Association for
FINANCIAL COUNSELING & PLANNING EDUCATION

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AFCPE
celebrating 30 years

8 Things You Should Know about Your Parents' Finances

By Desiree Kaul

If you suddenly had to take over your parents' finances, would you be prepared? Although many of us don't want to think about a time when we will be the caregiver for our parents, it is better to find out the information you will need before a crisis happens. Here are some things you should know.

What legal documents have they created to manage their finances? There are a few documents that will be needed to take care of someone else's finances. First, is a *durable power of attorney* (DPOA) for finances. The DPOA gives a designated person the authority to make legal and financial decisions on behalf of the DPOA creator, and survives incapacitation. Many states have the template forms available online, or they can be obtained through Legal Aid offices, or elder legal services providers at no charge. However, if the matter is complicated, you may need to seek an attorney which could incur additional costs.

Second, is a *will and/or a living trust*. A will designates how a person's assets and estate will be distributed among beneficiaries after his/her death. A living trust gives a designated person (the trustee) the authority to hold and distribute the property and funds.

How much is their annual income, and where does it come from? You will need to find out what sources of income your parents have in order to pay their bills for them. If they are still employed, then they will have a paycheck that may come weekly, bi-weekly, or monthly. Other sources of income include: Social Security or survivors benefits, pensions, and dividends from investments, disability benefits, and alimony. Similar to a paycheck, you will want to find out the frequency of other income sources.

What are their monthly expenses? How do they pay their bills? Now that you have a source of income, you need to find out about expenses like: a mortgage, car payment(s), credit card debt, utilities, and other expenses. You will also want to take note of when these expenses are due each month.

Do they pay their bills online, by automatic

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President's Message

By Michael Gutter, Ph.D.

2015 AFCPE President

Greetings from the AFCPE President's Office! After a harsh winter for many of you, we are happy to say that spring has sprung. AFCPE has been hard at work this winter with much to show for it!

Our team of AFCPE staff, Board and the Symposium Task Force are working hard to bring you another exceptional Symposium this year. Our theme will be "building the bridge from research to practice." While we celebrate AFCPE's foundation of research, we will also explore the diversity of professionals from all areas in the field—from research to education, and practice to product development. We all contribute to a shared mission of improving the economic well-being of individuals and families across the globe.

> While we celebrate AFCPE's foundation of research, we will also explore the diversity of professionals from all areas in the field . . .

I also want to wish you all a Happy Financial Literacy Month. AFCPE will celebrate Financial Literacy Month by highlighting a different facet of financial literacy with the tenets of our association: research, education and practice. Join us on social media for announcements, information and valuable conversations. Share your news, knowledge, events and photos with us on social media. Use hashtag #AFCPE to share your posts on Twitter

Program Updates

I am very pleased that AFCPE is part of the Consumer Financial Protection Bureau (CFPB) National Financial Coaching Project, which requires the AFC® designation. This partnership helps to further establish the standard that AFCPE has worked so hard to advance. The first training took place in March featuring our partner Master Financial Coach Trainer Saundra Davis of Sage Financial Solutions. I want to take a moment to applaud the work of our Executive Director, Rebecca Wiggins, and the AFCPE staff who have worked diligently to make this project come to fruition. I am excited about the many families and consumers across this country who will be helped by this program.

Accreditation

Notes from the Executive Director (on page 14) has provided some important updates,

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Do You Know Your Digital Assets?

By Barbara O'Neill, Ph.D., CFP®

The term "digital assets" refers to personal information that is stored electronically on either a computer or an online "cloud" server account. Anyone who uses e-mail on a computer, has a password protected cell phone, uses social media, makes online purchases, or pays bills or does banking online has digital assets.

Digital assets generally require a username and/or password or PIN to access and can be difficult or impossible to retrieve if someone is incapacitated or passes away. Some digital assets have a monetary value while others have sentimental value. Either way, they are usually very important to the people who create them.

Take the time to record all of your digital assets using the Rutgers Cooperative Extension Digital Assets Inventory Worksheet: http://njaes.rutgers.edu/money/pdfs/Digital-Assets-Worksheet.pdf. Then keep this information in a safe place and share it with your power of attorney, executor, and other trusted people who would need to have it. Writing everything down will also help you personally keep track of your digital life by itemizing account access details in one place so this information is available when needed.

Below is a list of categories for frequently held digital assets:

Electronic Devices—This category includes all of a person's electronic gadgets including a smart phone, tablet, laptop computer, desktop computer, and external hard drive.

Benefit Accounts—Examples include airline miles, Amtrak railroad miles, hotel rewards program points, and online accounts for retailer reward/loyalty programs.

E-mail Accounts—Specific examples include Yahoo!, Google Gmail, AOL, Outlook, Hotmail, Juno, and an employer's E-mail account.

Financial Accounts—This category includes bank, credit union, and brokerage accounts, and online access for mutual funds, retirement savings accounts, credit cards, employee benefit accounts, PayPal, and Social Security.

Online Merchant Accounts—Include here are accounts that someone creates to make online purchases from any retailer. Specific examples are Amazon, Blair, Chadwicks, eBay, Etsy, Zappos, and Wal-Mart.

Organization Accounts—Included here access information for professional societies, membership organizations, and personalized charitable organization donation web pages such as those for American Cancer Society fundraisers.

Photography and Music Accounts—These are websites where people store often irreplaceable family photos and music. Examples include Instagram, Snapfish, Flickr, and a digital music library.

Publication Accounts—This category includes online access to newspapers, magazines, and blogs.

Social Media Accounts—In this category are various types of social media that often include intellectual property and personal photographs. Examples include Facebook, Twitter, Pinterest, LinkedIn, and Google+.

