



FOUNDATION

# **Impact of Finances 50+<sup>SM</sup> Training Classes on Individuals' Financial Behaviors**

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# **Impact of Finances 50+<sup>SM</sup> Training Classes on Individuals' Financial Behaviors**

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## Foreword

The results of the AARP Foundation Finances 50+<sup>SM</sup> Financial Capability Program survey provides a unique and hopeful view into the important work of financial education and counseling for vulnerable households. The Finances 50+<sup>SM</sup> program offered people age 50 and older the opportunity to take part in three 90 minute classes over the period of three weeks. This relatively intensive, hands on curriculum is targeted at people as they contemplate transitioning from work to retirement in the coming decades, while also juggling the demands of growing children and other current needs. This is a complex, but important point in the life course. Finances 50+<sup>SM</sup> was delivered in cities across the country by community-based nonprofit organizations. Materials were available in English, Spanish and Chinese, an important feature for targeting families most in need of information.

A key aspect of the design of the Finances 50+<sup>SM</sup> program was that most participants set financial goals and then developed an action plan. Nearly half of people who started the program have less than \$10,000 in retirement savings, and nearly two-thirds started with less than \$10,000 in non-retirement savings. Two-thirds also had incomes under \$35,000, far below the median income in 2012 of \$51,000. Most were retired, disabled or unemployed, making managing expenses and cash flow a critical task. Fully 57% were worried at some level about their finances at the start of the program, and nearly one-quarter (23%) had recently been contacted by a creditor about unpaid bills. Overall this is a relatively vulnerable group with a high degree of financial fragility.

Yet, the Finances 50+<sup>SM</sup> program helped people to learn about goal setting, managing spending and monitoring credit. Participants learned how to make a financial plan to deal with debt and devote more attention to saving, primarily through better managing spending. At the start of the program, only 42% of people in the Finances 50+<sup>SM</sup> reported having at least one financial goal; after six months 63% reported having at least one goal. This then translated into behaviors. The rate of participants reporting spending more than they earned dropped by one-third (from 21 percent to 14 percent). Meanwhile, 35% of participants reported paying down debt by the six-month follow up. Participants also appeared to engage in a wide array of positive actions, including tracking spending, savings and credit, as well as avoiding potentially negative actions like overdrawing accounts or using high-cost short term credit.

The Finances 50+<sup>SM</sup> Financial Capability Program is an example of a well-designed, well-targeted educational program that can help people at key 'teachable moments' in their lives. Low-income, older adults face unique challenges in juggling low savings rates, high debt loads and weak job prospects. Yet, these families remain relatively optimistic about their finances, and seem quite interested in learning how to better achieve financial security. The goals for these families are likely different from those of more affluent families; people in Finances 50+<sup>SM</sup> are not as interested in complex estate plans or how to better allocate assets across investment portfolios. But they appear keenly able to adjust spending, better attend to repaying liabilities and even able to increase savings despite otherwise tight budgets. AARP Foundation, Charles Schwab Foundation, and the 11 community-based organizations who participated in the program should be encouraged by this outstanding result.

J. Michael Collins  
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## I. Executive Summary

AARP Foundation, in collaboration with Charles Schwab Foundation, designed and disseminated a financial capability curriculum targeted to the 50+ age group to approximately 11 organizations nationwide. The curriculum is described in Appendix I. The 11 organizations administered the financial capability training through classes offered on site at their organizations starting in September 2012 and running through December 2013. Approximately 2,775 people participated in these classes over this period.

The purpose of the present report is to assess the impact of the financial training by:

- Comparing behaviors relating to key financial topics before and after participating in the class
- Determining whether desired financial behaviors increased after participating in the class

A pre-test post-test evaluation methodology was designed by AARP in which financial behaviors, including behaviors around spending, saving, budgeting, investing, handling debt, etc., were measured prior to training (baseline) and at two follow-up time points (3- and 6-month post training). Analysis of participants' financial behaviors pre- and post-training reveals notable findings on the impact of the training classes:

1. Participants' levels of anxiety about their financial situations decreased significantly from before to after the training, with the proportion "very worried" dropping by 36% (from 22% to 14%) from baseline to six months post-training, while those "not very/not at all worried" increased 24% (from 34% to 42%) during the same time period. Greater control over finances, as demonstrated by improved financial behaviors, appears to be responsible for the improved financial state of mind.
2. Participant scores on the Financial Management Behavior Scale (FMBS)<sup>1</sup> measured at three points in time show that there was a statistically significant improvement in average scale scores pre- and post-training. On a 5-point scale of possible improvement in financial behaviors, participants went from an average of 2.8 to 3.0. This scale is considered the consummate measure of multidimensional financial management behaviors.
3. Looking at other discrete indicators of change in financial behaviors, most significant post-training (6-month) change was found in the following "positive" behaviors:
  - calculating net worth increased by 43%<sup>2</sup> (28% to 40%)
  - reducing financial fees increased by 29% (38% to 49%)
  - reducing spending and/or increasing earnings increased by 22% (51% to 62%)
  - prioritizing debt payment increased by 23% (40% to 49%)
  - reviewing credit card statement increased by 16% (61% to 71%)

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<sup>1</sup> Developed by J. Dew and J. Xiao, this 15-item scale has been validated and tested for reliability. As scores on the FMBS increase, participants' reported level of savings increases and their reports of debt decrease. The authors cite prior research on financial behaviors which suggests that individuals tend to follow a hierarchical pattern of financial management behaviors, starting with cash flow management, and moving to credit management, then savings, then investment, with the result that such behaviors higher on the hierarchy are practiced by increasingly fewer individuals.

<sup>2</sup> Net change is calculated by subtracting the baseline rate from the 6-month rate and dividing by the baseline rate.

Likewise, frequency of some "negative" behaviors declined significantly 6 months post, including:

- being overdrawn (a net improvement of 33%, dropping from 18% to 12%)
  - being contacted by a collector (a drop from 23% down to 17%)
  - taking out a payday loan, down 43%, from 7% to 4% of the participants. While payday loans are fortunately not a widely a pervasive behavior, a decline by almost half in the rate of those using them is a significant improvement.
4. Spending patterns before and after training show a significant drop in those reporting spending more than their income, from 21% at the baseline to 14% after 6 months, a drop of about one-third. Regarding saving habits, there was a significant increase in the proportion who reported saving the same or more 6 months after training compared with initially, and a concomitant drop in the rate of saving less: over six in ten were saving the same or more compared to three months earlier, vs. only four in ten before training began -- a net increase of over 50% improvement in saving behavior.
  5. The proportion of participants reporting less debt (compared to three months ago) post-training increased from 17% to 25%, a net improvement of 47%.
  6. Calculating changes in actual dollar amounts saved and owed over the study period by looking at individual participants on a case-by-case basis, more than a third of participants (35%) reported lower dollar amounts of debt 6 months post-training. With regard to both non-retirement and retirement saving, there was a largely static trend over the same time period, with pluralities of roughly six-in-ten participants experiencing *no change* in amount saved. However, 15% did report higher non-retirement savings and 23% reported higher retirement savings.
  7. Developing a clear financial goal was a major accomplishment for those who took the training, with a 50% improvement rate in participants setting a goal (from 42% to 63%). Among those with a defined goal, the proportion with an Action Plan increased 39% (from 33% to 46%) by the end of the study period.

Overall this study shows positive and statistically significant changes in financial behavior and attitudes when comparing people to their responses before taking part in Finances 50+<sup>SM</sup>. These results are consistent with the goal of the program, namely to help a targeted population of vulnerable households to improve their financial practices.

## II. Study Background and Methodology

One of AARP Foundation's dedicated concerns has been focused on assisting Americans over age 50 who are struggling financially or have lost their financial stability in the recent economic recession. Struggles with debt, inadequate savings, bad spending habits, and other demands like family support and medical bills etc., all contribute to a lack of confidence in one's financial future and a poor prognosis for a financially stable retirement. In 2011, in collaboration with Charles Schwab Foundation, AARP Foundation developed a three-part financial capability program designed expressly for older Americans. The class has been piloted over the past year in English and Chinese,<sup>3</sup> and data have been gathered to allow a measure of evaluation of the impact of the training on participants' financial behavior. The course curriculum is described in Appendix I. Essentially, the training covers: budgeting and goal setting; taking charge of credit and debt; and developing a savings plan and protecting assets.

The fifteen-minute questionnaire designed to measure the impact of the training on attendee financial behavior appears in Appendix II of this report.<sup>4</sup> The research to evaluate the Finances 50+<sup>SM</sup> training course was designed as three independent surveys:

### 1. Test Group – Baseline Measure: Baseline Survey for Class Enrollees

Each participating organization administered a paper survey prior to the start of the first class.<sup>5</sup> A five dollar cash or gift card incentive was given to each participant who completed a baseline survey.<sup>6</sup> Completed surveys were mailed to AARP for processing.

### 2. Test Group – 3-Month Measure: 3-Month Follow-Up Survey for Class Participants who completed a baseline survey

In the baseline survey, participants were given the option of completing the follow-up surveys by mail or online. The research firm mailed paper surveys to all participants who completed a baseline survey and selected “mail” as their follow-up survey option. AARP emailed a survey link to all participants who completed a baseline survey and selected “online” as their follow-up survey option. A \$10 cash incentive was given to each participant who completed a 3-month follow-up survey

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<sup>3</sup> Materials for Finances 50+<sup>SM</sup> were available in English, Chinese, and Spanish. The Chinese training manual was used as a guide, to be used alongside the English version, and not to be used as the sole source for the training. The baseline survey, 3-month follow-up survey, and 6-month follow-up survey, were all translated into Chinese. Only one participating organization had Chinese speaking participants. No participating organizations had Spanish speaking participants.

