed in a lesser paying job, perhaps with little or no benefits, and may not feel the value for the effort they are expending (Anthes & Most, 2000). Women also tend to be victimized by earning a lower wage for the same job as men earn (Merchant, 1990). This implies that they are not as valuable or valued as their male counterpart is valued and/or that they live in a societal patriarchy. If women do not work outside of the home, or work only part-time, they have less opportunity to save and invest. They also have a significantly shorter time span in which to accumulate these funds (Lusardi & Mitchell, 2014). Furthermore, there is very little literature in existence on how to educate women in financial literacy.

> Many women find it more difficult than men to successfully manage their money and attain financial independence (Anthes & Most, 2000, p. 130).

> Women tend to be more anxious about their financial future and more uninformed about the ways to secure it, and they typically face more financial challenges than men (Anthes & Most, 2000, p. 130).

> However, a paucity of literature exists that focuses on the educational practices of financial literacy programs, and studies generally ignore the uniqueness of the populations being served (Jarecki, Taylor, & Hira, 2014, para. 4).

In a review of current financial literacy education programs specifically designed for women, several commonalities arose. The first commonality involved the empowerment of women. Empowerment was defined as helping women become able to control their finances as well as preparing them for future life events, such as helping children with postsecondary education and retirement. The second commonality involved providing women with the information and tools necessary for managing their finances. These tools included but were not limited to managing a budget, having a bank account, insurance, and investing in retirement.

Finally, consideration was given to the ways that women acquire knowledge. This included having a gender exclusive learning environment, having many opportunities for sharing and networking, and the building and nurturing of relationships. Active learning was also critical to the success of the programs (Belenky, Clinchy, Goldberger, & Tarule, 1986; Jarecki, Taylor, & Hira, 2014).

High school students, college students, and women are but three societal groups where efforts are being made to increase financial literacy. Next, I will examine what literature is saying about the importance of financial literacy.

2.4 Importance of financial literacy and how it is assessed

Historically, societal socialization, particularly in the area of social class in the United States delivers the message that individuals should be working and saving to buy a home, pay their bills, possibly provide for, or help their children obtain a secondary education, and finally, save for their retirement (Lusardi & Mitchell, 2014). However, times have changed. The current obstacle is that the cost of living to try to attain these goals has increased out of pace with the wages that are being earned (Stapleford, 2009). The cost of a secondary education has disproportionately increased with respect to the allocable funds in a family's budget (Stapleford, 2009). Funds that were being used for a down payment on a home and payment of a mortgage are now being used to pay back student loans. College graduates that were able to leave home upon graduation and support themselves are, in increasing numbers, remaining at home in order to service their student loan debt. This also affects their parents at a time in their lives when they would have been much more able to put money away towards their retirement and/or possibly downsize their current living situation. Now they are faced with continuing to contribute to the support of their children until they are financially able to make their own way (Maroto, 2017; Messineo & Wojtkiewicz, 2004).

The social class composition of our society is changing. There is a dwindling segment of the population that have some assets and are working toward making a secondary education possible for their children (Espenshade & Radford, 2009). There are also single parent families and families struggling to make ends meet and provide their families with the basic necessities such as food, clothing, and a safe place to live. These individuals may not think of financial literacy as a need because they do not feel they have any resources to manage. Society reinforces this assumption because nearly the entire number of programs designed to educate individuals about financial literacy and how to manage their money are predicated on the assumption that there is money available to save and invest (Lusardi, Michaud, & Mitchell, 2017). These programs are heavily male-oriented and there is a dearth of programs geared toward women with low income.

The Federal Reserve has taken an interest in the status of financial literacy in the United States. This comes as a result of information garnered from their periodic studies. In 2002, one such study was undertaken. Households were randomly chosen from across the United States until a database of one thousand respondents was established. Its goal was to review how the lack of financial literacy steadily is becoming more of an issue in our society. **It was noted that if people had a good working knowledge of making sound financial decisions and being able to manage their money, they would be increasing their own sense of self-worth, contributing to their own economic security, and helping to contribute to a more robust economy.** The study looked at how financial knowledge was acquired as well as how that knowledge was utilized.

Consumers were asked to take the survey. These consumers were randomly chosen, and the survey was administered via the telephone. Twenty-eight true and false questions were administered to the 1,000 participants in the survey. The questions were considered to be general knowledge questions and they were as follows;

Credit

1. Making payments late on your bills can make it more difficult to take out a loan. (True)
2. The finance charge on your credit card statement is what you pay to use credit. (True)
3. If you expect to carry a balance on your credit card, the APR is the most important thing to look at when comparing credit card offers. (True)
4. Your credit rating is not affected by how much you charge on your credit cards. (False)
5. Using extra money in a bank savings account to pay off high interest rate credit card debt is a good idea. (True)
6. If you are behind on debt payments and go to a credit counseling service, they can get the federal government to apply your income tax refund to pay off your debts. (False)
7. If your credit card is stolen and someone uses it before you report it missing, you are only responsible for $50.00, no matter how much they charge on it. (True)
8. Creditors are required to tell you the APR that you will pay when you get a loan. (True)
9. Your credit report includes employment data, your payment history, any inquiries made by creditors, and any public record information. (True)

10. If you have any negative information on your credit report, a credit repair agency can help you remove that information (False) (Hogarth & Hilgert, 2002, pp. 2-3).

Saving

11. With compound interest, you earn interest on your interest, as well as on your principal. (True)
12. All investment products bought at your bank are covered by FDIC insurance. (False)
13. Mutual funds pay a guaranteed rate of return. (False)
14. A stock mutual fund combines the money of many investors to buy a variety of stocks. (True)
15. Over the long term, stocks have the highest rate of return on money invested. (True)
16. If you buy certificates of deposit, savings bonds, or treasury bills, you can earn higher returns than on a savings account, with little or no added risk. (True)
17. The earlier you start saving for retirement, the more money you will have because the effects of compounding interest increase over time. (True)
18. Whole life insurance has a savings feature while term life insurance does not. (True)
19. If you have a savings account at a bank, you may have to pay taxes on the interest you earn (True) (Hogarth & Hilgert, 2002, p. 3).

Mortgage

20. If the interest rate on an adjustable-rate mortgage loan goes up, your monthly mortgage payments will also go up. (True)
21. You could save thousands of dollars in interest costs by choosing a 15-year rather than a 30-year mortgage. (True)
22. Repeatedly refinancing your home mortgage over a short period of time results in added fees and points that further increase your debt. (True)
23. When you use your home as collateral for a loan, there is no chance of losing your home (False) (Hogarth & Hilgert, 2002, p. 3).

General

24. You should have an emergency fund that covers two to six months of your expenses. (True)
25. Your bank will usually call to warn you if you write a check that would overdraw your account. (False)
26. Employers are responsible for providing the majority of funds that you will need for retirement. (False)
27. The cash value of a life insurance policy is the amount available if you surrender your life insurance policy while you are still alive. (True)
28. After signing a contract to buy a new car, you have three days to change your mind (False) (Hogarth & Hilgert, 2002, p. 3).

These questions covered basic knowledge of financial management as well as mortgages, credit, and savings. The average score on the survey was 67%. In general, the respondents had a relatively decent understanding of the concepts of credit and mortgages. However, their responses were not as strong in the area of savings and general knowledge. In a simple bi-variate framework, respondents who were more financially knowledgeable tended to be married, non-minority, middle aged, more highly educated, and have higher incomes (Hogarth & Hilgert, 2002).

Respondents were also asked what was the most important way that they came to acquire their financial knowledge. Overwhelmingly, friends and family and personal experiences were cited as the major sources for acquiring financial literacy.

High school or college courses = 5%

Training courses or seminars outside of school = 5%

Personal financial experiences = 50%

Friends and family = 22%

An employer = 5%

TV, radio, magazines, or newspapers = 11%

The Internet = 2% (Hogarth & Hilgert, 2002, p. 6).

Finally, it should be noted that financial literacy is not just a problem in the United States. In an overview of the status of financial literacy around the world, several patterns were found to be held in common. It was clear that in countries that had well-developed financial markets, financial literacy was more evident throughout the population. It also showed that the older segment of the population considered themselves to be well informed when in fact they were less informed than the average citizen was. Women ranked on the low end in terms of their financial literacy and were self-aware of this discrepancy. Not surprisingly, better-educated people were financially literate as well, although education in and of itself, was not the sole reason. Predictably, minorities such as Hispanics and African Americans, as well as individuals that lived in a rural setting lagged behind their counterparts significantly (Lusardi & Mitchell, 2011).

In the next chapter, I will discuss the methodology that I used in writing my dissertation.

Chapter 3: Methodology

I have chosen to write my dissertation using the style known as Scholarly Personal Narrative or SPN. It took a long time for me to come to this decision. When I first began my Master's program, Scholarly Personal Narrative was a relatively new concept. By the time I finished that degree and was accepted (finally) into the doctoral program, Scholarly Personal Narrative had gained the recognition and the respect that it is its due.

Writing a dissertation is a monumental task. It is intended to be the culmination of a doctoral student's quest for knowledge and preparation to go out into the world armed with scholarly skills, substantive knowledge in one's area of interest, and impressive credentials. Theoretically, one of the main objectives of the dissertation is to bring to light an area within the academy that has heretofore been unexplored or less explored and needs further attention. With a goal of such importance hanging in the balance, it is easy to understand the apprehension one faces if one has to write in a language style that is not comfortable. Perhaps that is why I euphemistically refer to my dissertation as "The Sword of Damocles"!

Sometimes, it is perceived that only academic writing really has any credence. Scholarly Personal Narrative takes a different approach. The creator, and a strong advocate of this style, Dr. Robert Nash, has made the excellent case that personal voice, as well as the story of the author, is just as important as the writing of the "traditional" dissertation.

> Scholarly personal narrative writing is the unabashed, up-front admission that your own life signifies. That is to say that your own life has meaning, both for you and for others. Your own life tells a story (or a series of stories) that, when narrated well, can deliver to your readers those delicious aha! moments of self and social insight that are all too rare in more conventional forms of research (Nash, 2019, p. 24).