Video Accounts—This category includes web sites, such as YouTube and Vimeo, that are used to store videos that people create for personal or professional use.

Virtual Currency Accounts with Cash Value—Many people have digital currency with real U.S. dollar currency value stored in web sites such as Bitcoin, Farmville, Second Life, and World of Warcraft.

Website Accounts—This category of digital assets includes domain names, hosting services, online business accounts, and cloud storage sites such as Dropbox, Google Drive, and Apple iCloud.

Once you identify your digital assets, what else do you need to do? Consider these three tips:

1. Include specific language in estate planning documents (e.g., will, trust, and power of attorney) that authorizes a fiduciary to handle digital assets as well as tangible assets.
2. Review the "terms of service" for online accounts. For example, some account providers may require a death certificate to access or delete a deceased person's account.
3. Refer to your list of digital assets in your will, as you would similarly do for a list of untitled personal property. However, do not include it in your will. A will becomes a public document when someone dies.

Barbara O'Neill is Extension Specialist in Financial Resource Management for Rutgers Cooperative Extension. She can be reached at 848-932-9126 or oneill@aesop.rutgers.edu. She also tweets daily financial education messages on Twitter at http://twitter.com/moneytalk1.

Safeguard Your Identity with an Active Duty Alert

By Lisa Philios, AFC®

Let's face it, identity theft is here to stay. Sony, Target and JP MorganChase Bank, to name a few, all had data compromised, as highlighted in *Newsweek's* 2014 The Year in Cyber Attacks (www.newsweek.com/2014-year-cyber-attacks-295876). Cyber attacks against large corporations validate one thing: thieves and hackers are not backing down. This is why individuals, as well as corporations, must take action to minimize the threat of possible identity theft.

The good news? Servicemembers can safeguard their identity with an Active Duty Alert. An Active Duty Alert is one of three types of alerts available to servicemembers while away from their usual duty station (this also applies to Reservists and National Guard on active duty deployment orders). This alert essentially means, prior to granting credit in a servicemember's name, businesses must take extra steps to confirm the servicemember's identity (i.e., calling the servicemember directly or their authorized representative if the servicemember is unavailable or out of the country). In addition, the Active Duty Alert removes the servicemember's name from pre-approved offers of credit or issuance for two years, unless otherwise declined.

Questions Regarding an Active Duty Alert?

How do I add an Active Duty Alert to my Credit Report? Servicemembers can contact one of the three credit reporting bureaus by phone or online.

- Experian: 888-397-3742 or https://www.experian.com/fraud/center.html
- Equifax: 888-766-0008 or https://www.alerts.equifax.com/AutoFraud_Online/jsp/fraudAlert.jsp
- TransUnion: 800-680-7289 or http://www.transunion.com/personal-credit/credit-disputes/fraud-alerts.page

Are there drawbacks to adding an Active Duty Alert to my Credit Report? While an Active Duty Alert is in place, accounts cannot be opened until the servicemember verifies his or her

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Safeguard Your Identity

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personal identity over the phone with the creditor. This can be problematic to the servicemember if credit is needed immediately.

Does an Active Duty Alert expire? Yes. There is a one year expiration from the time the alert is added and servicemembers must reapply for the following year.

How do I remove an Active Duty Alert? An Active Duty Alert is automatically deleted one year after it is added to the servicemember's credit report. However, it can be removed upon request by contacting the credit reporting bureaus (servicemembers will have to fill out a form and mail in their supporting documentation).

- Experian: http://www.experian.com/blogs/ask-experian/2012/07/18/removing-active-duty-alert/
- Equifax: https://help.equifax.com/app/answers/detail/a_id/157/noIntercept/1
- TransUnion: http://www.transunion.com/personal-credit/credit-disputes/fraud-alerts.page

What other ways can servicemembers protect their identities? Changing behavior is the first place to start.

Credit Report Review

Servicemembers are encouraged to review their credit report at minimum once a year. The federal Fair Credit Reporting Act (FCRA) requires each of the three main credit reporting bureaus to provide individuals with a free copy of their credit report by visiting www.annualcreditreport.com. All information found on the credit report should be reviewed closely for accuracy. And, to maintain accuracy of one's report throughout the year, it is suggested that servicemembers request a credit report alternating the three credit reporting bureaus every four months. If errors are found, information on how to dispute them can be found here: http://www.consumer.ftc.gov/articles/0151-disputing-errors-credit-reports.

Other Tips

Safeguard ATM pin numbers. Avoid writing ATM pin numbers on the back of debit cards or on paper in your wallet/purse.

Shop online using secure web browsing. Online purchases should be done via a secure internet connection. Two ways to identify secure web browsing can be found in the webpage address box. During checkout, the webpage address box will show one of the two or both: "https" or a picture of a "closed lock." More information can be found here at: http://www.bu.edu/infosec/howtos/how-to-identify-and-protect-yourself-from-an-unsafe-website/.

> An Active Duty Alert is one of three types of alerts available to servicemembers.

Protect your cellphone/tablet. Servicemembers should avoid saving passwords to their cell phones or tablets, especially for their banking apps. If you decide to store passwords on these devices, it is advised that you also use a security lock/code on these devices as well. The thing to keep in mind is: if a cell phone/tablet is lost and lands in the wrong hands, vital information could be compromised if the proper locks are not in place.

Password Protection. Everyone would like to use a password that is easy to remember, however, if you think someone could guess your password (e.g. your birthday), it may not be the best one to use. Choose passwords that contain special characters/numbers/capital letters. Exercise caution when sharing passwords.

Thinking of setting up an Active Duty Alert? Don't delay. Alerts are one way of protecting one's identity. Changing behavior and being mindful of where and how you shop are all ways to reduce the risk of having personal information stolen.