<sup>4</sup> Guidelines for Administering the Paper Survey (Appendix III), a Signature Sheet (Appendix IV), and Reminder Sheet (Appendix V) were created to manage survey logistics and maintain consistency across all participating organizations in the data collection process.

<sup>5</sup> At the beginning of the study period (September 2012 – December 2012), the baseline survey was administered by phone by the research firm among class participants who pre-registered for Finances 50+<sup>SM</sup>. However, due to difficulty in reaching class participants prior to the first class, a decision was made to switch to the paper survey beginning in January 2013. For participants who completed a baseline survey by phone, they were also contacted by phone for the 3-month and 6-month follow-up surveys.

<sup>6</sup> A few participating organizations requested that the five dollar incentives be mailed separately by the research vendor to avoid managing the logistics of offering cash payments.

3. Test Group – 6-Month Measure: 6-Month Follow-Up Survey for Class Participants who completed a 3-month follow-up survey

The research firm mailed paper surveys to all participants who completed a 3-month follow-up survey and selected “mail” as their follow-up survey option. AARP emailed a survey link to all participants who completed a 3-month follow-up survey and selected “online” as their follow-up survey option. A \$15 cash incentive was given to each participant who completed a 6-month follow-up survey.

The survey was administered to each of these groups through mixed modes: telephone, paper survey, and/or online. The final number of completed surveys for the test groups are as follows:

	Number of participants who completed a survey for each measure	Number of participants included for each measure in the report*
Baseline Measure (Baseline survey)	n=1,265	n=427
3-month Measure (3-month follow-up survey)	n=720	n=427
6-month Measure (6-month follow-up survey)	n=519	n=427

\*In order to examine net change in rates of engagement in financial behaviors between baseline and 6 months post, the majority of comparisons in the report are made between the class participants who completed all three surveys at the three different time periods (n=427).

### III. Sample Demographics

Table 1 displays some of the demographic characteristics of program participants at the baseline measure. Participants in the training were more likely to be women than men, and between the ages of 50 and 75. They were almost equally white or African American, a large majority with annual incomes under \$35,000. Over half of participants were retired. Education levels were quite varied in the sample, as was marital status.

**Table 1. Demographic Characteristics of Participants\***  
(n=427)

	%		%
<b>Gender</b>		<b>HH Income</b>	
Male	21	Less than \$35,000	67
Female	78	\$35,000 to less than \$75,000	24
		\$75,000 or more	10
<b>Age</b>			
18-49	10	<b>Employment Status</b>	
50-74	60	Full-time	9
75+	30	Part-time	7
		Self-employed	3
<b>Marital Status</b>		Retired	52
Married/living w partner	31	Disabled	12
Widowed	19	Unemployed	15
Divorced/Separated	29	Other	2
Never married	21		
		<b>Education Level</b>	
<b>Race/Ethnicity</b>		Less Than High School	7
White	46	H.S. degree/Tech school	37
African American	43	AA degree/Some college	25
Asian	9	Bachelor's degree +	31
Mixed	1		
Other	1	<b>Own or Rent</b>	
		Own	42
<b>% Hispanic Origin:</b>	3	Rent	51
		Neither rent nor own	7

\*Percentage rates are based on total valid responses; non-responses have been excluded from these calculations. Percentages may not add to 100% due to rounding.

#### IV. Subjective Financial Well-Being

The three-month and six-month follow-up surveys suggest that *intensity level* of the participants' worry decreased over the study period, with the proportion "very" worried dropping from 22% to 14% at 6 months, and likewise, the proportion "not very/not at all" worried increasing from 34% to 42%. Participants' confidence that their situations would improve increased slightly over the study period, with those "very" confident increasing from 20% to 25%.

**Table 2. Subjective Financial Well-Being (n=427)**

	Baseline	3-month	6-month	Net Change Baseline to 6 months
	%	%	%	
<b><i>Worried about my current financial situation</i></b>				
Very	22	17*	14*	-36%*
Somewhat	35	38	38	9%
Not very/not at all	34	39	42*	24%*
Don't know/refused	9	7	6*	--
<b><i>Confident that I will improve my financial situation</i></b>				
Very	20	25*	25*	25%*
Somewhat	46	46	45	-2%
Not very	17	16	18	6%
Not at all	6	6	5	-17%
Don't Know/Refused	11	8*	7*	--

Question 1. How worried are you about your current financial situation?

Question 2. How confident are you that you will improve your current financial situation?

\* indicates that there are statistically significant differences between participant baseline and participant follow-up (at 5% level)

## V. Financial Management Behavior Scale (FMBS)

In this section of the report, all analyses focus on participants' financial behaviors measured by the **Financial Management Behavior Scale (FMBS)**, a 15-item scale that has been validated in the field. The scale's authors assert that the full FMBS is a reliable and valid measure of financial management behaviors.<sup>7</sup> The authors cite prior research on financial behaviors which suggests that individuals tend to follow a hierarchical pattern of financial management behaviors, starting with cash flow management, and moving to credit management, then savings, then investment, with the result that such behaviors higher on the hierarchy are practiced by increasingly fewer individuals. The FMBS is based on this hierarchy of financial behaviors.

The present survey included the FMBS scale items for replication (see Table 3). Following the validated procedure, we constructed the FMBS by averaging each participant's scores on 15 survey items which specifically ask about the participant's level of engagement in different financial behaviors.<sup>8</sup> The FMBS has a minimum value of 1 and maximum value of 5. Higher values indicate more frequent engagement in financial behaviors.

**Table 3. Fifteen Survey Items of the Financial Management Behavior Scale (FMBS)**

*"Please indicate how often you have engaged in the following activities in the past 3 months on a scale of 1 – 5: 1 = Never, 2 = seldom, 3 = sometimes, 4 = often, 5 = always. Check one response for each item."*

1. Comparison shopped when purchasing a product or service
2. Paid all your bills on time
3. Kept a written or electronic record of your monthly expenses
4. Stayed within your budget or spending plan
5. Paid off credit card balance in full each month
6. Maxed out the limit on one or more credit cards
7. Made only minimum payments on a loan
8. Began or maintained an emergency savings fund
9. Saved money from every paycheck
10. Saved for a long term goal such as a car, education, home, etc.
11. Contributed money to a retirement account
12. Bought bonds, stocks, or mutual funds
13. Maintained or purchased an adequate health insurance policy
14. Maintained or purchased adequate property insurance like auto or homeowners insurance
15. Maintained or purchased adequate life insurance

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<sup>7</sup> J. Dew and J. Xiao. The Financial Management Behavior Scale: Development and Validation. *Journal of Financial Counseling and Planning*, 22:1, 2011.

<sup>8</sup> Scale reliability was examined using Cronbach's Alpha coefficient and was found satisfactory (Baseline, Alpha=0.8573; 3-month follow-up, Alpha=0.8353; 6-month follow-up, Alpha=0.8497).

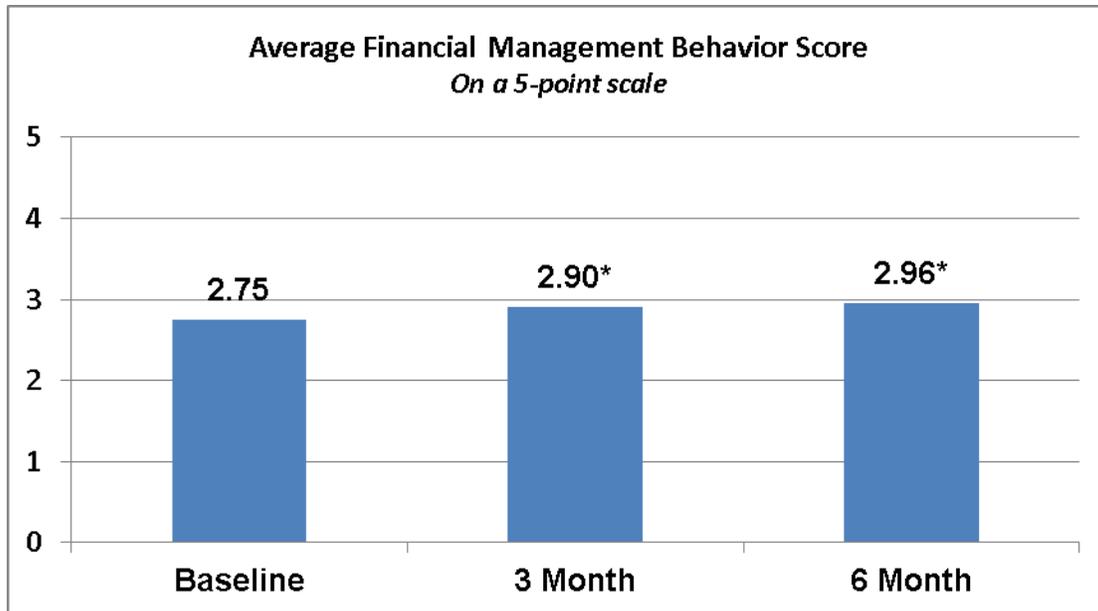
Mean FMBS scores were computed, and mean score change over the study period was calculated and compared for three different subsamples of participants:

- A. Baseline (n=1,265), 3-month follow-up survey (n=720), and 6-month follow-up survey (n=519)
  - Includes all participants regardless of how many surveys they completed.
- B. Baseline and 3-month follow-up survey only (n=619)
  - Includes participants who completed a baseline and 3-month follow-up survey.
- C. Baseline, 3-month follow-up survey, and 6-month follow-up survey (n=427)
  - Includes participants who completed a baseline, 3-month follow-up, and 6-month follow-up survey.