I have always been very good at telling a story. I can remember making up stories for some of the children that I used to babysit. They would sit on my lap while I talked. I remember one father saying to me that as he watched his son listening to my story while he sat in my lap, that he could see the story playing out on the face of his child. He said that my words created so vivid a picture, that his son was living the story as he heard it.

Scholarly Personal Narrative has four basic elements in its composition. The first element is called “Pre-search”. This is the beginning of the narrative where the writer is getting used to his or her own voice. The writer is setting the stage in general for the topic that will be explored. The second element is referred to as “Me-search”. This is where the writer is telling the story through a personal lens and relating personal experiences that are relevant to the story and that reinforce and enhance the points that are being made. The third element is referred to as “Re-search”. As expected, this is an exploration of the articles that exist on the topic and that were used to inform the writer’s conclusions. The fourth and final element is referred to as “We-search”. This is the opportunity for the writer to show the relevance of their story and what implications it has to the larger story (Nash, 2019).

When I first started in the doctoral program, I struggled with finding my voice when writing. As the years progressed, I was no more comfortable with the academic tone that I felt was necessary for success. It was quite liberating to connect with Scholarly Personal Narrative and embrace it as a method for writing my dissertation. This was my Pre-search.

> A serious life, by definition, is a life one reflects on, a life one tries to make sense of and bear witness to. The age is characterized by a need to testify. Everywhere in the world women and men are rising up to tell their stories out of the now commonly held belief that one's own life signifies (Gornick, 2001; Nash, 2019, p.23).

Another major component of scholarly personal narrative is the life story that is being told. I recognize that every human being is important. However, what makes my particular story worth telling? Looking back at my life and thinking about the way I was raised, made me very grateful for my parents and the multitude of lessons they taught me and my brothers and sisters. For this dissertation, I chose to focus on the lessons regarding financial literacy. I would not be where I am today nor who I am today without those lessons. They were fundamental and instrumental in my development personally, professionally, and academically. Critical reflection also caused me to wonder how my parents had gained this knowledge. It caused me to look at their childhoods and circumstances that shaped their development, and in particular, their acquisition of financial literacy. This was my Me-search.

As is typical with any dissertation, research is a very important aspect. How financial literacy is taught or gained is not an easy answer to pin down. Scant references are made to courses that are available to different segments of the population. References are also made to courses that are taught in high school as well as efforts being made with college students. One of the things that my research made clear to me was the fact that there was an underlying assumption that people who were acquiring financial literacy had money that could be managed. A second point that became glaringly obvious was that no effort was being made to teach financial literacy to people of low economic status. Women, in particular, were of great concern to me. Single mothers tend to be ignored in discussions of financial literacy education. There was an abundance of articles directed toward the more affluent members of our society. They all seemed to agree that with greater and/or better financial literacy, these peoples' economic status would quickly and permanently improve. This was my Re-search.

I did not come from an affluent background. However, my brothers and sisters and I succeeded personally and financially because of the lessons we learned. **My hope for this dissertation and specifically the program that I developed is that they could be used as substantive tools of intervention for people in low economic situations.** By giving concrete, down to earth, examples of choices I had made and methods I had practiced, I hope to illustrate how possible it is to change your economic status. My program can be adapted to any underserved population, not just single mothers. This is my We-search.

In the next several chapters, I will explore how my father, my mother, and I acquired our financial literacy. I will also explore how that knowledge led to life choices and changes that made financial security and prosperity a reality.

Chapter 4: My father, his family, and his circumstances

In this section, I will share the story of my father, the circumstances he lived through, how they motivated him around finances, and the way he moved from poverty to economic self-sufficiency.

My father was a man named Erling Kristiansen. He was born in 1919 in a small village in the country of Denmark. He was the third of seven surviving children. He was born just after the end of World War I. His parents had a small farm that was the source of the family's survival. They grew their own vegetables, had chickens for eggs and meat, and had a few pigs and a few cows for milk and meat. I believe that if they were able to raise an extra pig, they would then have something to sell in exchange for money. Their farm was very small and in addition to raising food for the family, the land had to provide enough food for the animals.

My father's family was very poor. In fact, they were the poorest family in their village. One might wonder why they had so many children. It was a common saying at that time that the only thing that poor people were rich in were their children. Perhaps at that time, the survival rate of a poor child to adulthood was less than that of a child from wealthier circumstances that had enough to eat. I can remember my father telling us that one year for Christmas, he and his brothers and sisters got two oranges to split between them as a Christmas present.

When my father was eight years old, he and his older brother, who was twelve, were sent away from home to work on a neighboring farm. In exchange for the chores that they did before and after school, they were provided with room and board. They were sent away because my grandparents simply did not have enough food to feed all of the children.

The food that they were provided was porridge in the morning along with bread and milk. They also received a decent meal for supper, consisting of potatoes, assorted vegetables, and meat. Their "room" was sleeping in the barn in a bed of hay, next to the cows, in order to stay warm. This arrangement continued for the majority of their childhood and adolescence. They were allowed to visit their family from time to time.

When my grandparents' economic situation improved, my father and uncle were able to return home. This experience had a profound effect on my father. He resolved that if he ever had his own family and children, they would never experience what he had and they would never go to bed hungry, and we never did.

During the 1920s and until the beginning of World War II in 1939, Denmark, like much of the Western world, began to see a change in the economic climate (Alestalo & Kuhnle, 1986). Industrialization began to become more prominent and the individual farms that had been the main source of the economy began to become more modernized. Jobs were created in the field of agriculture due to the need for mass production of dairy products. No longer was milk being processed on individual farms to make butter and cheese to support the family. Now this milk was being gathered and mass processed in order to create cheese and butter for export as well as selling and distributing the processed milk to the general public.

This industrialization and urbanization created two major changes. Products that had previously been produced for personal consumption were now being produced for a larger market. Families, like my grandparents, were now selling what they had produced for personal consumption in exchange for money that could be used to buy goods that cost less than it would cost the families to produce themselves. It also created jobs. People like my grandfather, that had never worked other than on the farm, were now going out and earning money. Additionally, larger farms whose labor force had been compensated by simply providing room and board now had to pay for this labor. World War II temporarily halted this economic progression, and it was not until the end of the war that economic development improved in Denmark (Alestalo & Kuhnle, 1986).

My father fought in the Danish underground during World War II. When the war ended, my father went to Sweden to work for five years. He did not want to go back to working on a farm and felt that there were better opportunities in Sweden. He managed to save up enough money to be able to start his own business. He did not want to work for someone else anymore. Unemployment in Denmark was at a high level after World War II ended. He felt that by being his own boss, he would have a better chance of staying employed (Petersen, 2005).

He returned to Denmark in 1952 and he was preparing to establish his own business as a blacksmith, when he read that Canada was looking for laborers. Even though he did not speak English, he used the money he had saved for his blacksmith shop, bought a ticket, and sailed to Canada.

When my father came to Canada in 1952, he went to work on a farm in Ontario. He worked on this farm for six months and during this time, he learned to speak English. He was paid for his work as well as being provided room and board. However, working on a farm was not the future that my father had in mind for himself. After six months, he took the money that he had saved and traveled to the Yukon to work in the nickel mines.

Many Scandinavian immigrants at this time were flocking to the Yukon because the pay was so much better than working on a farm. My father did not work as a miner but instead was a welder for a mining company. He also drove the ambulance for the mine, which unfortunately, was used a lot.

After he had been in the Yukon for 22 months, he and another Danish expatriate decided to pool their resources and buy a farm in Quebec. It was their plan to raise pigs on this farm. Pork and its production were something that Danes knew very well. My father and his partner were very successful raising pigs and operating this farm. Pigs were much less of an investment than a dairy herd. They were much less labor intensive to raise than cows. I can remember my father telling us that a sow was pregnant for three months, three weeks and three days. A pregnant cow on the other hand, is approximately nine months. My father and his partner would be raising nearly three litters of pigs for every calf that could be born. Additionally, the hay fields were another source of revenue. The hay that was produced could be sold instead of being used for fodder if they had raised cows. My father was always thinking ahead and planning for a future goal.

While I think my father was partly satisfying a healthy curiosity about what lay beyond the horizon, I also believe he was learning many valuable lessons about finances along his journey. From his extremely poor childhood, he had pushed himself to find employment in now two foreign countries, learned a new language, and was financially independent and responsible for himself. He had learned that hard work and living within one's means allowed one to save for a future goal. This is one of the many lessons that he passed on to his children.

Chapter 5: My mother, her family, and her circumstances

In this section, I will share the story of my mother, the circumstances of her life, how they shaped her from a financial perspective, and the way she became the model for her children, the next generation. My mother had the advantage of having parents that were educated beyond the elementary level. My mother also had her father, my grandfather, as a role model for prospering and furthering his family's financial stability.

My mother was a woman named Gertrude Clavel Kristiansen. She was born in 1924 in Quebec, Canada. She was the second youngest of seven surviving children. My Canadian grandfather was in a better financial position than my Danish grandfather was.

My Canadian grandfather had gone out West along with several of his brothers to take advantage of opportunities in the early 1900s (Malciw, 2009). It was a time of expansion in Canada much like it was in the United States in the late 1800s and early 1900s. The Canadian government was promoting the agricultural benefits of the West, such as the climate and the rich soil, to increase migration and settlement of the vast western provinces.

> … the main goal of the Dominion of Canada and expansionists during the nineteenth century was to secure the West, and to do so required settlers. Of course, the fact remained that Canada's West had been largely unpopulated and was previously under the control of fur traders, such as the Hudson Bay Company, which gave Canada's West an image of being a vast wilderness. Almost overnight the western lands of Canada were transformed in travel literature, and, more importantly, promotional immigration literature, from forest

> and hinterlands to an agricultural paradise. Canada's main industry was agriculture, and as such, the West was envisioned as the new frontier. The older Provinces of Canada had become quite populated and new farmable land to settle was in shorter supply. It was therefore important to find a new agricultural frontier and new land to ensure that Canada's economic future did not stagnate. As mentioned, beginning in the late 1850s Canada's West began to take on an image distinct from the perceived distant wilderness of the fur trade era, and shifted to a fertile, climatically pristine area naturally suited to agriculture (Malciw, 2009 pp. 19-20).

