

Summer Reading for Financial Educators

Today's presenters:

- Bev Doll, *Grant County*
- J. Michael Collins, *UW Madison*
- Bridget Mouchon, *Green County*
- Kristi Cutts, *Winnebago County*

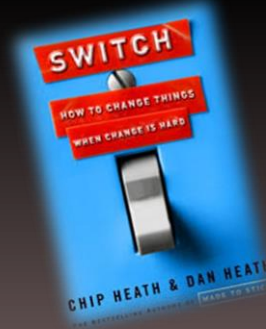
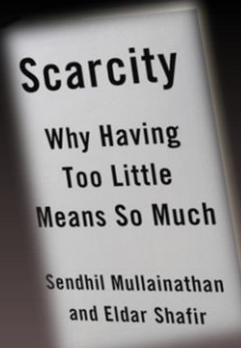
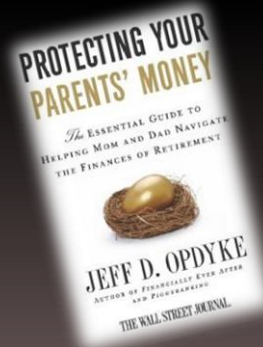
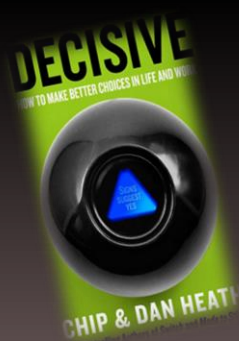
Four Books to Consider

Decisive: How to Make Better Choices in Life and Work

Protecting Your Parents' Money:
The Essential Guide to Helping Mom and Dad Navigate
the Finances of Retirement

Scarcity: Why Having Too Little Means So Much

Switch: How to Change Things When Change Is Hard



DECISIVE

HOW TO MAKE BETTER CHOICES IN LIFE AND WORK



CHIP & DAN HEATH

The Bestselling Authors of *Switch* and *Made to Stick*

Copyright 2013

299 pages

Hardcover: \$15 - \$20

Also – Audio CD, paperback,
kindle

Based on an exhaustive study of the decision-making literature.

- When it comes to making choices it seems our brains are flawed instruments! 😊

Four villains of decision making

- Narrow framing
- The Confirmation bias
- Short-term Emotion
- Overconfidence

Introduction of the **WRAP** Program

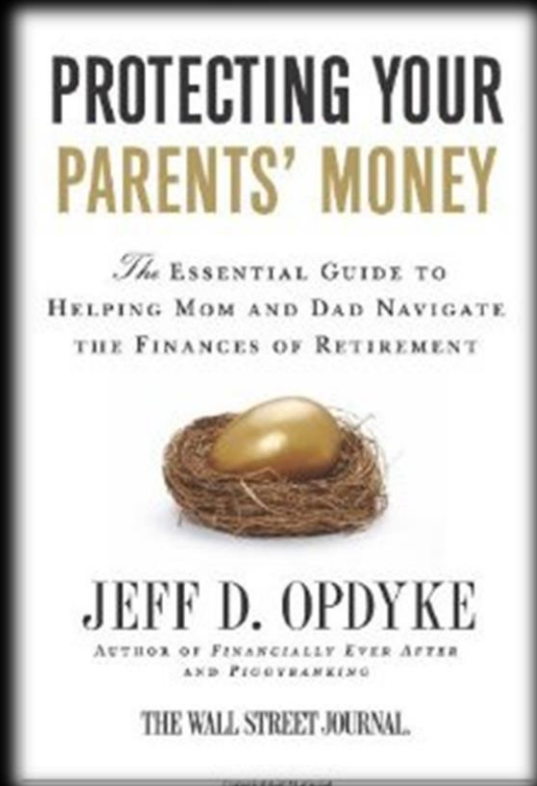
- **W**iden your Options
- **R**eality Test Your Assumptions
- **A**ttain Distance Before Deciding
- **P**repare to be Wrong

Offers strategies and practical tools through examples and stories

Offers Next Steps:

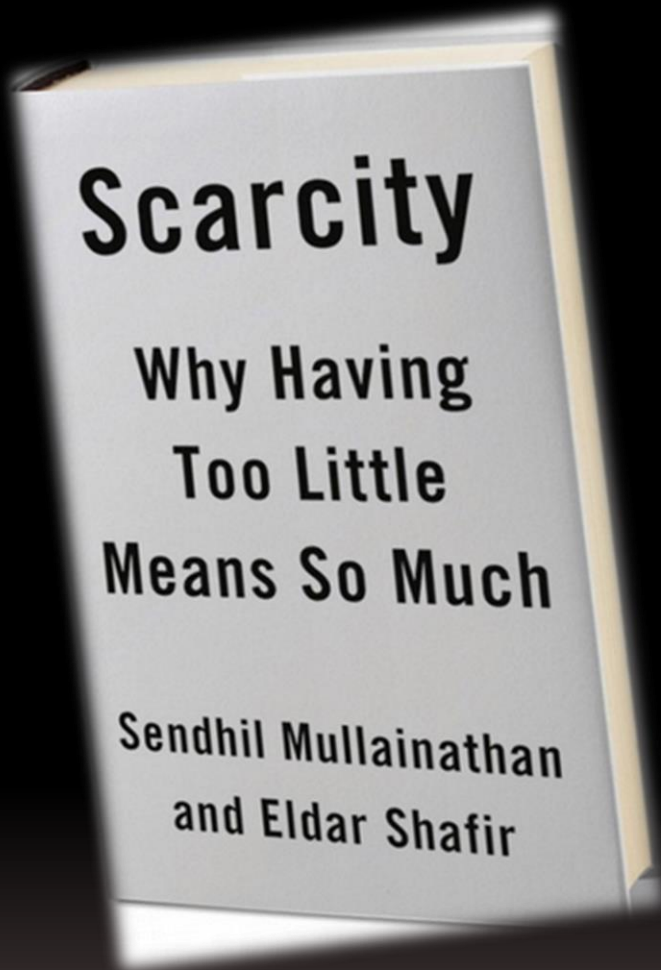
<http://www.heathbrothers.com/>

- 1-page summary WRAP Model
- Podcasts, interview
- Decisive Workbook- Downloadable
- 12 Decision Situations - Downloadable



Paperback is around \$13
288 pages
Published 2011

- Great resource
- Focus on the relationship: “The Talk”
- Issues tend to be basic - documentation, avoid lost accounts, assets or insurance
- Payment management- can get complicated!
- Basic legal terms and documents
- Professionals want to make this seem harder - it does not need to be... step by step...
- When to take Social Security / 401k – nuances
- Long term care; Health Care
- Missing: protection from fraud, ID theft, using technology



Scarcity can apply to:

- Food (being hungry, diets)
- Time (full schedules and deadlines)
- Social ties and love (loneliness)
- Financial resources (poverty)

By Sendhil Mullainathan (Economist) and
Eldar Shafir (Educational Psychologist)

Copyright 2013

302 pages

Available in hardcover, kindle or audio

\$12-\$25

Human Behavior: “This is Your Brain on Scarcity”

Attention:

- Positive - “Focus Dividend”
- Negative - Tunneling and neglect

Executive Control:

- Self-control and impulsivity

Bandwidth Tax

- Distractions, loaded brain
- Cognitive capacity *available for use*

“The same person has fewer IQ points (13-14 points lower) when she is preoccupied by scarcity than when she is not.”

p. 52

Slack

- Abundance affords “slack” = absence of trade-offs
- No slack - Errors in judgment are more expensive

“In a great variety of circumstances, poverty seems to correlate with failure.”

p. 161

Understanding People in Poverty

- “Scarcity leads us to tunnel our focus and borrow (now), and pushes us deeper into scarcity (later).”
- Parenting and scarcity
 - Air traffic controllers

Designing Programs to Account for Scarcity

- Fault tolerance
- Incentives and penalties need to fall within tunnel
- Skill / information-based education not effective