**A. Comparing the baseline, 3-month follow-up, and 6-month follow-up samples<sup>9</sup>**

Looking at all participants regardless of how many iterations of the survey they completed, we find statistically significant increases in FMBS scores at 3 months post training which are sustained at 6 months post training: from an average score of 2.75 at baseline, to average scores of 2.9 and 2.96 at 3 and 6 months post, respectively (Figure 1).

**Figure 1. Average FMBS Scores of the Baseline, 3-month, and 6-month Samples (Total participants: Baseline, n=1,265; 3-month follow-up, n=720; 6-month follow-up, n=519).**



\* indicates a statistically significant difference between participant 3- and 6-month follow-ups ( $p < .05$ ) (ANOVA)

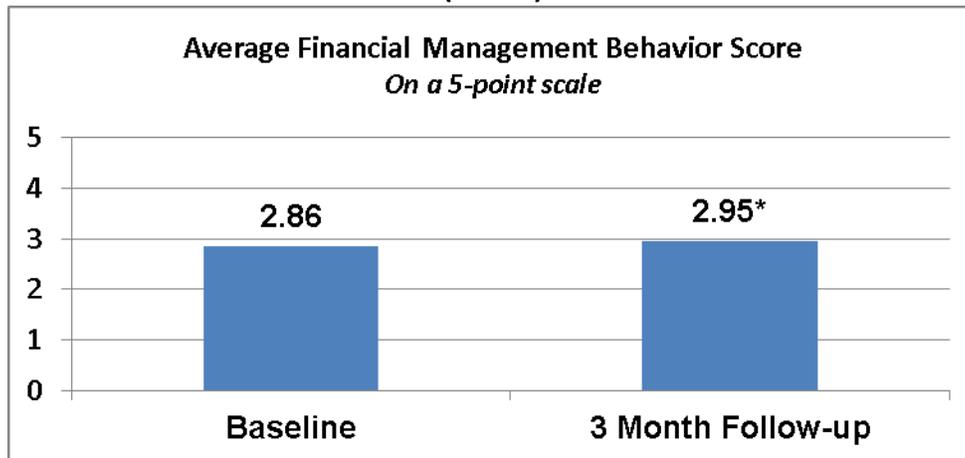
**B. Comparing the baseline sample to the 3-month follow-up sample**

This comparison contains 619 cases that took both the baseline survey before training started and the 3-month follow-up survey (Figure 2). On average, the participant's 3-month FMBS score is 0.098 higher than his/her initial FMBS score, on the 5-point scale, increasing from 2.86 to 2.95. This increase in the FMBS score is statistically significant.<sup>10</sup>

<sup>9</sup> In order to take into account the sampling error created by missing values ("refuse to answer/don't know") and "not applicable" answers, we followed a common practice in the field by applying two different approaches. In one approach, we treated all missing values and "not applicable" answers as system missing values and excluded them in our analyses. In another, we still treated "not applicable" answers as system missing, but recoded "refuse to answer/don't know" answers to system median of the corresponding variables. Two identical sets of analyses were performed after the missing values were dealt with, a practice known as the sensitivity check. We found no significant difference between the two approaches, which is consistent with what is commonly found in the field (see footnote 5). In this report, we present results from analyses that have all missing values and "not applicable" answers excluded.

<sup>10</sup> A further regression analysis shows that this increase in the FMBS score is robust to controls for the participant's gender, home ownership, number of children under 18, race, married or not, education, household income, and age.

**Figure 2. Average FMBS of the Baseline and the 3-month Follow-up Samples**  
**(Base: Participants who completed the baseline and 3-month follow-up surveys)**  
**(n=619)**

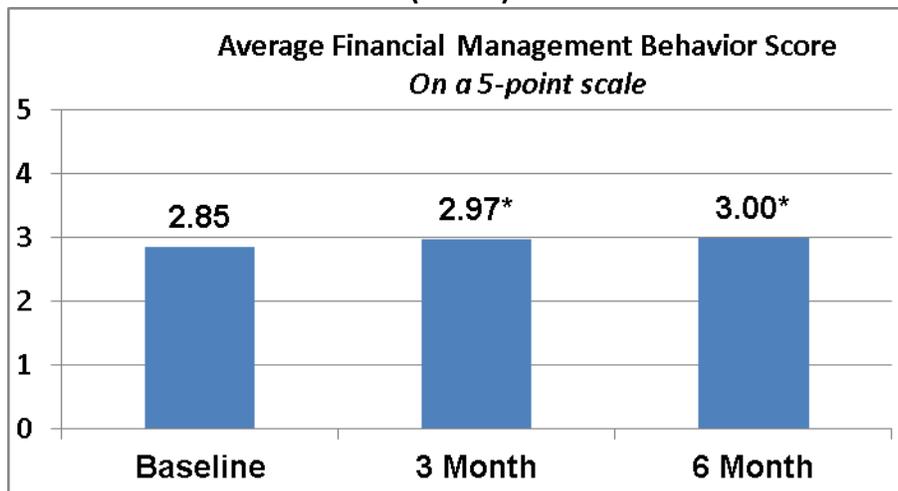


\* indicates a statistically significant difference between participants' FMBS scores at baseline and 3- months after ( $p < .05$ ). Results of paired-sample t-tests.

**C. The initial, 3-month follow-up, and 6-month follow-up samples: three-way comparisons**

The comparison below contains n=427 cases who took all three surveys. Analysis of participants' mean scores shows that participants' scores 3 months and 6 months after the training are statistically significantly higher than their initial FMBS scores. No significant difference was found between the two follow-up time points, however. This suggests that the training program has a promoting impact on the participants in terms of engaging in improved financial behaviors and such positive impact remains 6 months after the training.<sup>11</sup>

**Figure 3. Average FMBS of the Baseline, 3-month, and 6-month follow-up samples:**  
**(Base: Participants who completed the baseline, 3-month, and 6-month follow-up surveys)**  
**(n=427)**



\* indicates a statistically significant difference between participants' FMBS scores at baseline and at both the 3- month and 6-month follow-up ( $p < .05$ ). Results of paired-sample t-tests.

<sup>11</sup> Again, regression analyses suggest that the increase is independent of participant's socio-demographic characteristics (the same as above).

## VI. Other Financial Behaviors

There are significant differences between pre- and post- training in nine of the 16 financial behaviors listed in the table below, all of which suggest some degree of improvement as a result of having attended at least one of the financial classes. Regarding many “good” behaviors, participants showed significant improvement after 6 months. These behaviors include 1) *reviewing credit card statement* (16% improvement in rate over the baseline), 2) *reducing spending and/or increasing earnings* (increased by 22%) 3) *prioritizing debt payment* (23% improvement), 4) *reducing financial fees* (29% improvement), and 5) *calculating net worth* (43% improvement). The net change, or the actual pre-/post- rate of improvement, appears in the last column of Table 4.<sup>12</sup>

**Table 4. Percent Who have Engaged in Select Financial Behaviors in the Past 3 Months (n=427)**

	Baseline	3-month	6-month	Net Change Baseline to 6 months
<b>"Positive" behaviors:</b>	%	%	%	
Reviewed your credit card statements, loan statements, or other financial account statements for accuracy	61	67*	71*	16%*
Reduced your spending and/or increased your earnings to try to keep your budget in balance	51	60*	62*	22%*
Prioritized how you pay back your debts based on information about the terms, conditions, amounts, or interest rates charged on your debt	40	49*	49*	23%*
Reviewed how much you are paying in fees and interest for financial services & taken steps to reduce those costs	38	51*	49*	29%*
Calculated your net worth—that is, calculate the value of the things you own such as your major assets and savings, vs. the amount of your debt, e.g., unpaid loans/mortgages	28	37*	40*	43%*
Obtained a copy of your credit report	28	32	31	11%
Made automatic savings deposits into a bank account	35	39	40	14%
Taken out a new loan, line of credit or credit card	13	10	10	-23%
Used a credit counseling service (Does not include your Money Mentor received through the AARP Foundation)	4	4	6	50%
<b>"Negative" behaviors</b>				
Overdrawn a checking or savings account	18	14*	12*	-33%*
Been contacted by a creditor or debt collector about unpaid bills	23	15*	17*	-26%*
Taken out a payday loan	7	4*	4*	-43%*
Taken out a cash advance on a credit card	6	3*	5	-17%
Used a check cashing store	10	8	8	-20%
Borrowed money from friends or family	21	18	18	-14%
Withdrawn money prematurely from a time-restricted account (like a retirement account, CD, or other account with withdrawal restrictions)	9	7	8	-11%

Question 4. In the past 3 months, have you done any of the following? Check one response for each item.

\* indicates that there are statistically significant differences between participant baseline and participant follow-up

<sup>12</sup> Net change is calculated by subtracting the baseline rate from the 6-month rate and dividing by the baseline rate.

As for “negative” behaviors, Table 4 reveals that the participants' rates of engaging in these behaviors fell significantly after 6 months: *being contacted by debt collector* (net decline of 26%), 2) *overdrawing bank accounts* (decline of 33%), *taking out a payday loan* (decline of 43%), and *taking a cash advance on a credit card* (decline of 50% at the 3-month measure, but not sustained at 6 months).

## **VII. Spending, Saving, and Debt**

Over the study period, participant spending relative to income declined significantly: only 36 percent were spending less than their income at the baseline, and this climbed to 46% at the 6 month follow-up, a 28% improvement. Conversely, significantly fewer reported spending more than their income at the 6-month follow-up (down 33%).