My grandfather purchased several acres of land in Saskatchewan and raised wheat crops to sell. After a few years of doing this, he returned to Quebec to marry my grandmother. He brought her back to live in Saskatchewan but after a year, she could not stand the loneliness. They moved back to Quebec, but my grandfather continued to raise wheat. He would go out in the spring to plant and again in the fall to harvest. At this time in history, wheat was like gold, and he made a lot of money.

My grandfather was an entrepreneur. To defray the cost of travel back and forth, he purchased farm equipment such as tractors, plows, seeders, and harvesters at wholesale prices and sold them to the homesteaders in Saskatchewan at a profit. The farmers needed the machinery and were more inclined to buy from someone they knew and trusted. My grandfather was also an excellent judge of horseflesh and he purchased horses and sold them to the farmers for a profit as well. At this time in history, machines were literally using horsepower.

Both of my maternal grandparents had the advantage of a formal education. My grandfather was the only one in his family to go to college and he earned a four-year degree. My grandmother had earned a two-year degree, and this enabled her to teach school. She taught school for a number of years before she married my grandfather.

My grandfather was able to provide for his wife and children. They had been married for almost 13 years when my grandmother died. My grandfather could no longer make the biannual trips to Saskatchewan because he needed to take care of the seven children. He sold his land and instead became the postmaster for his town and the surrounding villages. He also delivered mail using a horse and buggy. He was even elected Mayor, as well as a member of the school board.

My mother was four when my grandmother died, and until my grandfather remarried, all of the children lived in a convent. Fortunately, this did not last too long, and all of the children returned home to be with their father and stepmother when my grandfather remarried.

My mother excelled in school and graduated at 11. She then went to college to become a teacher and graduated at 15. She tutored for a year because she was too young to get a teaching job. When she was 16, she petitioned the Canadian government for an age waiver to teach elementary school. This was granted and she started teaching when she was 16. She did this for two years.

During this time, she was earning an annual salary of $350.00. Even though she had to pay for room and board, she managed to save enough money to take a 3-month long business course. This full-time course trained its graduates in typing and shorthand, in French and English, as well as other managerial office skills.

She then got a job working in the office of a manufacturing concern. She upgraded her employment position two more times before landing a job with Bell Telephone. During her 10 ½-year tenure with them, she advanced her job to be a district representative with the company. She then moved to Montreal and started traveling throughout the province of Quebec teaching and training customer service representatives. She shared an apartment with a colleague and was able to be responsible for herself financially as well as save money in the bank.

My mother set an example for so many things. She showed us the importance of education, the value of having a goal, the importance of working and finding a way to achieve that goal, and that one does not stop once that goal is reached. New goals are only an imagination away.

Chapter 6: Growing Up

In this narrative, I will relate some of my early experiences that contributed to the development of my financial literacy. Without going into detail, my parents met in April of 1956 and were married in July of the same year. They originally settled in Quebec, Canada, but in the spring of 1957, they moved to Swanton, Vermont.

The main reason for the move was better job possibilities for my father. He was a welder, and he got a job at Vermont Structural Steel in Burlington, Vermont. The late 1950s and the early 1960s were a period of tremendous growth in Vermont (Klyza, Trombulak, & McKibben, 2015) as well as the rest of the United States. Steel was needed for bridges as the interstate system was being developed. Steel was also needed for multistory buildings that were being constructed to accommodate the rising industry.

When we lived in Swanton, we rented a house because my parents did not want to buy anything right away. They wanted to get a sense of what living in the United States was like and to see where the best place to settle would be. However, it was always a goal to own our own home.

After commuting from Swanton to Burlington for a little over a year, my parents decided to buy a house in Milton, Vermont. The commute was much shorter, and Milton had an extremely low tax rate, things that my parents considered before settling down. The money for the down payment came from the sale of telephone company stocks in which my mother had invested while she was working. We moved there in 1958.

My father continued his job at Vermont Structural Steel, and this alone would have allowed us to pay the mortgage and live comfortably. However, our family had now grown to five children. I was the oldest, followed by my twin brothers and then my two younger sisters. There are four years and four months between the oldest and the youngest. Needless to say, my mother had her hands full. My mother worked at home taking care of all of us and providing a safe and nurturing environment. My parents had a very large garden, and this provided our family with all of the vegetables we needed for a year. We were always very careful with our things. From as far back as I can remember, I needed to be careful with my things and my clothes because they would be passed down to my sisters.

Just existing was not what my parents had in mind. Therefore, my father was always taking on additional welding jobs whenever possible to earn extra money. He even bought wrecked cars, restored the cars, and sold them for extra money.

My father was also a very good judge of cows. I can remember one Saturday he came home in the middle of the morning and asked my mother to write a check to a local farmer. When she asked what the check was for, he replied that he was buying a cow. Even though we did not live on a farm, my mother never said a word and wrote the check. My father left and came back around two hours later and gave my mother a check. This check was for $100.00 more than the one my mother had written. My mother asked my father where this check came from. He replied that he had sold the cow he had bought from Farmer “A” to Farmer “B” on the other side of town.

I can also remember that we had three mature Northern Spy apple trees on our property. The first year that we lived there, my father picked the apples and the trees yielded 63 bushels. We had a little trailer that he would hook up to the car, pile all of us children in the back seat, fill the trailer with bushels of apples, and drive around to the neighboring towns to see if people wanted to buy some fresh apples. I think he sold each bushel for $5.00 and if they wanted to keep the bushel basket, it was an extra dollar. We enjoyed watching Daddy make the sale and we got a ride in the car as well.

Being the quintessential trader, as we got older, my father would scan the ads in the newspaper for farm equipment for sale. If he saw something that needed a little bit of work or was at a particularly good price, he would buy it and either fix it or hold onto it until he could sell it at a better price, which he always managed to do.

When I was a child, my parents were very open when it came to talking about money. I can remember when I was four years old. Once a week my father would empty his pockets of change. I would sort the coins into the different denominations, quarters, nickels, dimes, and pennies. I understood how these coins were related to each other, that is to say, that five pennies were a nickel, two nickels were a dime, and two dimes and a nickel were a quarter. Once I had sorted the change, I then took all the pennies to one side. My father asked me to divide the pennies so that each of us children would have the same amount. I proceeded to make five separate, equal piles. If there were pennies left over, my father asked me what I should do with them. I replied that it was not fair to give any one of us an extra penny if we all should have the same, so I gave the extras back to my father. These pennies went into a jar that each of us children had and when the jar was full, we would take them to the local grocery store and exchange them for cash. You may ask why we did not go to the bank, but at that time, there was no bank in our town.

I also remember another time in the winter when my father realized that his wallet had fallen out of his pocket when he got out of the car the night before. As luck would have it, it was right after he had cashed his weekly paycheck. I remember my mother, father, and me looking around in the snow all over our neighborhood to find the money that had blown away. Luckily, I think we found all but $20.00. That may not sound like a lot of money, but this was 1961 and it was worth a lot more then.

These examples show that from a very early age, my parents were showing us the value of money and of saving it. My parents taught us to be aware of money. They taught us about being creative, working for a goal, and always looking for possibilities.

Another series of examples relate to my parents' growing financial acumen and their efforts to provide financial stability for our family.

In 1962, my parents bought a piece of property and built our new home. I remember on weekends that my father would take my brothers and me to the build site. This was fun for us, and it gave my mother a bit of a break. He laid the foundation all by himself and while he was mixing cement and laying the blocks, my brothers and I played in the mountains of earth. The house took a little over six months to build.

We moved in on December 1, 1962. My youngest sister was just over a year old. I was five. I can remember my father saying that before my sister started school, our house would be paid for. My mother believed this as much as my father did but other people in town thought he was crazy. They could not see the possibility that a working man with a wife and five children would be able to accomplish this task.

I can remember my father coming home and taking my brothers and me, once a month, to go to the bank in Saint Albans, Vermont to pay the mortgage. It did not matter that we were barefoot, and it did not matter that he was black from head to toe with dirt from his work. What mattered was going into the bank and paying the mortgage and putting whatever extra on the principal we could spare. I remember asking my mother what principal, mortgage, and interest meant. My mother explained it so that a six-year-old could understand. I was aware of what borrowing and paying back a debt meant. My father told us many times about how important it was to pay off the mortgage. Once you owned the house he said, it could never be taken away from you. When my youngest sister started school, my parents owed $1.00 on our house.

Both of my parents had also lived through the depression, although not in the United States. My father had grown up in Denmark and my mother had grown up in Quebec. My father's childhood in particular had been very harsh. Because of his childhood, my father never wanted to owe money. With the exception of the land and our house, my father never borrowed money for anything.

It had always been a goal for my father to introduce his wife and children to his family in Denmark. This was the next major goal for which my parents saved once the mortgage had been paid. We saved for that trip for four years. 1970 was the year that was chosen. It was the last year that four of the five children could fly for half-price. I was 13, my brothers were 11, and my sisters were 10 and 9 respectively. This meant we had to purchase the equivalent of five full-price tickets. At that time, a round trip ticket was $288.00. This was from Montreal to Copenhagen. I can remember that the blackboard in the kitchen had “288 x 5 = 1,440” written on it for months. This was our goal. Our reward was the trip of a lifetime and meeting our Danish relatives for the first time. It was the best month of our lives.