More Information Is a Click Away

Want more information regarding identity theft? Here are a few resources.

- National Cyber Security Awareness Month for year-round resources: http://www.dhs.gov/national-cyber-security-awareness-month-2014
- Repairing Identity Theft: http://www.consumer.ftc.gov/topics/repairing-identity-theft
- Signs of Identity Theft: http://www.consumer.ftc.gov/articles/0271-signs-identity-theft
- Active Duty Alert Information: http://www.saveandinvest.org/ProtectYourMoney/IdentityTheft/P124309

Lisa Philios is an Accredited Financial Counselor and Military Family Housing Specialist. She has worked with Military Saves and Operation Homefront. As a financial educator she is experienced in teaching both the FDIC's Money Smart Adult Education Curriculum and Merrill Lynch's Investing Pays Off Program. She is also a proud Marine Corps wife and mother of two amazing little boys.Her work can be found on the website www.growingyoursavings.com.

Success Story: Keep the House

By Gayle Rose Martinez

Editor's Note: If you have a success story that you would like to share, please email Jill Ladouceur at ladjill@me.com.

Maine is primarily a rural state. USDA Rural Development home loans consider all of Maine rural except for Bangor and Portland. There is a high percentage of military personnel in Maine. Nationally, about 5 percent of the population have served in the Armed Forces, but in Maine, 10 percent of the population have served in the military. The only military installation in Maine is Portsmouth Naval Station, so most currently serving are members of the United States Army National Guard, Air National Guard, and Reserve components. The National Guard and Reserve service members who live in rural areas have much less support from the military, because there is no central place to access a PX (Post Exchange), commissary, counseling, or other kinds of support. The resources that are available often require significant travel to access.

As the local Military and Family Life Consultant, Personal Financial Counselor for Maine, I was asked to provide financial education to a work site that had full time government employees—technicians, who by job definition are also in the National Guard. This request came after the sequester in 2013. The loss of drill paychecks hit many hard as they were an essential income source for many. This loss of income led to an increase of requests for financial assistance.

After I provided a few basic money management classes, several of the employees met with me individually to develop a spending plan and strategies for building savings and debt repayment. Through these contacts with the work site, it became apparent that most of the employees did not participate in the Thrift Savings Plan (TSP)—a defined contribution plan for Federal employees and members of the uniformed services. Also, few had any savings for emergency or non-monthly expenses.

One soldier said he had no idea how basic money management worked and the classes helped break it down to simple concepts allowing him to understand for the first time in his life. Another stated he thought the TSP was a way to save for emergencies.

One couple I met with, John and Sue, were three months behind on their mortgage. Sue had recently become disabled and lost the ability to work. She had been working full time. The loss of her income decreased their household income by a third. When the sequester came, they lost all hope.

At our first meeting, I asked what they wanted to do and they both said, "save the house." They had just received a notice that a foreclosure action had been filed. Also, John had recently purchased a brand new truck just before Sue lost her job. I suggested that in order to save the house they would have to radically change their lifestyle until they recovered the lost income. They agreed.

At first, I asked them to track their spending to make sure we were capturing all of their expenses in the spending plan. Once we felt confident that the spending plan was accurate, we identified the exact amount of the monthly deficit. It was substantial. This number helped John and Sue break through their denial so they could see their situation clearly. At this point, I asked John if he was willing to give up the truck. By the next time we met, he had come to terms with letting it go.

Each week John and Sue found creative ways to reduce expenses. It was like layers of an onion, until they finally were able to significantly close the gap between expenses and income (which included savings). John was able to get grant dollars through the Maine Military Family Foundation for two months of mortgage payments which stopped the foreclosure proceedings. He also took on some side jobs to increase income.

Sue found a way to create a small amount of income that did not challenge her disability. She also applied for Social Security disability benefits. The couple agreed that they would file a Chapter 7 bankruptcy to discharge the significant debt that had accumulated, primarily from the loss of income. Because of the potential impact on John's security clearance, he met with a Judge Advocate (a military attorney) to seek guidance prior to filing.

We met for a little over three months;at first weekly, then every two weeks. John and Sue committed to meeting weekly with each other to review their progress on their new spending and saving goals. One year later they still have their house and are building savings, and had accumulated no new debt.

For more information contact Gayle Rose Martinez at thriveandprosper@earthlink.net or (706) 340-2682.

Payable on Death: It's Not Just for Bank Accounts

By Jennifer Lear, J.D., AFC®

Planning for what is unforeseeable is challenging, but planning for what can be foreseen, death and taxes, can save money and time for family members. Sound financial counseling includes encouraging clients to contemplate an estate plan to ease the burden on their family members after their death. Clients may not view themselves as having enough assets to warrant the services of an estate planning attorney, but most can benefit from appropriate titling and estate planning tools to help achieve their goals.

Probate is the court supervised process by which a person's assets and debts are disposed of and transferred pursuant to a will or intestacy. The cost of probate varies greatly depending on the state, the amount of assets, whether an attorney is needed, and the complexity and value of the assets. The probate process can be expensive, time-consuming, and stressful for surviving family members who are often adult children who may not live nearby.

Two key factors to consider when contemplating the disposition of assets upon one's death are to (1) create a simplified process for the heirs, and (2) title assets to ensure that heirs incur minimal costs. This can be achieved by setting up every possible asset to transfer on death to a designated beneficiary or multiple beneficiaries.

Bank accounts, certificates of deposit, IRAs, investment accounts, stocks, bonds, and cash can all be titled to transfer to a designated beneficiary upon death. Depending on state law, cars, boats, and even real estate also can be designated to transfer on death. The transfer on death designation keeps all of this property outside of the estate and bypasses probate and the fees that go with it.