Over the study period, more participants began saving: after 6 months, 61% were saving the same amount or more (compared to three months prior), compared to only 40% of participants before the classes began. The rate of those who reported saving *less* at 6 months after the training dropped significantly as well, from 29% to 18%, a net improvement of nearly 40%.

Regarding amount of debt, at the end of 6 months, a significantly higher proportion of participants report having less debt than they had three months prior (17% to 25%), a net improvement of 47%.

**Table 5. Household Spending and Saving, Past Three Months  
(n=427)**

	Baseline	3-month	6-month	Net Change Baseline to 6 months
	%	%	%	
<b>Avg. spending over past 3 months:</b>				
Spending more than income	21	16*	14*	-33%*
Spending less than income	36	44*	46*	28%*
Spending equal to income	38	38	39	3%
<i>Don't know/Refused</i>	6	2*	1*	--
<b>Saving now compared to 3 months ago:</b>				
Saving less now	29	18*	18*	-38%*
Saving more now	13	17*	17*	31%*
Saving the same	27	44*	44*	63%*
I do not contribute to savings	21	18	19	-10%
<i>Don't know/Refused</i>	10	3*	2*	--
<b>Debt now compared to 3 months ago:</b>				
More debt	14	7*	8*	-43%*
Less debt	17	25*	25*	47%*
About the same amount of debt	33	31	31	-6%
Had no debt at either time	30	31	34	13%
<i>Don't know/Refused</i>	7	5	3	--

Question 5. In the past 3 months, would you say your household's average monthly spending was less than, more than, or about equal to your household's income?

Question 6. Compared to three months ago, are you currently saving less, the same, or more?

Question 10. Compared to three months ago, which of the following statements best describes how your total debt has changed? Please include all credit cards, lines of credit, and loans. If you have a mortgage, do not include your mortgage.

\* indicates that there are statistically significant differences between participant baseline and participant follow-up

The next series of questions asked participants to retrospectively estimate the dollar value of their 1) retirement savings, 2) non-retirement savings, and 3) amount of household debt over the three time points of the study, beginning at baseline. Calculating changes in amounts saved and owed by looking at individual participants on a case-by-case basis over the entire study period, we see a mixed picture.

With regard to both types of saving, one observes a largely static trend, with pluralities of roughly six-in-ten participants experiencing *no change* in the category<sup>13</sup> of amount saved (64% for non-retirement savings and 60% for retirement savings (Table 6, Net Change column). While there are notable increases in the proportion reporting higher savings at 6 months (15% of participants increased non-retirement savings and 23% increased retirement savings between baseline and 6 months), there were also comparable proportions who *decreased* savings over the same period (about a fifth of participants: 21% decreased non-retirement savings and 17% decreased retirement savings).

<sup>13</sup> Reported increases or decreases in savings or debt are based on categorical data which is captured in ranges, not actual values.

It is possible that some of the drawing down on savings is related to the significantly lower amounts of overall debt levels we observe at 6 months post-training: Table 6 also reveals that over one-third of the sample, i.e., a quite significant rate of 35%, reported actually lower dollar amounts of debt 6 months post-training. It is possible that in some cases, savings were tapped to achieve this debt reduction.

**Table 6. Changes in Total Amounts of Self-Reported Savings and Debt over Study Period: Baseline, Three Months, and Six Months (n=427)**

	Baseline	3-month	6-month	Net Change: 6-Month vs. Baseline <sup>14</sup>
	%	%	%	%
<b>Non-Retirement Savings</b>				<b>Non-Retirement Savings</b>
\$0- \$999	45	47	48	15% increased saving
\$1,000-\$4,999	13	18	16	21% decreased saving
\$5,000-\$9,999	7	6	7	64% no change in saving
\$10,000-\$29,999	9	10	13	<b>Retirement Savings</b>
\$30,000 or more	16	15	12	23% increased saving
<b>Retirement Savings</b>				17% decreased saving
\$0	31	30	28	60% no change in saving
\$1-\$4,999	11	17	17	<b>Household Debt*</b>
\$5,000-\$9,999	4	5	6	23% increased debt
\$10,000-\$49,999	16	17	19	35% decreased debt*
\$50,000 or more	27	27	27	41% no change in debt
<b>Household Debt*</b>				
\$0	15	18	15	
Less than \$5,000	31	38	40	
\$5,000-\$24,999	26	25	26	
\$25,000-\$39,999	5	6	7	
\$40,000 or more	5	6	2	

Question 7. Excluding any money specifically saved for retirement, what is the combined value of all of your emergency, short-term, or other goal-directed savings? If you're not sure, your best guess is fine.

Question 8. Now thinking about your savings specifically for retirement, what is the combined value of all of your retirement savings?

Question 11. Excluding any mortgages that you may have, how much would you estimate your household currently owes in total on all your debts? Please include all credit cards, lines of credit, and loans except mortgages. If you're not sure, your best guess is fine.

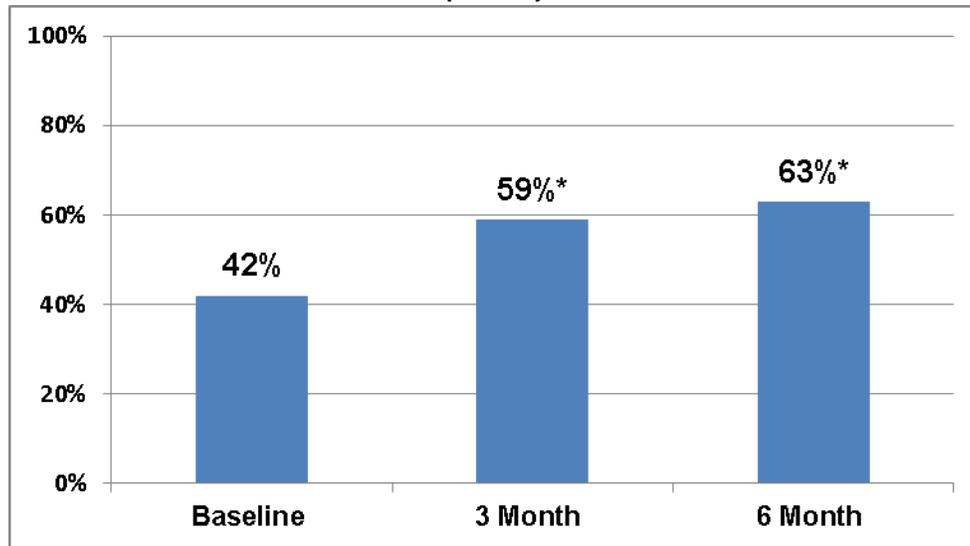
\* indicates that there are statistically significant differences between participant baseline and participant follow-up

<sup>14</sup> For Table 6, net change in savings and debt over the study period was calculated on a case-by-case basis for each individual participant record by comparing the 6-month response to baseline response, then aggregating the results into categories of increased, decreased or no change in amount.

## VIII. Financial Goals

Fewer than half of class participants were likely to even have one financial goal at the time of the baseline survey (42%). Over the study period, however, the proportions of participants with at least one financial goal increased to become significantly higher: 63% at the 6-month follow-up, a net improvement of 50% (Figure 4).

**Figure 4. Percent Who Report Having at least ONE Financial Goal\*  
(n=427)**



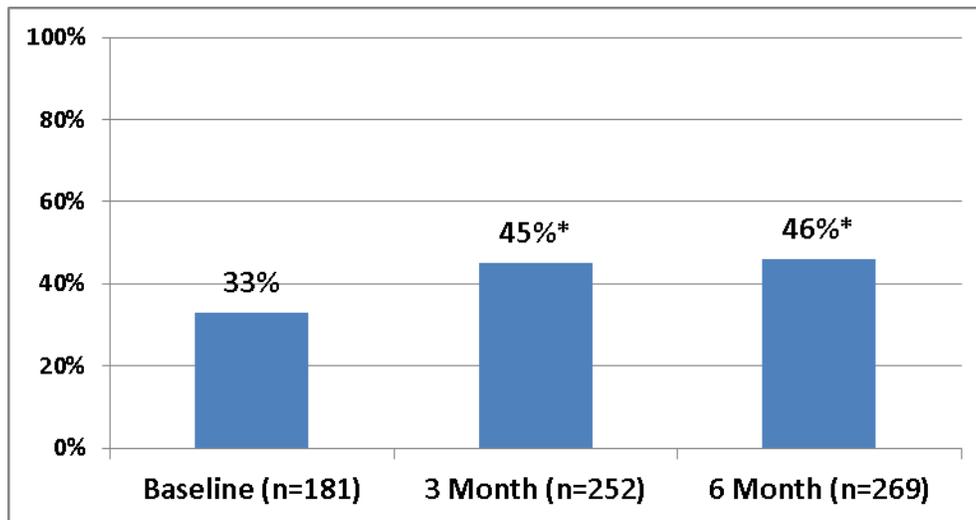
*Question 9. Do you currently have at least one financial goal?*

*\* indicates that there are statistically significant differences between participant baseline and participant follow-up.*

In Figure 5, among participants who had reported at least one financial goal, roughly one in three initially reported having a written action plan. Three months after the training, participants were significantly more likely to have a written action plan (45%), and remained as likely at 6 months after the training (46%).