My parents always saved up to purchase anything. My father earned the money, but he would not have been able to do any of this without my mother. She managed the money. She made sure that the bills were paid, and she wrote the checks. She also worked very hard at home. We had a large garden and my mother made bread all the time we lived at home. We brought our lunches to school, and we always had homemade bread for our sandwiches, apples from our trees and vegetables from our garden. My mother made seven loaves of bread twice a week. My father would do the grocery shopping. He would always buy things in bulk. Flour was in 25-pound bags, canned goods were in cases. Oh, how he would have loved Costco!

As far as meat was concerned, my father had learned how to be a butcher in Denmark. With another family who lived close by and had a farm, we raised pigs. We started out with five. Each family would have the meat from one and a half pigs and each family would sell a pig for extra money. True to form, my father was very economical when it came to feeding the pigs. He would get day-old bread from the stores and we older children would get the whey from the local creamery every day. The last month, the pigs would eat grain. Our pigs produced the best meat with hardly any fat and our meat was essentially free. This meant a lot to both of the families involved.

As you can imagine, we drank a lot of milk. This could have cost a small fortune. However, we got our milk directly from a farmer right out of the bulk tank. What we paid was substantially less than it would have cost at the store, and it was a much better product.

My parents showed us that taking the best possible care of your family was the most important thing that they would ever do. They let us be aware that doing this job well took hard work and cost money. Most importantly however, was that this should not be considered as a chore or as something impossible to achieve. It should be considered as an opportunity to be creative, to think outside of the box and to take pride in your accomplishments. They were inspired to give their children a richer childhood than their own and to be able to enjoy a retirement that was much more comfortable than their parents' was.

Chapter 7: From generation to generation, putting family lessons into practice

All of these lessons were ones that my parents not only taught us but practiced as well. We saw that hard work led to big rewards. We understood that quality and taking care of your family was important and valued. We understood that being economical about the use of money allowed us to save up for something we all wanted. What follows are several stories that illustrate how we, as children growing into adulthood, put into practice the financial lessons our parents had always modeled.

As small children, saving up for things and using coupons was something we learned from my mother. When we were little, if we wanted to buy candy, we needed to earn the money. In those days, soda and beer all came in glass bottles. Nothing came in cans. The bottles were redeemable for 2¢ per bottle. People were not very environmentally conscious in those days. When they were finished drinking, they just threw the bottle out of their car into the ditch. Therefore, in the summer, we children would walk along the side of the road and pick up the empty bottles. We would then take these to the store and redeem them for change. We split the change equally in five and then we could buy whatever candy we wanted.

There was one time when we had gone to play by the stream in the woods near our house. Some graduating seniors had had a party and left all of their soda bottles. I still remember that there were 27 of them. We were so excited! It was as though we had struck gold. We ran home, told our mother, and asked how we should get all of the bottles to the store. She suggested that we put them in our wagon. So, we hauled that wagon through the hayfield, down the hill, and to the stream. We piled up all the bottles in the wagon and then we sat my two sisters on top and my brothers and I pulled and pushed them home. We made 54¢ that afternoon. We each got to spend 10¢ and I brought the remaining 4¢ back home to my mother.

As I got older, I used the financial lessons in new ways. Personally, I liked bubble gum. I liked to chew it and I liked to pop it. However, one of the best things about the kind of gum I bought was the Bazooka Joe bubble gum comics. If you saved those comics, you could send them into the company with a dime or a quarter and buy things. To me, that was almost like getting something for free.

My name, Eileen, was not common in those days. I could never find anything with my name or my initial on it. However, I could from Bazooka Joe. I remember saving up for an ID bracelet as well as a necklace with my initial on it using comics and a little bit of change. They did have the option of saving only a few comics and sending in a larger amount of money, but I always chose the option of more comics and less cash.

These financial habits continued into my college days. Those comics I saved for years from my childhood came into new use. When I started at UVM in 1974, I needed a backpack. Lo and behold, Bazooka Joe offered a backpack as a prize, and I saved the comics and sent away for it. It was a very sturdy heavy canvas backpack, and it was blue. However, its main distinctive quality was that it had a piece of Bazooka Joe bubble gum pictured on it. I remember people looking at me strangely when I walked around campus with that backpack, but I did not care. At least I was not carrying my books in a paper bag.

I lived on campus my sophomore year at UVM. One of my best friends from that time gave me the nickname Bazooka Woman because of that silly backpack. She still calls me Bazooka and I still have the backpack although it is really worn.

We were all encouraged to work for our spending money. I started babysitting when I was eight years old. The going rate was $.50 an hour and $.75 an hour after midnight. My brothers and I also mowed lawns for $3.00 - $5.00 per hour. My brothers also had paper routes and my sisters babysat. This money was put into our individual savings accounts to be used for something we wanted in the future.

When I was thirteen, I needed a new winter coat. I wanted a maxi-length coat, which was in style at the time. My father said that they were silly, and he would only pay for a "real" winter coat. I wanted it so much that I said I would pay for it myself. My parents agreed and my father took me shopping. I found a beautiful dark wine-colored maxi coat for $30.00. That was a lot of babysitting, but it was absolutely worth it. The coat even had a zipper at knee-length so it could be worn as a shorter option. I felt like a princess in the coat, and I wore it until I outgrew it.

When I was in high school, there were several opportunities to raise money for our school. One opportunity was raising money for our French Club. If we went out and sold candy bars on behalf of the school, a portion of the purchase price would go back to our school. The companies involved would retain the other portion. They created incentives to motivate the students to sell their products.

In the case of the French Club and the candy bars, the first prize for selling the most candy bars was a transistor radio. I wanted to win the first prize. With my own radio, I could listen to the music I wanted to hear. As a result, I went house to house selling candy bars after school. I ended up selling over 12 dozen candy bars. The next person closest to me sold two dozen. I won the radio. I still have it although I no longer use it because it is only AM. I just could not bring myself to get rid of it.

Another opportunity was raising money for my senior class by selling magazine subscriptions. For every five subscriptions sold, the reward was a 1-pound Sugar Daddy candy bar. It was giant. I thought it would make a great Christmas present for every member in my family. Including me, that meant 7 candy bars and 35 subscriptions. Additionally, there was a little stuffed blue and white penguin that was the prize for 15 subscriptions. Now I had set a goal of 50 subscriptions for myself. I ended up selling 52 subscriptions and the next closest to me had sold 20.

High school had many creative earning opportunities. At that time, one could buy a punch card for a prize. I think these sales opportunities came from companies like Fingerhut. The cards had 50 punches on them. The cost to buy a punch was hidden under the tab. Prices ranged from five cents to one dollar. All of the punches totaled $40.00. One would buy the card from the company for the $40.00. Then one would recoup the cost of the card by selling the punches. Each card had a prize associated with it. Buying a punch gave you a chance to win the prize. When all of the punches had been sold and the winner determined, the card was returned to the company and the prize was sent to the winner. As a reward for selling this prize, the person that sold all of the punches also received the prize on the card. I bought two of these cards. One was for a 40-piece set of very nice glasses for entertaining. I gave these to my mother for Christmas. The other was for a 20-piece set of assorted glass casserole dishes. This also became a Christmas present for my mother.

My childhood has several instances when working to sell something provided a reward that was “free”. I was never afraid to work for something that I wanted.

I got this idea of buying things with coupons and saving up for things from my mother. When we were little, Quaker Oats use to put dishes in their boxes of rolled oats. It could be a bowl, a small plate, or a cup and saucer. The pattern was called Fortune and it was by a company called Homer Laughlin. This company is still in business and produced many patterns, among them Fiesta Ware. My mother ended up with a set of twelve cups and saucers. She also had some of the small plates and the bowls. I remember her saying to my father whether she needed a cup and saucer or she needed a bowl. When he would go shopping, he would squeeze the box and somehow, he always came home with what she wanted. You also could save the box tops and send away for serving bowls and platters or a sugar and creamer set. I still have those pieces today.

The concept of saving box tops, coupons and other bonus methods goes back very early in my childhood. It was something my mother embraced. I can recall getting S&H green stamps when we went shopping for groceries. We children were allowed to glue them into the savings books. Books were filled and redeemed for things you could get in the catalog. I remember getting our deluxe Radio Flyer red wagon with green stamps. I think I got my first suitcase as well as the lamp for my college dorm room with green stamps. If there was a way to get something that we wanted, rather than paying for it out right, we were encouraged to do that. Somehow having a goal and saving for it made the achievement that much more meaningful.

When I was starting off on my own, I needed dishes as well. Being my mother's daughter, I had seen an offer for Corning Ware French White cookware. They were an excellent quality and a very simple design. You could send away for these pieces by saving either the proof of purchase on Land O'Lakes butter or the Blue Bonnet picture on Blue Bonnet margarine. As my family went through a lot of butter and margarine, I had no trouble saving up the large number of proofs of purchase necessary. To this day, I have a huge collection of French White cookware that cost me next to nothing. These savings enabled me to use the money I earned for other things I needed.

There were many opportunities to save money. I also needed many other things for my new apartment. At that time, the local Grand Union stores had a promotion for pots and pans. Based on your register receipt totals, you could buy these pans at deeply discounted prices. A different pan or pot went on sale every week. By myself, I would not have been able to afford this cookware. However, my mother let me use our family's receipts. It took about two months, driving around to different Grand Unions to get every item available, but I was successful in the end, and my collection was complete at a fraction of the normal price.

Grocery stores were wonderful sources of things other than food. Shortly after the pot and pan promotion, a similar promotion for sheets and blankets went into effect. Again, I used my family's receipts to get linens for my new apartment.

One other such plan was related to pantyhose. In the 1970s and 1980s, women always wore pantyhose with a skirt or a dress. I hated to go to the store to buy them and I was always getting a run. I came across a mail order company that sold pantyhose. What made them attractive was their incentive plan. If one saved the label on each package of pantyhose, one could redeem these labels for different items. I saved my labels until I had enough to get a toaster oven for my apartment. That was 40 years ago, and I still use it today.

Finally, I needed silverware. My mother generously shared her collection of Betty Crocker coupons that were painstakingly cut from the boxes of different products. I sent all of these coupons to Betty Crocker and in return received a flatware service for eight.