State law determines how real property, typically land and real estate, can be titled and transferred. Slightly over half of the states have statutes that allow for a "life estate deed" or a "transfer on death" deed to transfer title of real property. In Florida, this is called a "Lady Bird deed," named after former U.S. First Lady, Claudia Alta Taylor "Lady Bird" Johnson. The owner retains the right to live in the home until death, at which time the beneficiary becomes the legal owner of the property.

When it comes to estate planning, one size does not fit all.

Another potential advantage of the Lady Bird Deed is that the beneficiary must agree if the property will be refinanced or a reverse mortgage is attained. Even in states where this agreement is not statutorily mandated, as a practical matter, such agreement is routinely sought. This type of deed could prevent an elderly person from granting a reverse mortgage without necessarily understanding the consequences, advantages and disadvantages, forcing a conversation with other family members or financial professional.

Payable on death deeds do not actually transfer ownership, so they typically do not trigger any issues if the owner applies for Medicaid. However, Medicaid rules change frequently and an estate planning attorney is in the best position to determine whether such a conveyance is appropriate.

A will is still necessary as a catch-all for personal property such as furniture, household items, heirlooms, and any other items that would not have a legal title. In many states, if the value of the assets to be disposed by a will are under $100,000, or sometimes even as small as $50,000, an unnecessarily lengthy and potentially expensive probate process can potentially be avoided.

When it comes to estate planning, one size does not fit all. There are many estate planning tools that can be used to avoid probate, save money, and achieve simplicity even for those who might not see themselves as needing an estate plan. Clients should be made aware that their choices are not limited to merely a trust or a will. Designating payable on death beneficiaries can save clients and their family members time, stress and money when death inevitably occurs.

Jennifer Lear works as a Personal Financial Counselor for Zeiders Enterprises Inc. providing financial counseling and education to service members and family members worldwide. She is licensed to practice law in the State of Nebraska.

Help Your Clients Say "No" and Meaning It

By Susan Bross, AFC®, Financial Counselor and Money Coach

You get a phone call out of the blue. Someone you care about tells you that he or she is struggling. The story seems so desperate and painful. You want to help, so you end up sending money, whether they've actually asked for it or not.

A week, a month, a year later, the same thing happens. Same person, different circumstances, same painful struggling. You send money.

This time you're not feeling as good about it. You've noticed that between the first time and the second time you sent money, this person is making decisions about spending money that you don't agree with, given their struggling. For instance, clients have told me that while this recipient has gone on vacation, they themselves haven't been able to afford it.

Feeling Uncomfortable

The third time you get the call, you may not want to give more money but don't know how to talk about it. They really are struggling, the situation is very dicey, but now you're aware that they make decisions about money in ways that aren't working for them.

You start to wonder if giving them money is the answer. Are you accidentally colluding in the problem? If money had been the answer, wouldn't it have worked the first time you sent it? Is there something else going on that's causing this constant state of financial struggle?

These are all good questions. Whether it's a family member or other loved one who is telling you these stories of woe, there comes a time when you need to talk with them about it. You're not longer feeling good about giving them money, but don't know what to do next. What is the loving thing to do?

It isn't wrong for you to take care of yourself. You matter. Not being true to yourself for someone else doesn't necessarily help them if you're feeling uncomfortable about the relationship or perhaps causing yourself financial trouble later on.

Saying No

So how do you talk about it? Here are some ideas:

1. "I love you and really want to help. I noticed, though, that there seems to be a pattern here. I sense there may be a glitch in how you're setting up your finances that gets you to this place repeatedly and I'd like to help you fix that problem. What can I do to help you fix the problem rather than throw more money at it?" (Perhaps you could buy some classes for them or sessions with an expert that can help them get their finances on track. It's the "teaching them to fish rather than giving them a fish" mindset.)
2. "I hear how difficult this is for you. What solutions are you considering for helping yourself through this?" This way you're helping them open up to other solutions other than your giving them money.
3. "I'm not comfortable with sending you money again, but I am concerned and will be a listening resource as you go through this."
4. "I'm willing to send you $_________, but that's the end of this particular option for you. I won't be available for additional money in the future but I'll always be a loving ear for you."
5. "No." (As I've been told, "No," is a complete sentence.) Sometimes a loving repetition of the word "No" with no wiggle room on your end is the only way you'll be heard.

Decide Ahead of Time

In some situations, I've told clients to decide long before they get a phone call how much money they are willing to give each year. When that amount is gone, it's gone. This method helps you feel like you're contributing, but causes you to meet your own limit in the giving. Funding a separate account just for this purpose is a good way to keep clarity in these situations.

These aren't easy interactions, but if you're feeling uncomfortable about how you're handling them, talk with an expert who can talk over what's right for them and for you. That way you can have the peace of mind that what you're giving with the best of intent is truly helping and not continuing to fund a failing financial system.

Susan Bross, AFC®, is an accredited financial counselor and has a bachelor's degree in psychology, 15 years experience in marketing and finance, and four years as an addictions counselor. She established her own business in 1993 and is located in Eugene, Oregon and San Rafael, CA. You can contact Susan by phone at 415-479-1290 or email susanbross@brossmoney.com.

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A Tale of Three Retirees

By Barbara O'Neill, Ph.D., CFP®, AFC®, CHC®

About four or five times a year, people ask me to sit down with them to discuss their personal finances, not as their official financial advisor, but as someone who can informally answer their questions and suggest available resources. This happened three times since January and all three cases involved people near retirement. Each situation was different but many concerns were the same: creating a retirement "paycheck," making accumulated savings last a lifetime, minimizing taxes, paying for health care expenses, and deciding what to do next with the rest of their lives.