**Figure 5. Percent Who Report Having a Written Action Plan**

*(Base = Participants who reported having at least one financial goal.)*



*Question 9a. Do you currently have a written action plan to reach your financial goals?*

*\* indicates that there are statistically significant differences between participant baseline and participant follow-up*

In an open-ended question asking participants what their primary financial goal is, saving and getting out of debt are the most often-mentioned, and these goals become more pervasive throughout the study period (Table 7):

- Participants became more determined to reduce their debt after their training: mentioned by 6% at the baseline survey to 16% after 6 months, over a 100% increase in those saying being debt free was their primary goal. In addition, several other responses listed in Table 7 could be reasonably classified as “debt reduction” goals– including paying off credit cards, paying off car, and paying off student loan, and possibly even paying off house/mortgage
- Participants became more determined to increase their savings between the baseline measure and the 3-month measure: an increase from 12% to 22%, a net increase of 83%.

**Table 7. What is your primary financial goal?**  
*(Base = Participants who currently have at least one financial goal.)*

	<b>Baseline</b>	<b>3-month</b>	<b>6-month</b>
	<b>n=181</b>	<b>n=145</b>	<b>n=80</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Save / Save money	12	22*	18
Get out of debt / Pay off debt / Be debt-free	6	15*	16*
Spend less / Stick to budget	3	3	6
Pay off credit cards	4	8	1
Pay bills on time	4	4	3
Retirement/save for retirement	5	9	5
Buy a house	3	3	1
Pay off house/mortgage	4	2	4
Move	1	2	6
Pay off car	0	0	5
Outlive my money/Have enough to live before I die	2	3	2
Get kids/grandkids into college	1	1	0
Remain comfortable / Maintain what I'm doing	2	6	1
Buy a car	2	2	4
Get a job /Better employment	4	3	4
Financial security/stability	3	3	1
Increase income/earnings	1	3	5
Win the lottery	0	0	1
Travel / Take a vacation	2	1	3
Have an emergency fund	2	2	3
Pay off student loans	2	1	4
Leave inheritance to children	1	1	0
Miscellaneous	4	1	5
<i>Don't know/Refused</i>	32	5	6

*Question 9b. What is your primary financial goal?*

*\* indicates that there are statistically significant differences between participant baseline and participant follow-up*

It is difficult to assess the differences for statistical significance due to very small n sizes in a majority of the comparisons, particularly for the 6-month measures where only 80 participants answered the question. However, differences that meet the statistically significant threshold are marked.

When naming steps they had taken to reach their goal, results in Table 8 are largely aligned with responses in Table 7. Participants with at least one financial goal became more likely after training than before training to take certain actions to meet those goals, i.e., *cut back spending* (from 8% to 22% of participants took this step, representing a net increase of almost 200%); *pay more than the minimum due on bills* (from 3% to 8% took this step, a net increase of over 100%); and *pay bills on time* (from 5% to 9% took this step, a net increase of 80%). While there was an increase in the share of participants with the goal of saving who reported taking the step of saving over 6 months, the rate increase is short of significant (17% to 22%).

**Table 8. Steps taken to meet primary financial goal**  
*(Base = Participants who currently have at least one financial goal.)*

	<b>Baseline</b>	<b>3-month</b>	<b>6-month</b>
	<b>n=181</b>	<b>n=252</b>	<b>n=269</b>
	<b>%</b>	<b>%</b>	<b>%</b>
<b>No steps taken</b>	10	9	8
Save more/Start saving/Saving	17	20	22
Cut back on spending/Reduce spending	8	18*	22*
Find a job / Looking for work/ Job hunting	6	7	6
Pay bills on time/Pay each month	5	7	9*
Pay more than the minimum*	3	8*	8*
Budget / Write out a budget*	5	9	5
Met with financial planner	3	4	3
Have a plan	2	2	1
Invest	4	5	4
IRA	1	1	1
Go to school	1	0	1
Automatic withholding	0	--	--
Took a class	3	--	1
Contacted creditors to set up payment plan	1	2	1
Working / Work more	2	3	2
Sell house	--	1	--
Refinancing / Remortgaged	--	1	1
Miscellaneous	2	2	2
<i>Don't know/Refused</i>	36	10	14

*Question 9c. What steps have you taken to meet your primary financial goal?*

*\* indicates that there are statistically significant differences between participant baseline and participant follow-up*

Table 9 reveals that the participants with stated financial goals became significantly more confident that they would reach their financial goals after training, and confidence remained at improved levels six months after training: While over one in five participants *did not know* how confident they were at the baseline, only 2% were unsure at the follow-up periods. Most of the uncertainty witnessed at the outset was transformed to "very" or "somewhat" confident by the end of the training: There was a 36% improvement in those who were somewhat or very confident (from 66% to 90% over 6 months).

**Table 9. Confidence in Achieving Primary Financial Goal\***  
(Base = Participants who currently have at least one financial goal.)

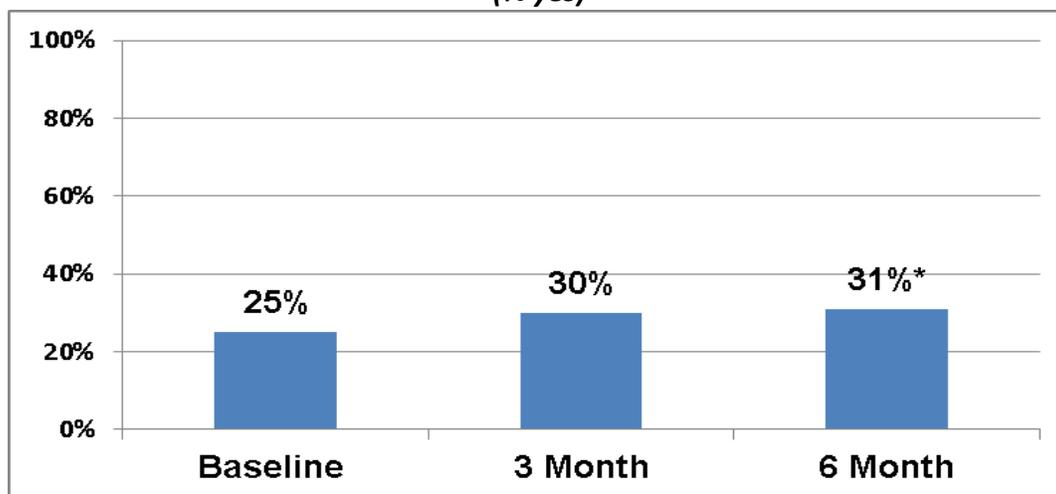
	Baseline	3-month	6-month	Net Change Baseline to 6 months
	n=181	n=252	n=269	
	%	%	%	
<i>Very confident</i>	32	48*	49*	53%*
<i>Somewhat confident</i>	34	39	41*	21%*
<i>Not very confident</i>	7	9	7	0
<i>Not at all confident</i>	2	2	1	-50%
<i>Don't know</i>	22	2*	2*	--

Question 9d. How confident are you that you will achieve this financial goal?

\* indicates that there are statistically significant differences between participant baseline and participant follow-up

Data in Figure 6 suggest that participants became significantly more aware of receiving uninvited financial opportunity, planning advice, or financial service after the training at the 6-month measurement period: 25% before training vs. 31% at 6-month follow-up.

**Figure 6. Percent Receiving Uninvited Offers for Financial Services, Opportunities, Advice, etc., in Past Three Months, Participants Only, n=427**  
(% yes)



Question 12. In the past 3 months have you been offered an uninvited financial opportunity, financial planning advice or service?

\* indicates that there are statistically significant differences between participant baseline and participant follow-up

The participants who reported receiving such offers, however, were not very likely, even after taking part in the training, to take any of the listed actions in response to the offers (Table 10), with one exception: more participants reported considering their options before deciding (28% after training vs. 19% before training). There was no change in the proportion who reported ignoring the offer (52% vs. 53%). (*Note, however, small n sizes in Table 10 make statistical significance difficult to attain*).

**Table 10. Steps Taken in Response to Uninvited Financial Offer**

*Base=those who reported receiving uninvited financial offers*

	<b>Baseline</b>	<b>3-month</b>	<b>6-month</b>
	<b>n=108</b>	<b>n=127</b>	<b>n=131</b>
	<b>%</b>	<b>%</b>	<b>%</b>
None-ignored it and did not pursue the opportunity	52	61	53
Took the time to consider my options before deciding	19	28*	28*
Asked questions to the person or company offering the financial opportunity or service	28	26	26
Talked with a trusted advisor (e.g., family, friend, or lawyer) about the financial opportunity	22	17	24
Researched it online	14	14	15
Checked with state or federal regulators to verify the legitimacy of the person and the financial product	11	13	13
None-pursued the opportunity without researching	4	3	2
Requested help from a government agency or reputable nonprofit organization	7	9	3

*Question 12a. Which of the following steps (if any) did you take to assess the quality of this financial opportunity, person, or service? Check all that apply.*

*\* indicates that there are statistically significant differences between participant baseline and participant follow-up*

## APPENDIX I

### About the AARP Foundation Finances 50+<sup>SM</sup> Financial Capability Program Curriculum

Sponsored by and developed in collaboration with Charles Schwab Foundation, AARP Foundation *Finances 50+<sup>SM</sup>* is a three-part financial training curriculum offered in 90-minute interactive classroom sessions. Each is designed to help older adults build financial habits that can improve personal financial situations. In-person classes are offered through community organizations and volunteers, and materials are available for download and as hard-copy publications free of charge. The training is offered in English, Spanish and Chinese.

Launched in September of 2012 in six cities (Baltimore, San Francisco, New Orleans, Denver, Phoenix, and Washington DC), the workshops are run by AARP Foundation-partner organizations that train employees and volunteers to facilitate the workshops and serve as Money Mentors. In three consecutive weeks, participants learn to set financial goals, create a budget, utilize credit cards sensibly, save money and protect their assets. The workshops are small (usually five to 15 people) to foster dialogue, and exercises are assigned and discussed. Following the workshops, participants are offered the opportunity to work with Money Mentors for additional support and motivation.