Later in life, I took this one step further. When I turned 50, my mother offered me a cruise to Hawaii. I accepted her offer on two conditions. The first was that she would accompany me. The second was that I would pay for the airfare. I felt it was too much for her to pay for the airfare as well as the cruise. Now the question was, how do I come up with the money for the airfare? The answer was to get a part time job during the holiday season at Williams Sonoma. This job provided the additional income that paid for my airfare in full.

It also provided another excellent opportunity for me. I have a weakness for kitchen supplies. I had always wanted to have All Clad cookware. It is expensive, but an excellent quality. To that end, family and friends had given me gift certificates to Williams Sonoma over the years. Never having enough with just one certificate to buy what I wanted, I saved my certificates. Gift certificates do not expire. Another benefit of working for Williams Sonoma was the employee discount. It was a whopping 40%! As soon as I started working at Williams Sonoma, I started to peruse the cookware. I realized that it was more economical to purchase a collection rather than individual pieces. After much consideration, I settled on a 10-piece set that cost $1,100.00. To me that was a small fortune, but it was significantly less than buying the pieces individually. With my discount, this brought the total down to $660.00. I had managed to save $450.00 worth of gift certificates. I was able to buy the 10-piece set for $210.00 out-of-pocket, which came from my earnings at Williams Sonoma! On top of that, I got to order an extra piece and received two other pieces as a bonus. If I had gone and purchased all of this individually, I would have spent close to $2,000.00. However, that was not the way I had learned to do it.

There are several lessons to be learned from these stories. First of all, it is OK to dream and to want something. Dreams turn into goals. Secondly, if you have a goal, you need to figure out how you are going to achieve that goal. You need to think creatively and thinking outside of the box is encouraged. Next, hard work is a good thing if you value it and take pride in it. It can give you a real sense of satisfaction and accomplishment. Finally, saving for the unexpected is a good thing. You will be able to handle a surprise, good or bad, if you have something in reserve. The next collection of experiences will look at how these lessons shaped my financial decisions when I finished college and moved out to be on my own.

Chapter 8: On My Own

I recall when I bought my first home, a condominium, surprising the bank loan officer at the closing. I attended the closing by myself, and everything was explained to me. I was then asked to sign the lending documents. When I picked them up and started to read them, the loan officer was shocked. He asked me what I was doing. I replied that I was reading the documents because my mother and father had told me never to sign anything until I had read it thoroughly. He had to sit and wait while I read every page and then signed my name. This was the first time that I had ever borrowed money and it was a big deal.

I really wanted my own house, but I could not afford it on my salary. I could, however, afford this condominium with the financing package that was offered. In fact, I could not afford the typical 10% down payment. I could only afford 5%. Based on my salary, I could not borrow the entire amount at the going interest rate from the lender. Therefore, the bank was offering a second mortgage at a much lower interest rate. This interest rate was 4% instead of the prevailing 8.8%. One could only borrow a maximum of $20,000.00 and at the end of five years, it ballooned and became due in full. The bank's reasoning was that during those five years, the borrower's financial position would have changed for the better, whether through raises at work or by living less expensively through owning rather than renting. I refinanced three times before the five years was up and that $20,000.00 was long since repaid. I remember every time that I refinanced, I ran the numbers to see if it was beneficial to use points and how much the refinancing would actually save.

There was a couple in my condominium association who had purchased their condominium with the same financing as my original package. When I asked them how they were going to handle the balloon at the end of five years, they had no idea about what I was talking. I had to explain to them the agreement into which they had entered. They were shocked. They had no understanding of what they had signed. I helped them to refinance their condominium by explaining their mortgage terms to them and going with them when they went to the bank.

Even though I loved my condominium, I ultimately wanted a house. Although I had a decent job, it did not allow me to pay off the principal on my mortgage as quickly as I would have liked. Therefore, I took on part-time cleaning jobs. I could do this work after my regular job and everything I earned went directly to the principal. I was making some headway on my principal balance, but it still was not fast enough. Since I had a two-bedroom condominium and I lived by myself, I decided to get a roommate and rent out the second bedroom. This allowed me to only pay half of my utilities and everything that I earned from renting the room also went directly onto the principal. As a result, after 10 years when I sold my condominium, I had paid off $47,000.00 dollars on the $92,000.00 purchase price. My condominium had also appreciated in value, and I sold it for $125,000.00. This gave me a very large amount to put toward the purchase price of my house and thus reduce the amount that I had to borrow.

When I purchased my house, I also asked the loan originator at the bank to see if I qualified for a 15-year mortgage instead of the 30-year mortgage that was being offered. I recall her saying that based on my income, she would be surprised if I qualified. She told me she let out a whoop of excitement when the numbers turned out to be in my favor! That meant that the time on which I would be paying interest had been cut in half. After I bought my house, I still wanted to pay off my house sooner rather than later. I think I refinanced three times for a more advantageous interest rate before I owned the house outright. It took me 12 ½ years instead of 15 to accomplish this task.

I also recall that one of these refinancings was precipitated by my bank no longer carrying mortgages. My loan was to be transferred to some out-of-state entity that dealt solely in mortgages. I did not want anyone outside of Vermont to be holding a lien on my house, so I shopped the local banks and credit unions to find a decent rate. I found an even better rate than the one that I had at a local credit union. The difference was so significant that I contacted my sister, friends and work colleagues that I knew that had mortgages. I just wanted as many people as I knew to take advantage of this opportunity if they wished. I think ten other people besides me and my sister refinanced with this credit union. It made me feel so happy that I had helped other people.

The example that my parents set when they built our house and paid off the mortgage early was deeply imbedded in me. It shaped my desire to own instead of rent and to pay off my mortgage early. Seeing my father take on extra work and think of different ways to earn additional money was my inspiration for doing the same thing. The next collection or narratives relates to how I supported myself in order to attain my goals.

Chapter 9: Work, Education and Homeownership

Shortly after I graduated from UVM with my first Bachelor's degree, I decided that I wanted to go to Denmark with my father for a vacation. My father was born and brought up in Denmark and all of his family lived there. This was the first opportunity that I had to visit my relatives since our family vacation in 1970, eleven years prior. My father had retired from working on disability and had the time to visit for a month. I did not feel comfortable with him traveling alone.

I was working at UVM at the time. I was earning two weeks of paid vacation annually, but my starting salary was only $6,600.00 a year. There was very little extra for a vacation. At UVM, we had the option of not taking a vacation in a given year and carrying it over to the next year. I asked my boss if I could do that and told him the reason why. He agreed to let me do that and I chose to take my vacation at a time in the school year that would be of the least impact on the office. As my father was completely flexible, he was fine with this agreement.

Now came the problem of how to pay for the ticket. At that time, I used to get a soda from the vending machine every day. I decided that I would purchase the soda with a dollar bill and every night put the change from my wallet into a jar. This would cover the cost of my plane ticket, or so I hoped. It only took four months, but by saving my change every day, I was able to purchase the plane ticket without borrowing money from anyone.

Later in life, the concept of traveling wisely had become my modus operandi. In 1985, I had the opportunity to move to Denmark. I wanted to learn to speak Danish and get to know my Danish relatives. A one-year stay turned into four years and in 1989, I decided to move back to Vermont. However, I felt this transition offered the perfect opportunity to visit everything in Europe that I had always wanted to see. I convinced a friend in Vermont to go on this odyssey with me. After much research, we each purchased a copy of Frommer's *Europe on $30.00 a Day*. We also bought an unlimited travel Eurail Pass. This pass cost us about $300.00 and gave us unlimited travel throughout continental Europe for one month. This was significantly less expensive than flying or driving. It was much more efficient, and it allowed us to see parts of the country we never would have seen from a plane or a car. The Frommer's guide provided us with the contact information that made it possible for us to stay in bed and breakfasts or safe, inexpensive hotels. We each had a large backpack that carried our essentials and changes of clothes. At different locations during the trip, we were able to do laundry. We were very selective about eating in restaurants. We took advantage of the breakfasts where we stayed, and shopped in grocery stores for our lunches. I do not think either one of us spent over $750.00 on this trip. We visited eleven countries and it was one of the best months of my life.

One thing I always considered when looking for employment was the fringe benefits offered in addition to the salary. I felt it was very important to consider the entire picture. Sometimes it made more sense to accept less in the form of salary if out-of-pocket expenses were going to be paid for by the employer. I always made sure that my insurance for health and dental was covered 100% by my employer, if at all possible. In addition, I made certain that the coverage was good. Unexpected health emergencies and dental emergencies can quickly bankrupt a person or a family. My parents always stressed the importance of health coverage. They felt strongly that to be without health insurance, was just a disaster waiting to happen. Additionally, I considered if the employer could contribute toward my retirement. It is not something that 20-year-olds typically think about, but my parents had always made us aware of planning and planning for your future.

Something else that was important for me was education. When I got my first Bachelor's degree from UVM, I graduated without any debt. My brothers and sisters and I had qualified for grant financial aid, and I had earned scholarships. In addition, I always had a work/study job or some other part-time job to pay for the unmet need. I certainly acknowledge that the cost of education is different now than it was when I was earning my degree, but so were the salaries and proportionally, it is not so very different.

My first degree was in education, but I ended up working in the financial world. Lacking any credentials, I decided to get a second degree in accounting. I remember going to UVM, Champlain College, and Trinity College to see what my options were. UVM would require me to go to school for 60 extra credits just to get an additional Bachelor's degree. Champlain College would only require 45 credits, but their degree would only be an Associate's. Trinity College would require 30 credits of core courses and with my experience considered, they would award me a Bachelor's degree. They were also the best option for going to school part-time. I was still working full-time and did not even consider quitting my job to finish my education.

I was now working for the Vermont Student Assistance Corporation, and they offered tuition remission as a benefit. They would cover a three-credit class every semester. As I had 10 classes to take, this would take me a little over three years if I took a class in the summer. This is what I chose to do, and I was able to earn my second Bachelor's degree without incurring any debt.