This article will provide brief summaries of each case followed by five financial planning recommendations. Interestingly, two planned to leave New Jersey within the next year and one already lives in Pennsylvania to lower living costs. This is not surprising. A recent study found that New Jersey lost $5.5 billion

msn.com/retirement/10-worst-states-for-retirees.

Case #1—What to Do Next?

A couple with a net worth approaching $8 million where the husband, age 80, was about to retire with a final income in the high $100s. They had no savings in IRAs but, rather, $5 million in a tax-deferred 403(b) plan and 457 plan, where contributions have been maximized each year. The husband had never taken a required minimum distribution (RMD) due to the "still working exception" for a current employer's plan and is facing high RMD taxes starting this year. The IRS divisor for an 80 year old is 18.7; $5 million divided by 18.7 means a $267,380 taxable withdrawal. Ouch! The couple was already paying the federal alternative minimum tax (AMT). The husband, after a very long career, seemed uncertain about what they would do next besides leave New Jersey. The couple had some bad experiences with stock brokers but has never consulted a Certified Financial Planner® professional for a holistic ... their goals, lives, or finances. On the

Your Name Here

AFCPE's quarterly newsletter, *The Standard*, seeks authors for articles on all aspects of financial counseling, including researchand practical application. We rely solely on articles contributed by staff, AFCPE members, pressreleases and experts in the field.

Share Your Expertise

Whether you are a seasoned writer or want to be published for the first time, we can work with you to formulate an interesting topic and guide you through the publishing process. We believe you are the expert at what you do. Topics of interest include (but are not limited to): working with clients; crisis counseling; budgeting; debt management; repairing a credit report; credit management; getting back on your feet; taxes; saving and investing; startingover; and, motivating clients. Potential authors should contact Jill Ladouceur, editor, at ladjill@me.com.

About The Standard

The Standard is published quarterly in the months of January, April, July and October.

Editorial Mission

We endeavor to provide information which is timely, thought provoking and that assists the financial counselor to perform their job better. The newsletter is also a forum for informing members of AFCPE happenings.

Regular Features

Each issue contains the following:

- Regular columns on Military, Extension and Practitioner issues
- Feature articles
- President's Message
- AFCPE News and FAQs
- Book/Software/Website Reviews
- ConferenceUpdates

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Parents' Finances

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withdrawals, in cash, or paper checks? Maybe they use a combination of these things. Make sure you have a list of each expense and how it is paid.

Where do they keep their financial records? Do they have an accountant or financial planner? You will need to know where they keep financial documents—in a bank, a filing cabinet, a safe? Remember to get access to keys or lock codes in order to obtain these documents. You will need the name and contact information of their accountant or financial planner. You may also want to give these professionals a copy of the DPOA to have on file.

What are the names of their financial institutions and the account numbers? You will need a list of all financial institutions that they use. They may have more than one checking or savings account with different banks. Who is their mortgage lender or servicer? Where are their investments? In addition, make notes of their account numbers or at least where to find this information if you need it.

What kind of medical health insurance do they have? Does your parent have health insurance provided by an employer or as part of a retirement benefit? Are they solely reliant on Medicare or Medicaid? Do they have a supplemental health insurance plan? Again, make sure to know what type of health plan they have and the policy number.

Have they created any medical directives? Health directives are just as important to have in place as legal financial documents. Some of these are: advance directives or medical power of attorney (POA), do not resuscitate form (DNR), and a living will. Advance directives or medical POA are written instructions about future medical care should your parent be unable to make decisions. For example, if they are unconscious or unable to communicate, a DNR form instructs health care professionals not to perform resuscitation in a case of a stopped heart or stopped breathing.

A living will describes and instructs how the person wants end-of-life care managed and usually takes effect in cases of terminal illness. These documents can also be created at the same time as the legal financial documents for little or no cost depending on whether you seek the help of an attorney.

Do they have long-term-care insurance? Regular health insurance plans do not usually cover the costs of assisted living or nursing homes. If they have purchased long-term-care insurance, you will need the policy number and company for this insurance. If they do not have long-term-care insurance, and they can no longer live on their own, what can they afford for future housing and nursing care costs?

Finding out the answer to these questions will help you to feel less overwhelmed if or when the worst happens. You can also visit these websites for more information: www.agingcare.com (look under the Money and Legal section) and www.usa.gov (look under the senior citizens resources).

Desiree Kaul is a Military Spouse Fellow 2012. She can be reached at mdkaul@hotmail.com.

President's Message

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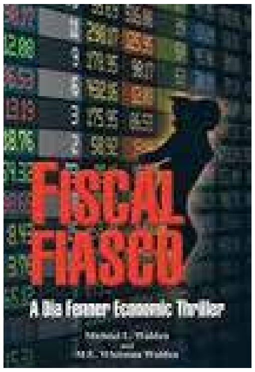
but I wanted to tell you how excited I am, and hope you are too, that AFCPE is pursuing accreditation for the AFC® through the National Commission for Certifying Agencies (NCCA). This important step forward demonstrates how the AFC® program aligns with the best professional practices from an outside accrediting body and demonstrates AFCPE's commitment to continuous quality improvement. We believe strongly that this will increase the value of your AFC® designation for those you work with and, even more importantly, those with whom you want to work. I want to send a special thanks to our amazing group of members, practitioners, and staff who are leading this charge forward. I thank you for all you are doing for AFCPE!

Announcements

Please join me in celebrating the signing of a new three-year contract with our Executive Director, Rebecca Wiggins. Under Rebecca's leadership our organization has engaged in key strategic planning initiatives, and Rebecca and the AFCPE staff have done an admirable job of moving us forward.

I know many of you out there who are teaching, or have degrees related to financial counseling, and who have considered obtaining the AFC® designation and wanted options to have your previous efforts be considered in the certification process. Please check out www.afcpe.org to learn about two new pathways to AFC® certification: (1) Educational Degree Challenge and (2) Designation Challenge!

