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Cherie Stueve
Kansas State University

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Book Review

What It's Worth: Strengthening the Financial Future of Families, Communities and the Nation

Cherie Stueve, MBA
Kansas State University

Federal Reserve Bank of San Francisco & Corporation for Enterprise Development (2016). *What it's worth: Strengthening the financial future of families, communities and the nation*. 393 pp., \$0.00, ISBN: 978-0-692-53170-9.

In early 2016, the Federal Reserve Bank of San Francisco and Corporation for Enterprise Development (CFED) compiled 35 essays on financial well-being written by experts and advocates in government, nonprofit, and academic sectors. The free book is available in paperback (multiple unit orders available), iBook, Kindle, ePub, and .pdf. A nice feature in the digital formats is hyperlinks to referenced essays for easy movement if the reader wants to read a more developed article on a mentioned topic.

Although many will point to the Great Recession as the tipping point in declining financial health of Americans, the problems of income and asset inequality started decades ago. Financial inequality can be linked to uncontrollable factors that strongly influence the potential for upward mobility; age cohort, race, ethnicity, gender, and family background. A family's financial capacity influences early childhood experiences, mental and physical health, educational opportunities, employment, and housing and neighborhood options. How can a young adult emerge from these conditions and be financially healthy?

Current financial wellness programs have moved from a classroom delivery model of objective financial information to an interactive model of coordinated delivery of relevant financial information with partner social service agencies. Descriptions of financial capacity programs ranged from basic elements only, to details on past experiences and research influences on program content and execution. Technology advances are incorporated in some programs, like financial literacy games. But overwhelming support is voiced for creating a trusting relationship through one-on-one financial coaching. Access to a physical person at a financial institution is shrinking, but that face-to-face interaction is

important for the unbanked and underbanked to be served and matched to optimal products and services.

Empirical data has revealed common characteristics of successful programs. Creating a future-oriented perspective helps motivate savings and career development investments. Starting with an attitude that everyone has possesses positive attributes removes the bias associated with culture or socioeconomic levels. One-on-one financial coaching in a trusted advising relationship builds financial confidence and the ability to make future financial decisions. Multi-generational strategies address both the basic needs of children and parents' ability to provide a stable home life. The use of incentive savings accounts for post-secondary education expenses, future home purchases, and retirement income may require significant public and private funding, but even the smallest investment of \$50 or \$100 can create lifelong economic benefits.

Current tax policies that benefit already well-served and economically strong populations are examined for changes that can contribute to financial wellness without any increase in total taxation. Financially responsible behaviors of paying rent on time and participating in cultural lending circles need to be part of credit reporting systems to improve credit scores and recognize credit-worthy individuals.

The book's overview of financial challenges of vulnerable Americans and creative programs that look beyond income as a metric of financial health is divided into four sections. The first section, "Where We Are," describes the current financial statistics of households by demographic and economic era. The second (and largest) section, "Why Financial Well-Being Matters for All," is broken into four topics: the economy, financial services system, and community; employment and business; health and social services; and education. Each illustrates the strong role financial well-being plays in other systems at the individual and community level.

The third section, "Who is Being Affected," focuses on the uncontrollable demographic factors of age, race and ethnicity, and gender that impact access to economic opportunities. Specific programs that hinder or assist the African American, Latino, Native American, Asian American, and Pacific Islander communities demonstrate the need for greater cultural understanding in the creation of programs and financial products. In addition, researchers are challenged to better measure financially fragile ethnic groups instead of presenting national aggregate ethnic data that hides the struggles of many people.

The fourth section, "What To Do Next," starts with a summary of the first three sections and the remaining essays in the fourth section. The success of understanding and increasing financial well-being is a function of increased collaboration in all sectors. Advocacy for building financial capacity will increase as all society members learn more about the interrelationship of financial health and everyone's economic future.

In conclusion, this book serves as a brief historical summary of key financial challenge factors, descriptions of current dynamic programs improving financial health,

and recommendations for future programs and policies to support building financial capacity. Practitioners and financial-oriented community programs will find detailed examples of holistic approaches at organization, city, and state levels. Social advocates and businesses will see how double bottom line partnerships can be a profitable win-win for ethically serving the underserved. Academics and researchers will embrace the emphasis on empirical measurements of programs' success and may answer the call for improved metrics for understanding long-term outcomes in future research studies.