I have used the tuition remission benefit as much as possible for subsequent degrees. It was one of the reasons that I chose to come back to work at UVM later in my career. On paper, I took a $10,000.00 per year pay cut to return to working at UVM. However, the contributions that UVM made to my retirement, the full coverage of medical and dental insurance, and the opportunity of free tuition outweighed the loss in pay. I also felt that in a relatively short period of time, my salary would get back up to what it was before I returned to UVM.

Working at UVM allowed me to earn a Master's degree and graduate with zero debt. It also allowed me to earn a Doctorate (if this dissertation is successful), again without any debt. Somehow, it makes me doubly appreciative of my academic achievement to know that I have been able to do it without going into debt.

Another thing that I learned from both of my parents was to do whatever I could by and for myself instead of hiring someone to do it for me. I love to refer to this concept as sweat equity. Almost everything I own has a measure of sweat equity in it.

When I graduated from college the first time, I needed to move out of my parents' house and get my own apartment. I could certainly have stayed living there, but once I was no longer in school and employed, my parents felt I should pay rent. I agreed that this was a very fair expectation. However, if I was going to pay for my living situation, I wanted complete autonomy. I looked around and found an apartment in a neighboring town that I could afford based on my salary.

Now I was faced with having to furnish the apartment. I did not want to incur debt by going out and buying furniture. We had some used pieces of furniture in our basement. They were old and in various states of disrepair. I asked my parents if I could have them. They said that I was welcome to borrow them and could fix them up however I wanted. They were not given to me outright because in a few years, one of my brothers or sisters might find themselves in the same situation as me and want to use the furniture. It was assumed that by that time, I would be in a better financial position and could buy my own piece of furniture if necessary. I was perfectly happy with this arrangement.

I learned how to repair and refinish furniture. I was able to salvage a single bed, an oak desk and an oak desk chair, a sewing machine in its cabinet, and a rocking chair. I fixed what was broken, stripped what was old, and refinished each piece. I still needed a few other pieces and I poured through the want ads in the newspaper looking for used furniture. I was able to get an oak dresser from a neighbor for $15.00 and a dining room table and six chairs, as well as another dresser, all for $75.00 from the newspaper. All of these pieces needed to be stripped and refinished and for a period of time, my parents' garage became a furniture factory.

I still needed a sofa. I was unable to find anything that I liked and that I could afford in used condition. My father was still working as a welder at this time. His employer would get huge parts shipped to their place of business on wooden pallets. My father would bring these pallets home so that we could split them apart and use them for heat in our wood stove. This was using something that would have been thrown away that we could use in our home without having to buy wood.

I asked my father if I could use these pallets as a source of wood in order to build the sofa. He said that I was welcome to them. I constructed a very simple sofa from the salvaged wood from these pallets. I painted the sofa black. My mother had kept some foam cushion inserts when she had gotten new cushions for one of our sofas. I purchased some material and sewed cushions to cover these foam inserts. Voila! I had a sofa. This served me well for a few years until I was able to buy a real sofa. I even used these pallets to build a loft. I used this loft in my first apartment as storage on the sleeping platform and as a closet underneath for hanging clothes. Furniture made from pallets is a “thing” these days. I was way ahead of my time!

My next apartment was a two-bedroom located in Burlington. I got a roommate to split expenses. There were some old, discarded pieces of furniture in the basement and the landlord said I could have them. I inherited a maple desk and a parquet table. They subsequently were repaired, stripped, and refinished. I have them to this day.

When I finally bought my house, some 20 years ago, it was the culmination of doing things for myself that I had learned from my parents. Before I moved in, and while the house was completely empty, I had the ceilings and the walls in the whole house painted. While I was capable of this type of work myself, I did not have the time to do it all before I would have to move in. I looked around and was able to find someone who could do the entire house in just a few days' time. I also had all of the hardwood floors refinished before I moved in. All of this was done in a two-week time period.

I then moved in, and my basement became furniture-refinishing central. I restored and refinished a seven-piece bedroom set. I restored and refinished an upright piano, two Adirondack chairs, two tables, a beverage cart, an end table, a sofa, a chair, a love seat, two more dining tables, a futon, another desk, and I reconfigured two floor-to-ceiling bookcases into a built-in hutch with solid and glass doors. All of this took about a year's time, and I worked on it when I came home in the evenings and on weekends.

I also redid the two and ½ bathrooms in the house. I laid the tile floor in two of the bathrooms myself. I refinished all of the cabinets in the kitchen. I wallpapered in the kitchen, in all three bathrooms, in the family room, in the den, and in the upstairs hallway. I saved myself thousands of dollars by doing the work myself. I was able to buy quality material and invest my sweat equity. The pride and satisfaction I feel when I look around my house is immeasurable.

In addition to the afore-mentioned accomplishments related to my house, I replaced the floor in the kitchen. The existing floor was ceramic tile that had chips and cracks and grout that could not be cleaned. I had to tear this out, as well as the subfloor underneath it, that had been laid over the vinyl tiles that were originally installed when the house was built in 1959. The new floor I put in was a floating floor made out of laminated hardwood. This tied in with the original hardwood floors that were already installed throughout the house.

When I moved in, my existing front porch consisted of a cement slab that had a crack separating the slab into two pieces. It was an open porch with wrought iron railings. Within the first month of moving into the house, my friend and I tore out the foundation and cement slab. This entailed my friend using a jackhammer and me hauling all the debris to be disposed of into the 10-yard dumpster I had rented. I recall coming home on the Friday that the dumpster was delivered. My neighbors across the street were a retired couple. They became like second parents to me. The husband was doing some yard work in the front of his house and when I came home, he stopped, leaned on his shovel and said "Eileen, what are you up to?" I told him that I was going to take out this porch and build a new one out of pressure treated lumber. I told him I was going to do that within the next week. I had to work fast because it was October and I needed to be finished before cold weather set in. He later told me that he thought I would not be finished until sometime in the spring. By the following week, the dumpster was gone, and the new porch was in place. He could not understand how I could work so quickly.

Over the next few years, it became clear that I should close in that open porch. Doing so would drastically mitigate the cold air that came into the house when I opened the front door. My friend helped me with the construction of that porch. Although I did have to buy brand-new windows and a new door, all of the rest of the porch was constructed with leftover materials that I had accumulated over the past few years. The porch even got a laminated floor that did not cost anything additional. I did all of the painting myself and the difference that it made from a heating perspective, as well as esthetically, was tremendous.

When I purchased my house, it had two decks, one on the back of the house, and one on the side. The decks were connected outside and were accessed through a sliding door on the side of the house. I had a visit from an old roommate and her husband. (This was my roommate from my condominium days) Her husband remarked how nice it was to sit on the back deck and enjoy the yard, drinking a cup of coffee. However, he thought it was a bit of a nuisance to have to take such a circuitous path to the back deck. He remarked, “Wouldn’t it be nice to just be able to walk out onto the back deck?” I thought about what he said and realized that he was right.

Since I was going to move the sliding door to the back of the house and move the two windows on the back of the house to the side of the house, I thought I might as well make a 14’x12’, three-season porch on the back deck. It was a huge deck and I hate mosquitoes. Again, I did a lot of the construction myself with help from friends. I did hire someone to do the roof and the siding. It was the same contractor that had given me a new roof a few years earlier. I purchased new windows and new doors as I wanted to maximize as much of the scenery as possible. All of the painting and final additions were my department. The initial phase was completed, and the porch was immediately usable. However, there was furniture to refinish to decorate the space. I also installed the blinds, and my friend and I made all of the valances for all of the windows. A few years later, I upgraded the floor with laminate. I waited until I could afford it and it was on sale.

When I first bought my house, one of my top priorities was replacing the windows. The current windows were original to the house. Although they were the top of the line when the house was built, that was 40 years ago. They were single pane and had aluminum combination storm windows. They were filthy when I moved in and it took a friend of mine and me working nonstop for 7 ½ hours to wash all of the windows, inside and out. I swore I would never have to do that again.

I looked around and did a lot of research. I finally decided on a very efficient double pane, double hung, Low E glass that was extremely energy efficient. I had a total of 23 windows to replace. My neighbors across the street had replaced the same number of windows four years earlier. They had had the work done for them and the total bill was $14,000.00. I was determined that my windows would be a lot less expensive. I happened to mention to my neighbor next door that I was going to replace all of my windows. She too, was interested in replacing some windows in her home. I suggested that we purchase the windows together to get the best possible deal. She thought this was a wonderful idea.

I settled on a local building supply store as the vendor for my windows. They could order directly from the manufacturer. Furthermore, they were able to come and measure every single window and special order the correct size. These new windows were vinyl clad and could be cleaned from the inside of the house, washing both the inside and the outside. I also mentioned that I wanted to install them myself. The sales representative said that the factory representative was going to be coming in for a demonstration. He asked if I wanted to meet the representative and learn how to install the windows myself. I thought this was a wonderful idea and set up the appointment.

When I met with the representative, he explained how the windows were constructed and how they should be maintained. He then explained how they should be installed. When he finished, he asked if I understood. I replied, "yes, but I want you to go through it one more time so I'm certain I understand". He was very amenable and went through the procedure again. When he finished, he said the first window would probably take about 2 hours. The second window would only take an hour, and the rest would average less than half an hour apiece. I took his words to heart. He was exactly right.

Another friend helped me install these windows. It took us two Saturdays working full time. I paid him for his time, and I paid for the windows, and the entire bill came to $3,500.00. I had saved myself over $10,000.00 because I chose to learn how to do the work and to do it myself. I cannot explain the pride and satisfaction I feel every time I look at or wash my windows. Not only did this improve the heat efficiency of my home, but also it improved the resale value, and I was also able to take a deduction on my income taxes due to energy efficiency improvements.