Don't forget to submit your presentation or poster ideas for the 2015 Symposium! The call is still open! I hope to you see you in Jacksonville, Florida, this November.



Financial Fiasco: A Dia Fenner Economic Thriller

Written by Michael L. Walden and M.E. Whitman Walden

Reviewed by Barbara O'Neill, Ph.D., CFP®, AFC®, CHC®, Rutgers University

Financial Fiasco: A Dia Fenner Economic Thriller is not the first book to teach economic and personal finance principles through a story featuring fictional characters. *The Wealthy Barber* and *The Richest Man in Babylon* also come to mind. However, this 155-page novella is extremely well-written and held my interest from beginning to end. Consisting of 25 short chapters featuring a variety of crooked and honorable people, the book describes the exciting Duke University sabbatical of its heroine, Dr. Lydia (a.k.a. Dia) Fenner, a Cornell Ph.D. The book is third in a series featuring Dia, but each book stands alone. The two previous books are *Macro Mayhem* and *Micro Mischief*. The authors are Michael Walden, a Distinguished Professor at North Carolina State University, and M.E. Whitman Walden, a retired educator and artist.

The book is about two-thirds story plot lines and one-third presentation of subject matter content. However, the "teaching" sections of *Financial Fiasco* appear naturally as part of Dia's presentations or as conversations between characters. When these sections get long, they are chalked up to Dia's passion for economics. Worthy of a Hollywood screenplay, the book includes an unscrupulous boss, a suspicious new boyfriend, a financially influential corporation, several influenced public officials, a "chatty" administrative assistant, a threatening letter, a case of investment fraud, the theft of Dia's politically sensitive research data, and an attempt on Dia's life. Important economic historical events such as the Great Recession and the formation of the European Union are also woven throughout the book. In the final chapter, the loose ends of concurrent plot lines are tied up with a hint of, perhaps, a fourth book about Dr. Dia Fenner and her economic lessons.

Financial Fiasco would make an excellent assigned or extra credit book for college undergraduates. It is a fast and enjoyable read. I can envision students reading the book and then writing a paper, blog or threaded discussion to describe its key economic take-away messages. Some of the personal finance messages that stood out to me are:

Worthy of a Hollywood screenplay, the book includes an unscrupulous boss, a suspicious new boyfriend, a financially influential corporation, several influenced public officials, a "chatty" administrative assistant, a threatening letter, a case of investment fraud, the theft of Dia's politically sensitive research data, and an attempt on Dia's life.

- Investing means using unspent resources today to generate additional resources in the future
- Investing in a diversified set of low-cost mutual funds provides the best returns with the lowest fees
- Some investors see low-cost funds as "boring" and, instead, chase higher returns due to a basic urge to "win"
- Monte Carlo analyses are used to evaluate investment performance under different economic scenarios
- Attending "free dinner seminars" provides an opportunity for people to be fleeced of their life savings
- Airfares at airports dominated by a hub airline are typically high due to convenience and less competition
- Defined benefit and defined contribution plans have both plusses and minuses for workers and their employers

Full disclosure: I know both of the co-authors. In fact, I introduced them to one another when Mike Walden and I were graduate students at Cornell University in 1976-–78. Not only am I very proud of my friends for co-authoring an informative and entertaining novel, but I chuckled when I saw references to academic life (e.g., tenure, publishing in top tier journals, grantsmanship) and to people that we both knew (e.g., the late Professor Scott Maynes at Cornell University). Who says economics has to be boring? You certainly won't feel that way after reading *Financial Fiasco*.

Barbara O'Neill is Extension Specialist in Financial Resource Management for Rutgers Cooperative Extension. She can be reached at 848-932-9126 or oneill@aesop.rutgers.edu. She also tweets daily financial education messages on Twitter at http://twitter.com/moneytalk1.

SECU Enhances Its Financial Counseling Services with the AFC® Designation Program

State Employees' Credit Union (SECU) has long been providing financial counseling and education to help members succeed— it's a natural extension of the cooperative's consumer-friendly products and services. SECU also believes that employee education keeps an organization prepared to advise members in an ever-changing financial world. Reinforcing that belief, SECU announced a partnership with the Association for Financial Counseling and Planning Education® (AFCPE®) to certify more than 1,000 employees in North Carolina with the Accredited Financial Counselor (AFC®) designation over the coming months.

SECU branch employees must meet the educational and ethical requirements and have at least 1,000 hours of relevant experience as a financial counselor before receiving their certification. Their day-to-day service includes enrolling members in the Another Chance Non-Sufficient Funds (NSF) service, preparing tax returns through the Credit Union's economical tax preparation options, keeping members in their homes via SECU's Mortgage Assistance Program and helping members avoid costly payday loans by offering a Salary Advance Loan program with an accrued savings component.

Since the economic downturn in 2007, many North Carolina citizens, including State and public school employees served by the Credit Union, have fallen on tough financial times. SECU has continually worked to create a comprehensive package of services, from basic budgeting and credit improvement programs to options leading to accumulating and protecting wealth through investment, insurance and estate planning services.

Contact your local credit union to discuss offering this professional development opportunity to their employees. Have them contact Rebecca Wiggins at rwiggins@afcpe.org to discuss details.

"The AFC accreditation will increase the expertise of our staff and will provide the structure and groundwork for SECU to further expand our financial counseling services," states Joan McCool, SECU's Senior Vice President of IRA and Investment Services. "SECU's investment in the financial education of our employees will reap great rewards for everyone, ultimately increasing the proficiency and credibility of our staff to help members achieve long-term financial success."