The topics covered in the 90-minute workshop sessions include both "knowing" and "doing" training. Research shows the superiority of training programs that have "hands-on" decision-making practice exercises and the opportunity to bring everyday financial behaviors into the classroom for dissection.<sup>15</sup> Ultimately participants are assisted in creating an "Action Plan" which will provide a clear path to improving their financial futures. The individual training module topics include:

#### **Part I: How to get where you want to go:**

**Objective: Have a better understanding of where you stand financially; know how to set realistic goals; understand and use tools for effective budgeting.**

- Self-assessment and net worth
- Goal-setting
- Budgeting

#### **Part II: Taking Control of Credit and Debt**

**Objective: Know how to obtain and read your credit report; know how to find your interest rate and fees on credit card statement; understand your debts and how to manage them; understand your options in a debt crisis.**

- Understanding credit and debt
- The cost of debt
- Navigating debt

#### **Part III: Building and Protecting your Assets**

**Objective: Learn how to spend wisely; how to save something regardless of your financial situation; protect yourself from fraud and scams; have a plan for improving your financial situation.**

- Saving
- Protecting your assets
- Developing an Action Plan

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<sup>15</sup> *Making the shift from financial education to financial capability: Evidence from the Financial Capability Innovation Fund.* Center for Financial Services Innovation. 2011

**APPENDIX II**  
**Annotated Questionnaire**

<b>AARP Foundation Finances 50+<sup>SM</sup></b> <b>PARTICIPANT BASELINE SURVEY</b> <b>(This first sheet administered at baseline only)</b>
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According to our records, you recently signed up for or participated in the AARP Foundation Finances 50+<sup>SM</sup> program. As explained when you signed up for the program, you will be asked to participate in a series of three surveys related to the Finances 50+<sup>SM</sup> program. This is the first of those surveys. In appreciation for your participation in today's survey, you will receive \$5 cash. Your individual responses will be confidential and any information that you share in this survey will be combined with all the other surveys received so that only group information will be shared. Your responses will help us improve the program.

\*\*\*\*\*

**Please indicate how you would like to receive your 3-month and 6-month follow-up surveys – through email or mail. Check one response.**      Email      Mail

If you selected email, please PRINT your name, email address, and phone number. If you selected mail, please PRINT your name, mailing address, and phone number. If you do not provide your contact information, we will not be able to send the follow-up surveys to you. You will receive a total of \$30 if you complete all three surveys: \$5 for today's survey, \$10 for your participation in the 3-month follow-up survey, and \$15 for your participation in the 6-month follow-up survey.

First and Last Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Phone number:  
(including area code) \_\_\_\_\_

Email address: \_\_\_\_\_

**NOTE: All figures reported in annotated tables below are percentages. All percentages are based on 427 participants who answered all three test surveys: baseline, 3-month, and 6-month. Also, all demographic data were drawn from the baseline survey only, and were not asked on the 3-month and 6-month follow-up surveys.**

-denotes 0%

-denotes <0.5%

**1. How worried are you about your current financial situation? Check one response.**

	Baseline	3 Month	6 Month
Base: Total Participants	427	427	427
Very worried	22	17	14
Somewhat worried	35	38	38
Not very worried	23	27	27
Not at all worried	12	12	15
Don't know	9	7	6
Refused	-	-	-

**2. How confident are you that you will improve your current financial situation? Check one response.**

	Baseline	3 Month	6 Month
Base: Total Participants	427	427	427
Very confident	20	25	25
Somewhat confident	46	46	45
Not very confident	17	16	18
Not at all confident	6	6	5
Don't know	11	8	7
Refused	-	-	-

**3. Please indicate how often you have engaged in the following activities in the past 3 months.**

**1 = Never, 2 = Seldom, 3 = Sometimes, 4 = Often, 5 = Always. Check one response for each item.**

Activities	Baseline	3 Month	6 Month
<b>Comparison shopped when purchasing a product or service</b>			
Always	36	42	45
Often	23	30	31
Sometimes	26	17	16
Seldom	5	4	3
Never	5	3	4
Not applicable	**	2	2
Don't know	5	1	1
Refused	-	-	-

<b>Paid all your bills on time</b>	<b>Baseline</b>	<b>3 Month</b>	<b>6 Month</b>
Always	62	66	67
Often	13	15	14
Sometimes	12	11	8
Seldom	3	3	2
Never	1	1	1
Not applicable	**	-	1
Don't know	9	5	7
Refused	-	-	-
<b>Kept a written or electronic record of your monthly expenses</b>			
Always	40	47	48
Often	11	15	15
Sometimes	18	18	16
Seldom	11	10	9
Never	15	8	9
Not applicable	2	1	2
Don't know	4	1	1
Refused	-	-	-
<b>Stayed within your budget or spending plan</b>			
Always	27	35	35
Often	27	31	31
Sometimes	27	23	22
Seldom	9	5	6
Never	4	2	3
Not applicable	3	4	2
Don't know	3	1	1
Refused	-	-	-
<b>Paid off credit card balance in full each month</b>			
Always	36	40	40
Often	9	9	8
Sometimes	7	8	12
Seldom	8	8	7
Never	17	12	9
Not applicable	19	23	24
Don't know	3	1	1
Refused	-	-	-
<b>Maxed out the limit on one or more credit cards</b>			
Always	5	2	2
Often	3	4	4
Sometimes	8	4	7
Seldom	8	9	9
Never	50	54	51
Not applicable	23	25	26
Don't know	4	2	2
Refused	-	-	-

<b>Made only minimum payments on a loan</b>	<b>Baseline</b>	<b>3 Month</b>	<b>6 Month</b>
Always	6	4	7
Often	6	7	6
Sometimes	12	10	12
Seldom	12	8	8
Never	35	40	36
Not applicable	25	29	30
Don't know	4	2	1
Refused	-	-	-
<b>Began or maintained an emergency savings fund</b>			
Always	25	30	32
Often	10	12	12
Sometimes	19	20	21
Seldom	12	12	9
Never	21	17	17
Not applicable	8	8	8
Don't know	4	**	2
Refused	-	-	-
<b>Saved money from every paycheck</b>			
Always	20	23	24
Often	10	14	12
Sometimes	24	22	24
Seldom	13	11	12
Never	15	11	11
Not applicable	13	19	16
Don't know	5	**	1
Refused	-	-	-
<b>Saved for a long term goal such as a car, education, home, etc.</b>			
Always	17	15	15
Often	8	11	12
Sometimes	16	17	17
Seldom	15	10	11
Never	24	23	24
Not applicable	15	22	21
Don't know	5	2	-
Refused	-	-	-
<b>Contributed money to a retirement account</b>			
Always	22	15	16
Often	8	6	4
Sometimes	8	7	7
Seldom	6	6	7
Never	31	30	32
Not applicable	22	35	34
Don't know	4	2	1
Refused	-	-	-

Bought bonds, stocks, or mutual funds	Baseline	3 Month	6 Month
Always	12	7	7
Often	7	4	4
Sometimes	12	10	12
Seldom	7	6	4
Never	41	49	50
Not applicable	18	21	23
Don't know	3	3	1
Refused	-	-	-

Please rate your behavior regarding insurance within the past 3 months on a scale of 1 – 5:  
**1 = Never, 2 = seldom, 3 = sometimes, 4 = often, 5 = always. Check one response for each item.**

Activities	Baseline	3 Month	6 Month
<b>Maintained or purchased an adequate health insurance policy</b>			
Always	54	54	58
Often	8	7	5
Sometimes	5	3	4
Seldom	3	4	3
Never	18	15	16
Not applicable	10	17	14
Don't know	3	2	-
Refused	-	-	-
<b>Maintained or purchased adequate property insurance like auto or homeowners insurance</b>			
Always	53	56	55
Often	5	4	5
Sometimes	3	3	4
Seldom	3	2	2
Never	17	18	16
Not applicable	16	15	18
Don't know	4	3	1
Refused	-	-	-
<b>Maintained or purchased adequate life insurance</b>			
Always	33	35	36
Often	4	4	3
Sometimes	10	5	7
Seldom	5	7	5
Never	32	31	29
Not applicable	14	17	20
Don't know	3	3	1
Refused	-	-	-

4. In the past 3 months, have you done any of the following? Check one response for each item.

Activities	Baseline	3 Month	6 Month
<b>a) Used a check cashing store</b>			
Yes	10	8	8
No	86	88	90
Don't know	2	1	1
Refused	3	2	1
<b>b) Taken out a payday loan</b>			
Yes	7	4	4
No	90	91	94
Don't know	1	1	2
Refused	3	4	1
<b>c) Taken out a cash advance on a credit card</b>			
Yes	6	3	5
No	90	91	91
Don't know	1	2	1
Refused	4	5	3
<b>d) Withdrawn money prematurely (or earlier than you had expected to) from a time-restricted account (like a retirement account, CD, or other savings account with withdrawal restrictions)</b>			
Yes	9	7	8
No	87	89	90
Don't know	1	2	3
Refused	3	2	**
<b>e) Overdrawn a checking or savings account</b>			
Yes	18	14	12
No	79	83	86
Don't know	1	1	1
Refused	2	2	**
<b>f) Borrowed money from friends or family</b>			
Yes	21	18	18
No	74	78	80
Don't know	**	1	1
Refused	5	4	2
<b>g) Been contacted by a creditor or debt collector about unpaid bills</b>			
Yes	23	16	17
No	72	81	81
Don't know	1	1	2
Refused	3	3	1
<b>h) Obtained a copy of your credit report</b>			
Yes	28	32	31
No	64	63	62
Don't know	1	1	3
Refused	6	4	4