Another major project that I had scheduled on my "to do" list was replacing the roof. Again, I shopped around for contractors, and I went to the annual home show to see the products that were available. I ended up deciding on a contractor that was 1/3 of the price of two other bids. His references were excellent and the shingles that he used were the exact same brand as the other quotes. I asked why his bid was so much more competitive. He replied that he did not maintain a showroom and an office as some of his competitors did. He saw this as a way to eliminate overhead and he focused on setting his schedule for the entire season with the contacts he made at the home show. This made perfect sense to me, and I save myself 2/3 of the cost from any other contractor. It has been 20 years and the roof still looks like the day it was installed.

I am not providing this information just to show how proud I am of my accomplishments. Rather, this goes back to the lessons that I have learned from my parents and from the examples that they set. My father and mother paid off the mortgage on our house within five years of borrowing the money. Repeatedly, they used ingenuity and hard work to provide a safe and thriving environment for their children and themselves. I practiced the same lessons that I learned as a child, when I owned my own home. Although times are much different now from when I was a child, the principles still apply. As a result, by working extra jobs and disciplining my spending habits, my home was paid for in full within 15 years of its purchase.

I also think about the lessons I learned from my parents in financial management. The credit card industry thrives in the United States. It first really came into practice in the 1960's. I remember my father talking about people with whom he worked that were all getting credit cards. They told my father that this was a fantastic opportunity. You could borrow money or buy things and only have to pay it back at the rate of $10.00 a month. My father instinctively knew that there was a catch somewhere. That catch was the interest. What his coworkers said was true. However, they did not read the fine print and understand that interest was being added to the outstanding balance. These interest rates were at a very high percentage. Consequently, many of my father's coworkers ended up going bankrupt or losing their homes because they did not understand how to control their spending and use a credit card properly.

We had been brought up never to borrow money unless it was absolutely necessary. We were told to earn the money and save it in order to buy whatever we wanted. That way it could never be taken away from us.

When I graduated from college at 20, I wanted to get a credit card. I contacted the bank and they said I would have to have someone cosign for me because I had no established credit history. I went to my father and asked him to co-sign, and he refused. He said credit cards were evil and I did not need it.

As per usual, I had done some research before talking to my father. I told him that if I got a credit card, I could buy something for which I had already saved up the money. The credit card would buy me a 30-45-day float before having to pay for my purchase. During this interim, my money would be earning interest in my savings account. Therefore, credit cards were allowing me to make extra money. My father did not think that I could control myself when it came to purchasing. It was not because of me personally; rather it was because of how he had seen other people damaged by the use of credit cards. My father did not end up co-signing for me, but I managed to convince the bank to give me a credit card on my own with a credit limit of $250.00.

I successfully managed my credit card the way I had always intended. My brothers and sisters manage their credit cards the same way. I now have credit cards that give me cash back, in essence paying me to use them. I do not think I ever could have convinced my father to use a credit card, but I am certainly glad that I figured out how to use the system safely and to my advantage.

My home has a very long driveway. It is 72 feet long. It is constructed in such a way that it cannot be plowed because there is no place to push the snow. I needed a snow blower but those are expensive machines. The first winter I shoveled. I then stumbled onto an opportunity to housesit and babysit for a couple that would be gone for a week. I took the opportunity to watch their house and their two children and in exchange, I received $600.00. This was enough to buy a really good snow blower and from the second winter on, I have used that machine. It would have been nice to have had it the first winter, but I was not going to borrow money to buy it and the shoveling was not going to kill me.

One of the things we had been taught growing up was to be careful and not spend money on things we did not need. One of those things we did not need was collision insurance. Neither my parents nor any of my brothers and sisters nor I have ever paid for collision insurance on our cars. We were told to drive carefully and defensively. We always had excellent liability insurance on our cars. However, we all usually bought used cars. We had analyzed the situation and concluded that the small amount of money that we would get from an insurance company to fix our car from an accident that was our fault did not justify paying an annual premium for this coverage. We also knew many people who did body work less expensively than any dealer would have. I think each of us may have had one accident in all of our driving careers, if that. The money we saved from not paying for collision coverage was quite substantial indeed.

Reaching the age of driving a car alone became another teachable moment for my parents. Having five children that all wanted to drive, could have cost my parents a small fortune in insurance alone. At that time, my parents could add a driver to their policy for very little money. They did this happily because they were then free from having to drive us children around and from running errands. However, this meant that we must use the two family vehicles. If we wanted to drive some place for ourselves, we could use the family car, but we had to pay for our own gas. This made us appreciate what things cost. If we wanted to have our own car, that was also allowed. However, we had to pay for the car ourselves, as well as the additional insurance. My parents offered to add us to their policy instead of us each getting our own policy, as this was much less expensive. My mother also read their policy and discovered that we could all get discounts because we were good students academically.

I did have one accident shortly after graduating from college. I was not paying attention as I should have been and hit the car in front of me while driving in town. My insurance covered the minor damage to the other vehicle, but it did not cover my car. I had to pay for these repairs myself.

Fortunately for me, I also had a motorcycle at the time. My car could sit unrepaired until I had saved up the money to have it fixed. I used my motorcycle for transportation to and from work. The problem was that my job at UVM paid very little. It was my first serious job out of college. The benefits such as health and dental coverage were excellent. However, my starting salary my first year was $6,600.00 annually. This covered my rent, utilities, and food, but it did not leave much else to be saved.

Therefore, I got a second full-time job at an answering service, working from 4:00 PM to 11:00 PM, Wednesday through Sunday. The business was literally less than 5 minutes from UVM. Three days a week, I would go directly from my job at UVM to the answering service job. Weekends, I worked at the answering service. The schedule was rather brutal, but I kept up working 7 days and 80 hours a week for five months. During that time, I saved up the all the money I needed for the car repair as well as a little extra as a cushion for emergencies. I was fortunate that the timing of this was late spring to early fall, otherwise motorcycle riding would have been very cold. Needless to say, I was a lot more careful when I was driving.

Part of the lessons I learned about always reading a document before I signed it was thoroughly understanding the financial ramifications of any monetary transaction. When I was studying accounting while working on my second Bachelor's degree, we covered the subject of mortgages and interest. I had always been told that paying off a mortgage, or any other interest-bearing debt for that matter, before its time, resulted in substantial savings to the individual. I had also heard that if you paid off the mortgage in the agreed upon time period, then you would essentially be paying more than twice the face value of the borrowed amount.

I had a hard time believing the math involved. Fortunately for me, my textbook had pages and pages of charts that showed how much principal and how much interest was being paid based on the interest rate and the principal borrowed. Even I did not check every single transaction. However, I spent about an hour spot-checking different scenarios in this table. It may seem tedious, and perhaps ridiculous, but it convinced me how the math worked and how important it was to pay a debt back as quickly as possible. This is why I took extra jobs and made extra payments as often as I could on the principal of my mortgage. This is why I own my house free and clear today.

Another example of my saving is my historic collection of coffee cards. I started collecting these cards when I returned to UVM in 2001. At that time, I was working in the Waterman Building and every day I would go to the Café for a cup of coffee. I should mention that I brought my own refillable cup because right off the bat, that saved 10%. The Café also gave you a card that would be stamped each time you made a purchase. When you had filled the card with five purchases, you could then redeem the card for a free cup of coffee. I always bought my coffee and got a stamp on my card. When the card was filled, I saved it to use in the future. Sometimes I redeemed the card and sometimes I saved it. This became a habit and after over ten years, I had amassed 300 full coffee cards.

Unfortunately, due to circumstances beyond my control, my job ended at UVM in 2014. I never had a chance to use those coffee cards, but I could not bring myself to throw them away. Fortunately, I was able to get another job at UVM in the Department of Animal and Veterinary Sciences. This is located in the Terrill Building, which is right next to the Davis Center. It took me eleven months to get a job back at UVM and I had been watching my money very carefully during that time.

Upon returning to campus, I resumed my daily habit of going with my refillable cup to get my morning coffee, this time to the Davis Center. It occurred to me that I still had all those unused coffee cards. I inquired if they had such a system at the Davis Center. I was told they did not. I asked if I could use my coffee cards that I had and I was initially told no. I was not surprised by this answer, but I thought it was worth pursuing a little bit more. Therefore, I contacted the main office of Sodexo and asked if they would consider accommodating my request because I felt Sodexo was Sodexo on the UVM campus and it should not matter which outlet I had used. Sodexo was kind enough to accept my argument and allow me to use my coffee cards at the Davis Center. The long and the short of it is, I had free coffee for the next fourteen months. This amounted to a savings for me of almost $550.00. I was extremely grateful that I was able to use my cards to their maximum benefit. However, realizing how much I had spent on coffee over the years, I brought a small coffee maker that I had at home and for the rest of my time at UVM, I made my coffee every day in my office.

A lot of my life has been covered in the preceding narratives. What is common throughout all of these instances is the echo of all of the lessons my parents taught their children. They taught us to dream, have goals, be creative and resourceful, and not to be afraid of hard work. They exemplified the pride and satisfaction of a job well done. Most importantly, they taught us to be critical thinkers and have our money work for us, not to work for the sake of money.

The next chapter deals with a program that I created for teaching financial literacy. I initially created it with underserved women in mind. However, based on the research I have done and the data I have reviewed, I truly feel that this program can be adapted for any population that needs help in attaining financial literacy.

Chapter 10: Program Design

Why is financial literacy so important? Financial literacy is important because it gives an individual the ability not only to function, but also to thrive in their life and the lives of their family, as well as to contribute to the larger society. If you know how to manage your finances, then you have the ability not only to be responsible for yourself, but also to save toward a goal that may improve your situation or satisfy your desire for something you want.

For example, if you are currently renting the place where you live, and you can manage your finances so that you can save for a down payment, then you can realize your dream of owning your own home. If you know how to manage a credit card and be responsible for your debt, you can use this tool to improve your financial situation.

A factor that is not always considered when discussing financial literacy is the sense of self-esteem and self-worth that a person gets from successfully managing their money. Not only do you get a sense of self-esteem and self-worth, but it can also feel empowering. If you are a parent, this success sets a positive and generative example for your children who are the future generations of our society. Passing along these important lessons helps children both as individuals, and as the future members of the next generation. What follows is a program that I proposed as a starting point in bringing financial literacy to underserved members of our society.