"We are thrilled to have so many professionals from State Employees' Credit Union enroll in the AFC program," says Rebecca Wiggins, Executive Director of AFCPE. "AFC certification marks the highest standard of excellence in the field of financial counseling and education. Our professionals are held to the highest ethical standards and are required to participate in ongoing professional development in order to maintain their certification mark. SECU's commitment to certify their financial professionals speaks volumes to the Credit Union's desire for excellence in providing a higher level of service that will help their members reach financial success. It represents a standard of quality that more financial institutions should provide to their consumers."

SECU is a not-for-profit financial cooperative owned by its members, SECU has been providing employees of the State of North Carolina and their families with consumer financial services for 77 years. The Credit Union also offers a diversified line of financial advisory services including retirement and education planning, tax preparation, insurance, trusts, estate planning and investments through its partners and affiliated entities. SECU serves nearly 2 million members through 254 branch offices, over 1,100 ATMs, 24/7 Contact Centers and a website, www.ncsecu.org.

Professional Development Series on Principles, Philosophies and Concepts of Financial Coaching

AFCPE has partnered with Sage Financial Solutions, a nationally recognized provider of financial capability programming to provide a comprehensive professional development series for financial professionals.

There are still two segments remaining of the 6-part webinar series which began in January. The series covers the principles, philosophies and concepts of financial coaching. Participants will explore common techniques and learn applications to enhance their skills as a professional. Each session is unique and no previous coach training or coaching experience is required.

"We are thrilled to have Saundra Davis leading this educational series," says AFCPE Executive Director, Rebecca Wiggins. "Saundra is a nationally recognized financial coach and educator, with a focus on asset building for the working poor. We have worked closely with her on developing our Financial Coaching certification programs and through our partnership with the CFPB's Financial Coaching Project. Her experience and expertise in the financial coaching arena are highly regarded and unmatched."

Upcoming Webinar Sessions

The webinar courses are offered each month from 9-10 AM PT. The cost is $25/session for AFCPE Members and $30/session for non-members. The remaining sessions are:

- *Setting Boundaries: Managing Client Expectations* – Wednesday, May 13, 2015
- *Phoning it In: Coaching Clients by Phone* – Wednesday, June 10, 2015

Continuing education credit is available for all AFCPE certified professional, including the AFC®, CHC® (Certified Housing Counselor) and FFC (Financial Fitness Coach). "We enjoy collaborating with AFCPE because of the established skills that AFC® (Accredited Financial Counselor®) professionals have in both client communication and financial content," says Sage Financial Solutions Executive Director, Saundra Davis. "The professional development series is designed for and open to any financial professional who is interested in incorporating coaching skills into their work. Join us to learn what coaching is and how the techniques and applications can enhance your work in the field."

About Sage Financial Solutions

Saundra Davis is a US Navy Veteran, financial coach, educator, and consultant who is nationally recognized as an expert in the financial coaching field and for her work with community-based organizations that focus on asset building for the working poor. Ms. Davis is the founder and Executive Director of Sage Financial Solutions, a San Francisco Bay area based organization that develops comprehensive financial capability programs for low- and moderate-income communities in California and throughout the United States. Her innovative approach to financial capability was recognized in 2008 when she was selected as an Echoing Green semi-finalist and, most recently, via special invitation to attend President Obama's 2014 White House Summit on Working Families.

Ms. Davis holds a B.S. in Management and an M.S. in Financial Planning from Golden Gate University (GGU) where she is currently an adjunct professor in the Personal Financial Planning program. She has previously served as an adjunct professor and as a member of the Financial Planning Program Advisory Committee at the University of California Berkeley.

For more information, contact Rachael DeLeon at rdeleon@afcpe.org.

Notes from the Executive Director

By Rebecca Wiggins | AFCPE Executive Director

Greetings from the AFCPE National Office! It is so hard to believe that Spring has sprung after another long and brutal winter. Luckily we have kept very busy with lots of wonderful initiatives that we are excited to share with you.

The AFCPE staff, Board and Symposium Task Force are busy planning another exceptional Symposium this year, with the theme "building the bridge from research to practice." AFCPE is unique in its foundation of research, but also in the diverse composition of professionals from all areas in the field who carry out our mission each day: *improving the economic well-being of individuals and families worldwide*.

We kicked off this theme with Financial Literacy Month this April by showcasing a different angle of financial literacy with the tenants of our association: research, education and practice. Don't forget to join us on social media for announcements, information and valuable conversations.

Program Updates

AFCPE is part of the Consumer Financial Protection Bureau (CFPB)'s National Financial Coaching Project, which requires the AFC® designation. In March, the program training began in Washington, D.C. with Master Financial Coach Trainer and AFCPE partner, Saundra Davis of Sage Financial Solutions. We applaud the CFPB's commitment to the highest standards of professionalism for this program and we look forward to a wonderful program with lasting impact on Americans across this country.

Accreditation

AFCPE is pursuing accreditation for the AFC® through the National Commission for Certifying Agencies (NCCA). Accreditation ensures that the AFC program aligns with the best practices from an outside accrediting body and demonstrates AFCPE's commitment to continuous quality improvement. Accreditation will enhance the value of your designation to employers, colleagues and consumers, and it sets your certification mark apart from others in the field. The AFC's compliance with NCCA standards shows that the educational content and testing for the AFC® is psychometrically sound and has been developed, maintained and governed at the highest standard.

Frequently Asked Questions

Is the curriculum changing? The materials you received upon enrollment will still prepare you for the new examination. AFCPE continues to offer several pathways to certification, beyond the traditional self study option. The various paths to certification are detailed on our website.

What if I am already certified as an AFC®? AFC® professionals in good standing will be grandfathered into this new program framework and will not experience any changes to their designation or post certification requirements.