Activities	Baseline	3 Month	6 Month
<b>i) Calculated your net worth—that is, calculate the value of the things you own such as your major assets and savings, versus the amount of your debt, such as any unpaid loans or mortgages)</b>			
Yes	28	37	40
No	64	57	55
Don't know	5	4	4
Refused	3	2	1
<b>j) Reviewed your credit card statements, loan statements, or other financial account statements for accuracy</b>			
Yes	61	67	71
No	33	27	27
Don't know	3	3	1
Refused	3	3	1
<b>k) Prioritized how you pay back your debts based on information about the terms, conditions, amounts, or interest rates charged on your debt</b>			
Yes	40	49	49
No	47	40	42
Don't know	7	7	6
Refused	6	4	3
<b>l) Reviewed how much you are paying in fees and interest for different financial services and taken steps to try to reduce those costs</b>			
Yes	38	51	49
No	49	41	44
Don't know	8	6	5
Refused	5	3	2
<b>m) Used a credit counseling service (Note: This does not include your Money Mentor received through the AARP Foundation Finances 50+ program, if you have one)</b>			
Yes	4	4	6
No	86	91	91
Don't know	6	3	4
Refused	4	2	-
<b>n) Taken out a new loan, line of credit or credit card</b>			
Yes	13	11	10
No	80	86	88
Don't know	3	1	2
Refused	4	2	**
<b>o) Reduced your spending and/or increased your earnings to try to keep your budget in balance</b>			
Yes	51	60	62
No	41	34	36
Don't know	4	4	2
Refused	4	2	1

p) Made automatic savings deposits into a bank account	Baseline	3 Month	6 Month
Yes	35	39	40
No	56	57	57
Don't know	3	1	2
Refused	5	2	1

5. In the past 3 months, would you say your household's average monthly spending was less than, more than, or about equal to your household's income? Check one response.

	Baseline	3 Month	6 Month
Base: Total Participants	427	427	427
Spending LESS than income	36	44	46
Spending MORE than income	21	16	15
Spending about EQUAL to income	38	38	39
Don't know	6	2	1

6. Compared to three months ago, are you currently saving less, the same, or more? Check one response.

Saving LESS now [GO TO QUESTION 7]

Saving MORE now [GO TO QUESTION 7]

Saving the SAME now [GO TO QUESTION 7]

I do not contribute to savings [GO TO QUESTION 6a]

	Baseline	3 Month	6 Month
Base: Total Participants	427	427	427
Saving less now	29	18	18
Saving the same now	27	44	44
Saving more now	13	17	17
I do not contribute to savings	22	18	19
Don't know	10	3	2

6a. Were you contributing to savings, such as a savings account, retirement plan, or other investments, three months ago? Check one response.

	Baseline	3 Month	6 Month
Base: Do not contribute to savings	92	77	82
Yes	29	18	18
No	27	44	44
Don't know	5	1	2

7. Excluding any money specifically saved for retirement, what is the combined value of all of your emergency, short-term, or other goal-directed savings? If you're not sure, your best guess is fine. Check one response.

	Baseline	3 Month	6 Month
Base: Total Participants	427	427	427
\$0	24	20	19
\$1 - \$499	13	19	21
\$500 - \$999	9	8	9
\$1,000 - \$2,499	8	10	8
\$2,500 - \$4,999	5	7	8
\$5,000 - \$9,999	7	6	7
\$10,000 - \$19,999	6	6	8
\$20,000 - \$29,999	3	4	5
\$30,000 or more	16	15	12
Don't know	10	4	3
Refused	-	-	-

8. Now thinking about your savings specifically for retirement, what is the combined value of all of your retirement savings? If you're not sure, your best guess is fine. Check one response.

	Baseline	3 Month	6 Month
Base: Total Participants	427	427	427
\$0	31	29	27
\$1 - \$4,999	11	16	18
\$5,000 - \$9,999	4	5	6
\$10,000 - \$19,999	5	5	6
\$20,000 - \$29,999	4	4	4
\$30,000 - \$39,999	3	3	4
\$40,000 - \$49,999	3	4	4
\$50,000 or more	27	27	27
Don't know	12	5	3
Refused	**	**	-

9. Do you currently have at least one financial goal? Check one response.

Yes [GO TO QUESTION 9a]      No [GO TO QUESTION 10]

	Baseline	3 Month	6 Month
Base: Total Participants	427	427	427
Yes	42	59	63
No	52	41	36
Don't know	6	-	1
Refused	-	-	-

**9a. Do you currently have a written action plan to reach your financial goals? Check one response.**

Yes [GO TO QUESTION 9b]

No [GO TO QUESTION 9b]

	Baseline	3 Month	6 Month
Base: Currently have a financial goal	181	252	269
Yes	33	45	46
No	65	51	49
Don't know	3	4	5
Refused	-	-	-

**9b. What is your primary financial goal? [If you don't know what your primary financial goal is, then GO TO QUESTION 10.] (Note: all responses where was below 1% were added into "Miscellaneous.")**

	Baseline	3 Month	6 Month
Base: Currently have a financial goal	181	145	80
Save / Save money	12	22	18
Spend less / Stick to budget	3	3	6
Get out of debt / Pay off debt/Be debt free	6	15	16
Pay off credit cards	4	7	1
Pay bills on time	4	4	3
Pay off house/mortgage	4	2	3
Pay off student loans	2	-	-
Pay off car	-	-	5
Move	1	2	6
Travel / Take a vacation	2	1	3
Have an emergency fund	2	2	1
Buy a car	2	2	5
Buy a house	3	3	1
Retirement / Save for retirement	5	9	6
Get a job / Better employment	4	3	5
Financial security/stability	3	3	1
Increase income/earnings	1	3	4
Outlive my money / Have enough to live before I die	2	3	3
Get kids/grandkids into college	1	1	-
Remain comfortable / Maintain what I'm doing	2	6	1
Miscellaneous	17	1	6
Don't know / No answer	32	6	6

**9c. What steps have you taken to meet your primary financial goal?**

	Baseline	3 Month	6 Month
Base: Currently have a financial goal	181	252	269
Save more / Start saving / Saving	17	20	22
Cut back on spending / Reduce spending	9	18	22
Find a job / Looking for work / Job hunting	4	8	6
Go to school	1		1
Budget / Write out a budget	6	10	5
Automatic withholding	-	-	-
Have a plan	1	2	1
Invest	5	4	4
IRA	2	1	1
Met with financial planner	2	4	4
Pay bills on time / Pay each month	5	7	9
Pay more than the minimum	4	8	7
Took a class	3	-	1
Contacted creditors to set up payment plan	-	2	**
Working / Work more	2	3	2
Sell house	-	1	**
Refinancing / Remortgaged	-	1	**
Miscellaneous	2	2	2
Nothing / None	10	9	8
Don't know / No answer	37	10	15

**9d. How confident are you that you will achieve this financial goal? Check one response.**

Very confident      Somewhat confident      Not very confident      Not at all confident

	Baseline	3 Month	6 Month
Base: Currently have a financial goal	181	252	269
Very confident	32	48	49
Somewhat confident	34	39	41
Not very confident	8	9	7
Not at all confident	3	2	1
Don't know	23	2	2
Refused	-	-	-

**10. Compared to three months ago, which of the following statements best describes how your total debt has changed? Please include all credit cards, lines of credit, and loans. If you have a mortgage, do not include your mortgage. Check one response.**

	Baseline	3 Month	6 Month
Base: Total Participants	427	427	427
I have more debt now than I did three months ago	14	7	8
I have about the same debt as I did three months ago	33	31	31
I have less debt now than I did three months ago	17	25	24
I had no debt three months ago and have no debt now	30	31	34
Don't know	7	5	4
Refused	-	-	-

**11. Excluding any mortgages that you may have, how much would you estimate your household currently owes in total on all your debts? Please include all credit cards, lines of credit, and loans except mortgages. If you're not sure, your best guess is fine. Check one response.**

	Baseline	3 Month	6 Month
Base: Have Debt	300	294	282
No debt	15	18	15
Less than \$5,000	31	38	41
\$5,000 - \$9,999	12	11	12
\$10,000 - \$14,999	7	8	7
\$15,000 - \$19,999	4	4	3
\$20,000 - \$24,999	4	3	4
\$25,000 - \$29,999	2	2	3
\$30,000 - \$34,999	1	2	2
\$35,000 - \$39,999	2	2	1
\$40,000 - \$44,999	1	1	1
\$45,000 or more	4	3	1
Don't know	5	3	4
Refused	12	5	6

**12. In the past 3 months have you been offered an uninvited financial opportunity, financial planning advice, or financial service? This may be in-person, over the phone, via mail or the Internet. Check one response.**

Yes [GO TO QUESTION 12a]

No [GO TO QUESTION 13]

Don't know [GO TO QUESTION 13]

	Baseline	3 Month	6 Month
Base: Total Participants	427	427	427
Yes	25	30	31
No	57	60	62
Don't know	6	7	4
Refused	12	3	3

**12a. Which of the following steps (if any) did you take to assess the quality of this financial opportunity, person, or service? Check all that apply.**