How to Manage Your Money

Programming Project Description

I am choosing to start with women in the low economic, underserved population.

I feel that there is a critical need in our community to **help women that are the sole financial support for their family. These women may be high school graduates or not, they may be recently widowed, young single mothers, and/or immigrants or refugees that are newly arrived to our country and community.**

I want to show these women that they can be in control of their financial situation and future. I want to show them how to manage their finances and plan for a future for themselves and their children.

The *Learning to Listen, Learning to Teach* (Vella, 2002) and *Women's Ways of Knowing* (Belenky, Clinchy, Goldberger, & Tarule, 1986) texts are the tools that I intend to use to shape my program. I envision a six-to-eight-week course to teach the information to the participants. A fairly comprehensive assessment would be done prior to the first class to help determine how best to present the content. Following the assessment, individual sessions would then be held with each participant to ensure confidentiality of her personal finances and help in deciding how to set up a meaningful budget.

Introduction

My program is designed with the goal of empowering women that are single parents to have control of their financial situation. The workshops and one-on-one meetings will enable these women to understand their finances and enable them to manage their own situation in order to plan for the future of their family. The design of my program uses the theories found in *Learning to Listen, Learning to Teach* (Vella,

2002) and *Planning Programs for Adult Learners: A practical guide for educators, trainers and staff developers* (Caffarella, 2002).

Program Design

My program is created using the seven steps of program design (Vella, 2002), the twelve principles for effective adult learning (Vella, 2002), and evaluation and key concepts about successful programs for adult learners (Caffarella, 2002). What follows is a detailed description of these seven steps and twelve principles and how they are utilized in my program.

<u>The Seven Steps of Program Design</u>

Who: Eight single mothers from the Burlington community.

Why: These women have responded to a survey and expressed a desire to learn how to manage their money.

When: Wednesday evenings from 6:30pm – 8:00pm for five weeks.

Where: Sara Holbrook Center

What: Successful completion of the program will be determined by demonstration of an understanding of the individual's own source(s) of income and expenses.

What for: Participants will develop a budget plan for the next six months.

How: A survey questionnaire, program materials, evaluation and subsequent follow-up with participants will enable successful implementation of the program.

The Twelve Principles for Effective Adult Learning

According to Caffarella, the twelve principles for effective adult learning are **safety; respect; immediacy; sound relationships; sequence of content and reinforcement; praxis; ideas, feeling and actions; immediacy; clear roles; teamwork; engagement; and accountability** (Caffarella, 2002).

As an independent consultant in the Burlington community working with several non-profit agencies, I have identified a need for educating clientele in the matters of their own finances. I feel that a clear understanding of income and expenses will empower the clientele to be able to better manage their money and start to save and plan for their own future as well as that of their children.

To that end, I will perform a **needs assessment** in the form of a survey questionnaire. This questionnaire will be sent home with children participating in the after-school programs at Sara Holbrook and Burlington Boys and Girls Club. It asks parents to self-identify as single mothers wanting to learn more about how to manage their money. The questionnaire offers five ninety-minute sessions, on Wednesday evenings from 6:30pm – 8:00pm, at the Sara Holbrook Center. Childcare will be available free of charge to those families in need. This location and accommodations are chosen to ensure the **safety** of and **respect** for the clientele and their families. Eight openings to participate on a first-come, first-served basis are available.

The first session will be a "get-to-know the presenter and one another" session. It will also discuss the goals of the program and explain the format for delivery. There will then be a twenty-minute break followed by questions from the participants and an assignment of what is needed for the next session. Each session will run according to this model **(sound relationships; sequence of content and reinforcement; immediacy)**.

The second session will deal with income. The third session will deal with expenses. The income and expense sessions will explain these topics in general and then relate the fundamental concepts to each participant in particular. The fourth session will deal with the making of a budget. At the end of the second, third and fourth session, each participant will be asked to go home and add actual dollar amounts to the different line items. This way, confidentiality is protected for each participant **(praxis; ideas, feeling and actions; clear roles)**.

The final session will be a recap, evaluation, and planning for the next six months. The presenter will agree to be available in person at the Sara Holbrook Center every Wednesday evening from 6:30pm – 8:00pm for the first month after the end of the program. Further, the presenter will then be available every other Wednesday at the same time and location for the next four months. These encounters will be a one-on-one format in order to reinforce trust and ensure confidentiality. Finally, the participants and presenter will reconvene as a group for a feedback session to discuss the impact the program has had on each individual. Throughout the program and subsequent six-month period, the presenter will agree to be available via telephone and/or email to answer any questions (**teamwork; engagement; accountability)**.

It is my belief that the careful and specific design of this program addresses the remaining nine principles of effective adult learning i.e., **sound relationships; sequence**

of content and reinforcement; praxis; ideas, feeling and actions; immediacy; clear roles; teamwork; engagement; accountability as indicated.

Through my work as a consultant, I have identified the need for such a program, i.e., **context**. Time and again, the topic of money and the problems that surround it surface in my conversations with community members. By working with Sara Holbrook and later the Burlington Boys and Girls Club, I am **building a solid base of support**. Great pains have been taken to **identify the program ideas** and **sort and prioritize these ideas**. This is evidenced by the deliberate structure of each session and the concept of using the knowledge gained from past sessions to accomplish tasks in future session.

At the first session, I as the presenter, clearly define the **program objectives**, the **instructional plan,** and the plan for the **transfer-of-learning**. This is done by writing the objectives and plans on the blackboard in simple, bullet format, at the beginning of each session, giving each participant a handout with this same information and reading it aloud as a group. The blackboard allows the participant to refer easily back to the objectives at will. The handout allows the participants a method of taking the material learned home with them. The reading aloud (in turn) allows each participant a voice in the process and opens the door to forming relationships with each other and the presenter. The transfer-of-learning will be enhanced by the follow-up sessions for the six months following completion of the initial program.

The **evaluation of the program** will occur at two intervals. At the end of the fifth session, participants would be asked the following three questions:

1. How is this program helpful to you?

2. What didn’t you like about this program?

3. What else would you like to see offered?

The final group feedback session six months after the initial five-week program would provide a second opportunity to not only evaluate the success of the first part of the program, but the success of the transfer-of-learning phase as well.

It is my sincere hope and expectation that this program will be a success. I envision it leading to additional sessions as its success spreads throughout the community. I see future program facilitators coming from past participants. I envision expanding to other marginalized groups in the community by using interpreters and building on the trust and reputation of the program. This model could also be used for helping participants develop resumes, complete complicated paperwork, etc. The possibilities are endless.

Summary

I believe that my program plan is clear, concise, and coherent. I have made every effort to construct and present this program plan in such a way as to convey its relevance and implementation easily to the general public.

I structured my program to meet the need(s) of the community that I identified through my research and conversations. The program seeks to enable participants to better manage their personal finances without making any judgments on their current spending habits or situation. Several different methods of communication are implemented to make the content as engaging as possible and to accommodate the diverse learning styles of the participants.

I grounded my program plan solidly in the theories as offered by Vella and Caffarella. I believe my program to be clearly defined and adaptable to meet different needs as identified by the community. I have included evaluation opportunities in two different stages of the program delivery. This is beneficial to the participants, the community supporters and me as the creator. It would also assist if funding for an expanded offering to the community were sought from an outside source.

I feel that my program is relevant and fills a great need for many people. I believe that this program is a first and major step in effecting uplift for struggling members of our community.

Chapter 11: Conclusions

When did financial literacy stop being a part of the acquisition of knowledge? In my generation, financial literacy was mostly learned at home. We learned from the way we saw our parents model the managing of money. The next generation may have had some exposure to financial literacy in high school. However, this knowledge was not necessarily imparted to all students. Students in the business classes and perhaps the college prep classes as well, were given some instruction on budgets and general financial management. This seems to have started the breakdown in the teaching of financial literacy to the blue-collar working families in this generation.

In the vast majority of the articles that I have found, there is a general consensus of what financial literacy is and why it is so important, not only to individuals and families, but to society as a whole. There is much discussion on the impact financial literacy has on saving for the immediate future as well as planning for retirement. What struck me was the overwhelming assumption that money was available to everyone, and it was just a matter of educating the populace to become better stewards of this resource. Little, if any mention, was given to families that live paycheck to paycheck, perhaps have only one wage earner and/or parent, or perhaps just manage to get by on public assistance. This segment of our population sadly is growing at an exponential rate.

The families being reached with financial literacy education are typically the families with children in the college preparatory track that are looking for secondary education, or families with a child in college or in a trade school. By virtue of this fact, families that are simply seeking to graduate their children are being completely ignored and disenfranchised by the programs that are slowly being implemented in high school and at the secondary education level.

During the research I conducted for this dissertation, I spoke with my local bank. The customer service representative that helped me was very excited that this topic was being explored. She told me of several programs that this particular bank, as well as other banks, had for their customers to help them gain additional financial literacy and understand what they could do with their money. I told her that I thought that this was commendable and was very pleased to hear that these programs were available.

Then I asked her, what about the people who do not have an account? What if they do not have a checking account or savings account and never even thought that they would have the need for something like that? She was stumped and said she had never really considered that aspect.

These are the people that I would like to connect and help with my proposed program, these people are families that live in the low income and poverty levels of our society. By starting at this basic level, with the people who need it most, we can take the first step in breaking the cycle of poverty. By showing people that they can control their finances instead of having those finances control them, gives them a powerful tool to gain a sense of self-esteem and self-worth. Gaining this confidence and knowledge is not only important for the individual; it will set an example for their children and others in similar situations.

I have also anticipated involving retiree volunteers who have the capability of teaching these workshops and following up with the subsequent one-on-one visits. Not only will the participants gain the value from these retirees' personal experiences, but also it is another way of connecting the community and exposing both parties to each other's realities.

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