Read more AFC® Accreditation FAQs on the website under Certification.

On behalf of the Board and Staff, I also want to take this opportunity to sincerely thank those who have committed their time and expertise to this rigorous process: Irene Leech, Kristy Archuleta, Joyce Cavanagh, Becky Travnichek, Robert Westrick, Sara Croymans, PJ Gunter, Barbara Lang, Susan Bross, Karen Varcoe, Barry Wilkinson, Phyllis Onstad, Alena Johnson, Jerry Buchko, Dean Obenauer and Madeleine Greene. We truly could not have done this important work for accreditation without you!

Announcements

AFCPE has opened two new pathways to AFC® certification: Educational Degree Challenge and Designation Challenge! Individuals who obtain the educational requirements through an approved degree or designation may challenge the AFC® exam. Encourage your colleagues to take advantage of this opportunity to get certified!

Don't miss out on the benefits of AFCPE membership as well as our new Certification Candidate Membership discount! Membership provides unique access to the Financial Planning Association (FPA) online financial counseling forum where we bring together professionals from both AFCPE and FPA in monthly webinars. Additionally, AFCPE Members receive discounts to many professional development trainings. Be part of shaping the organization and this field as we continue to move forward and set the standard. Join our membership and consider using your voice and expertise on one of our many Task Forces.

Get to Know the AFCPE Staff

Although the AFCPE staff is small, our team feels more like a well-oiled machine most days. This team is incredibly diligent, energetic, intelligent and deeply committed to this organization and the success of its future. We wear many hats and enjoy the hard work it takes, but we are always here to provide you the highest level of care. Please don't hesitate to contact us with any questions or concerns:

Thomas A. Duffany III

Thomas will complete his first year working for AFCPE this summer. His work includes involvement with the CFPB Financial Coaching Program, AFCPE's Mentorship program, and the AFCPE Approved University Program.

Thomas holds a master"s degree in Personal Financial Planning from Texas Tech University and a Bachelor's Degree from the University of Missouri in the same field. While he enjoyed each of his internships with Financial Planning firms, his work with Student Money Management Centers and with the Personal Financial Literacy program at Texas Tech drove him to pursue opportunities in Financial Counseling. He is now committed to expanding opportunities available to students and other Financial Counseling and Education professionals.

In his spare time Thomas enjoys spending time with his wife and two daughters, volunteering time to his church, and playing sports.

Thank you to this issue's contributors:

Susan Bross, AFC®
Michael Gutter, Ph.D.
Jennifer Lear, J.D., AFC®
Gayle Rose Martinez
Barbara O'Neill, Ph.D., CFP®, AFC®, CHC®
Lisa Phillios, AFC®
Rebecca Wiggins

Congratulations New Certificants

AFCPE Accredited Financial Counselor® Graduates (08/19/14 – 4/1/15)

Baxter, Brandy
Blumm, Paula
Close, Jo
Collins, Shannon
Colon, Carlos
Crowder, Sylvia
Culwell, Elena
Dade, Jeffrey
Darius, Beth
Davis, Deborah
Drury, Jennifer
Duffany, Thomas
Durham, Ashley
Earsing, David
Edwards, Christopher
Golonka, Maciej
Gomez, Gerardo
Goodwin, Clarence
Guy, Olga
Hackett, Rebecca
Henderson, Deanna
Horsley-Watts, Katrina
Howard, Charles
Hyman, Paula
Johnson, Sabrina
Jones, Robert
Joyce, Kristi
Kennedy, Phillip
Kimmick, Stephen
Klontz, Brently
Long, Clare
Lynch, Kathleen
Makawi, Zachary
Manning, Valerie
Mapes, John
Martinez, Sumiko
Maynard, Carnell
McCool, Joan
McCoy, Debi
McLennon, Chantelle
Miller, Sara
Moody, Marcella
Murray, Silke
Muse, Vanessa
O'Neill, Lora
O'Shea, Dana
Oetinger, Pamela
Rohrer, Sarah
Roorda, Allison
Sapp, Richard
Strong, Gary
Sullivan, Molly
Thelen, Rebecca
VanDyke, Kelley
Warner, Joseph
Yacob, Diana

AFCPE Certified Housing Counselor Graduate (08/19/14 – 4/1/15)

McLain-Sharp, Lisa

AFCPE Accredited Credit Counselor® Graduates (08/19/14 – 4/1/15)

Cronk, Faith
Gonzalez, Joan
Huskey, Hope
Kroeker, Deborah
Matt, Susie
Nolen, Lori
Osman, Sharmarke
Samuels-Allen, Sonya
Simmons, Lahoma
Spruce, Shawn
Stamper, Michelle
Teska, Julia
Upton, Pete
Whitecloud, Thunder
Wood, Bradley

We believe…

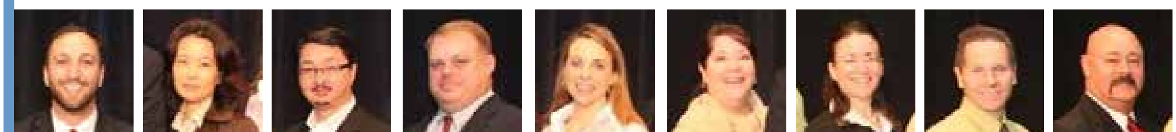
Everyone has financial desires that affect their lives every day.

Better financial decisions lead to a better quality of life.

People can make better decisions when they are supported by a trained professional.

Academics, research, and practical experience inform professional financial counselors and educators.

Setting the standard for performance and a forum for learning will provide a consistently higher level of service.



AFCPE®

Purpose…

To advance the profession of Personal Finance by promoting and supporting the field of personal financial counseling and education.

Association for Financial Counseling
and Planning Education
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