Activities		Baseline	3 Month	6 Month
Base: Have been offered an uninvited financial opportunity/service		108	127	131
"Checked with state or federal regulators to verify the legitimacy of the person and the financial product" to assess the quality of this financial opportunity, person, or service?	Yes	11	13	13
	No	89	87	87
"Talked with a trusted advisor (e.g., family, friend, or lawyer) about the financial opportunity" to assess the quality of this financial opportunity, person, or service?	Yes	22	17	24
	No	78	84	76
"Researched it online" to assess the quality of this financial opportunity, person, or service?	Yes	14	14	15
	No	86	86	85
"Asked questions to the person or company offering the financial opportunity or service" to assess the quality of this financial opportunity, person, or service?	Yes	28	26	26
	No	72	74	74
"Took the time to consider my options before deciding" to assess the quality of this financial opportunity, person, or service?	Yes	19	28	28
	No	82	72	73
"Requested help from a government agency or reputable nonprofit organization" to assess the quality of this financial opportunity, person, or service?	Yes	7	9	3
	No	94	91	97
"None-ignored it and did not pursue the opportunity" to assess the quality of this financial opportunity, person, or service?	Yes	52	61	53
	No	48	39	47
"None-pursued the opportunity without researching" to assess the quality of this financial opportunity, person, or service?	Yes	4	2	2
	No	96	98	98

DEMOGRAPHICS

13. Are you...? Check one response.

	Baseline
Base: Total Participants	427
Male	21
Female	78
No answer	1

14. Do you (and your SPOUSE/PARTNER) own or rent your home? Check one response.

	Baseline
Base: Total Participants	427
Own	40
Rent	48
I do not rent nor do I own my home	6
Don't know	6
Refused	-

15. Do you (and your SPOUSE/PARTNER) have a mortgage on your home? Check one response.

Yes [GO TO QUESTION 16]

No, mortgage is paid off [GO TO QUESTION 16]

No, never had a mortgage [GO TO QUESTION 16]

	Baseline
Base: Own your home	170
Yes	40
No, mortgage is paid off	48
No, never had a mortgage	6
Don't know	6

16. Do you (and your SPOUSE/PARTNER) pay rent or live rent free? Check one response.

	Baseline
Base: Do not own a home	170
Pay rent	78
Live rent free	4
Don't know	18
Refused	-

**17. Other than yourself, how many adults ages 18 and older live in your household?**

**Check one response.**

	<b>Baseline</b>
<b>Base: Total Participants</b>	427
<b>None</b>	53
<b>1</b>	28
<b>2</b>	10
<b>3</b>	2
<b>4</b>	**
<b>5 or more</b>	1
<b>Don't know</b>	5
<b>Refused</b>	-

**18. How many children under age 18 live in your household? Check one response.**

	<b>Baseline</b>
<b>Base: Total Participants</b>	427
<b>None</b>	82
<b>1</b>	5
<b>2</b>	4
<b>3</b>	1
<b>4</b>	1
<b>5 or more</b>	1
<b>Don't know</b>	7
<b>Refused</b>	-

**19. What language is most often spoken in your home? Check one response.**

	<b>Baseline</b>
<b>Base: Total Participants</b>	427
<b>English</b>	87
<b>Spanish</b>	-
<b>Other</b>	7
<b>Refused</b>	5

**20. Are you Hispanic or Latino? Check one response.**

	<b>Baseline</b>
<b>Base: Total Participants</b>	427
<b>Yes</b>	3
<b>No</b>	89
<b>Don't know</b>	8
<b>Refused</b>	**

**21. What is your race? Check one response.**

	<b>Baseline</b>
Base: Total Participants	427
Black/African American	41
White/Caucasian	43
American Indian/Aleut/Eskimo/Alaska Native	1
Asian	9
Mixed race	1
Other	1
Refused	5

**22. What is your current marital status? Check one response.**

	<b>Baseline</b>
Base: Total Participants	427
Married	26
Living with partner	3
Widowed	19
Divorced/separated	28
Never married	20
Refused	4
Married	26

**23. What is the highest level of education that you completed? Check one response.**

	<b>Baseline</b>
Base: Total Participants	427
Less than high school	7
High school or equivalent	27
Technical or vocational education	8
Associate's degree	4
Some college	20
College degree	21
Post graduate degree	9

**24. Which of the following best describes your current employment status? Check one response.**

	<b>Baseline</b>
Base: Total Participants	427
Self-employed	3
Work full-time for an employer	9
Work part-time for an employer	7
Unemployed, or temporarily laid off and looking for work	14
Retired, and not employed and not looking for work	50
Permanently sick, disabled, or unable to work	11
Other	2
Refused	5

25. What was your household's approximate household income last year, including wages, tips, investment income, public assistance, income from retirement plans, etc.? Check one response.

	Baseline
Base: Total Participants	427
Less than \$15,000	31
At least \$15,000 but less than \$25,000	19
At least \$25,000 but less than \$35,000	11
At least \$35,000 but less than \$50,000	12
At least \$50,000 but less than \$75,000	9
At least \$75,000 but less than \$100,000	5
At least \$100,000 but less than \$150,000	3
\$150,000 or more	1
Refused	9

26. In what year were you born? \_\_\_\_\_

***Thank you for completing the survey!***

## Appendix III

### **AARP Foundation Finances 50+<sup>SM</sup> Guidelines for Administering the Paper Survey**

#### **Printing and Copying Survey, Signature Sheet, and Reminder Sheet**

- Print a hard copy of the survey (sent from AARP Foundation).
- Make enough copies of the survey for class participants (include extra copies for walk-ins).
- Print as two-sided since the survey is formatted this way, and staple together. (Each survey consists of three, 2-sided pages).
- Print a hard copy of the "Signature Sheet" (number of copies depends on number of participants expected in class).
- Please remember to write the class location (i.e., Providence Community Housing in New Orleans, Louisiana) and class date on the "Signature Sheet."
- For the "Reminder Sheet," please type in the dates for the 3-month and 6-month follow-up surveys (for example, if the last scheduled class is on December 15, the 3-month follow-up survey would be March 15, 2013 and the 6-month follow-up survey would be June 15, 2013). Make enough copies of the "Reminder Sheet" for class participants and (include extra copies for walk-ins).

#### **Cash Incentives**

- Be sure to have enough \$5 bills and "Reminder Sheets" for each participant who hands in a completed survey.

#### **What to Bring to Class**

- Printed copies of the survey
- \$5 bills
- Signature sheet
- Printed copies of the Reminder Sheet
- 9x12 envelope (to be used to collect completed surveys)

#### **How to Administer the Survey**

- After all class participants have arrived, please read the following script to class participants. This script is also your guide to how to administer the survey.
- Script:
  1. "As noted in the registration process, you were asked to participate in a series of three surveys related to the Finances 50+<sup>SM</sup> program. And this survey that I'm about to hand out, is the first of those surveys. Your participation in the survey will help us to expand this program to other individuals and families who are interested in improving their current financial situation."
  2. "Your individual responses will be confidential and any information that you share in the survey will be combined with all other survey responses received so that only group information will be shared. When all surveys are turned in and placed in an envelope, the envelope will be sealed."
  3. "And, in appreciation for your time in completing the survey, you will receive \$5, in cash, today."
  4. "Now I'm going to hand out a survey to each of you. After you have completed your survey, please place your survey into this envelope provided on the table (show participants the envelope). Once you have turned in your completed survey, we will give you \$5 cash, in appreciation for your time."

5. "After you have placed your completed survey in the envelope and received your \$5, please PRINT AND SIGN your name on the sheet next to the envelope (show "Signature Sheet"). This lets us know that you completed the survey and received your \$5 in appreciation for your time."
6. "Please remember to provide your contact information on the first page of today's survey so that we may contact you with another survey in 3 months and again in 6 months. And just as a reminder, you will receive a total of \$30 if you complete all three surveys: \$5 for today's survey, \$10 for your participation in the 3-month follow-up survey, and \$15 for your participation in the 6-month follow-up survey. We will give you a "Reminder Sheet" which specifies the dates for when you will be contacted by email or mail for the follow-up surveys."
7. "Does anyone have any questions? If not, then I'll go ahead and hand out a survey to each of you."

### **After All Surveys are Completed and Placed in the Envelope**

- After all completed surveys have been placed into the 9x12 envelope, and a copy of the "Signature Sheet" with all participant signatures is included in the envelope, please seal the envelope in front of all participants so that they know their responses will be confidential.
- Mail completed surveys and "Signature Sheet" to:
  - o AARP  
Attn: Lona Choi-Allum  
601 E Street, NW, B7-425  
Washington, DC 20049

Appendix IV

**AARP Foundation Finances 50+<sup>SM</sup>  
Signature Sheet**

Class Location – Name of Facility: \_\_\_\_\_

City and State: \_\_\_\_\_

Class Session Dates (include all three dates): \_\_\_\_\_

Please PRINT AND SIGN your name in the spaces below acknowledging that you completed the survey and received your \$5 compensation.

**YOUR NAME (PRINT CLEARLY)**

**YOUR SIGNATURE**

1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
9.	_____	_____
10.	_____	_____
11.	_____	_____
12.	_____	_____
13.	_____	_____
14.	_____	_____
15.	_____	_____

**Appendix V  
Reminder Sheet**



**Finances 50+<sup>SM</sup>**

**\*\*\*REMINDER NOTICE\*\*\***

If you participated in today's AARP Foundation's Finances 50+ survey and provided your contact information, you will receive a follow-up survey by email or mail (based on the preference you indicated in today's survey) in 3-months on or around \_\_\_\_\_ and in 6-months on or around \_\_\_\_\_. Please mark these dates on your calendar or post this notice on your refrigerator.

And as a reminder, you will receive a total of \$30 if you complete all three surveys: \$5 for today's survey, \$10 for your participation in the 3-month follow-up survey, and \$15 for your participation in the 6-month follow-up survey.

If you have any questions, please contact us at [Finances50plus@aarp.org](mailto:Finances50plus@aarp.org).