Account for Scarcity continued

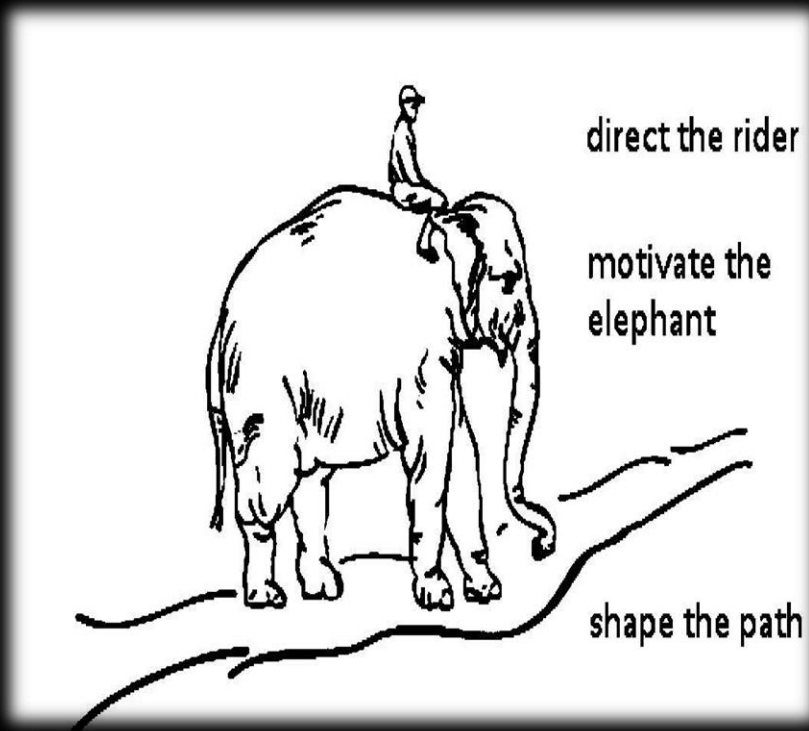
- Learner-centered, short, behavior based education, keep it simple!
- **REDUCE HOOPS & JUGGLING!**
(when possible)
- Change the environment
- Managing abundance

Last words: Scarcity



Paperback is around \$12
258 pages
Published 2010

- “A practical guide to making changes in a range of domains.”
- Useful for people who don’t have scads of authority or resources.
- Provides a 3 part framework that can guide change in any situation.
- Tons of examples of this change framework shared throughout the book.
- The book has numerous “clinics,” to allow the reader to apply the concepts presented .



“Elephant/Rider” analogy was developed by Jonathan Haidt. Haidt shares this analogy in his book *The Happiness Hypothesis*.

Direct the Rider*

Find the bright spots
Script the critical moves

Motivate the Elephant*

Find the Feeling
Shrink the change

Shape the Path*

Build habits
Rally the Herd

*The Heath brothers suggest one additional strategy under each of these headers.

SWITCH Resources

Visit: heathbrothers.com

- SWITCH Framework: 1 Page Reference
<http://heathbrothers.com/download/switch-framework.pdf>
- Want to check out the book before you purchase?
Download Chapter 1: (free)
<http://heathbrothers.com/download/switch-chapter1.pdf>

DECISIVE

HOW TO MAKE BETTER CHOICES IN LIFE AND WORK



CHIP & DAN HEATH
The Bestselling Authors of *Switch* and *Made to Stick*

Scarcity

Why Having
Too Little
Means So Much

Sendhil Mullainathan
and Eldar Shafir

PROTECTING YOUR PARENTS' MONEY

The ESSENTIAL GUIDE TO
HELPING MOM AND DAD NAVIGATE
THE FINANCES OF RETIREMENT



JEFF D. OPDYKE
AUTHOR OF *FINANCIALLY EVER AFTER*
AND *PIGGYBANKING*
THE WALL STREET JOURNAL

SWITCH

HOW TO CHANGE THINGS
WHEN CHANGE IS HARD

CHIP HEATH & DAN HEATH
THE BESTSELLING AUTHORS OF **MADE TO STICK**

2014 – 15

Schedule for Lunchtime Learning

Sept 15, 2014: Family Financial Aspects of Health Care

**Oct 20, 2014: Food Security and Family Finances:
Evidence from Wisconsin Schools**

**Nov 17, 2014: Strategies for Borrowing and Managing
Student Loans**

Feb 16, 2015: Retirement and Estate Planning Basics

Mar 16, 2015: Financial Caregiving and Fiduciary Roles

Apr 20, 2015: Applications of Financial Coaching

**May 18, 2015: Book Reviews / Summer Reading
Suggestions**