Financial Fitness Check Up For Everyone:
A Social Marketing Plan

Prepared for
The President's Advisory Council on Financial Literacy

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Financial Fitness Check Up for Everyone:  
A Social Marketing Plan

1. Background and Purpose

The President’s Advisory Council on Financial Literacy recommends Americans take a financial fitness check up similar to a health check up. The Council’s sub-committee headed by Ted Beck, President and CEO of the National Endowment for Financial Education (NEFE) has asked us to develop a social marketing plan. The Tuck team used ten steps to develop the plan (Exhibit 1). A key component of the plan is the creation of a concise, easy, financial fitness instrument that aims to measure knowledge, skills, and attributes critical to basic financial literacy. The initial instrument has been developed at the average level of adult literacy and is composed of ten statements. Accompanied by an affiliated information database that is universally accessible both online and in paper form, the check up will enable Americans to understand their level of financial fitness and provide them with resources to enhance their knowledge and encourage them to take responsibility for their financial health. The proposed social marketing outlines the integrated communication and distribution strategy that would be required to successfully promote the financial fitness check up.
2. Situation Analysis: Strengths/Opportunities and Weakness/Threats

The timing of this check up with an economic crisis may encourage Americans to consider their own financial situations more thoughtfully. It may also be an opportunity for significant press coverage by offering a tangible specific action that people can take for their own benefit. There are tremendous resources available through the President’s Advisory Council on Financial Literacy, including access to government agencies and nonprofit organizations. The Council, via its members, can reach multiple segments of the American population through a wide variety of programs. The available partners are numerous and include current government programs, public sector organizations, nonprofits, and the private sector. The resources available to the Council also bode well for a successful program. These include access to public relations promotions, commercial and non-commercial advertising vehicles, and promotional incentives that can be linked to regularly scheduled activities performed by Americans on an annual basis. A summary of the strengths and opportunities appears in Exhibit 2.

Exhibit 2: Situation Analysis: Strengths/Opportunities

We acknowledge that it may be difficult for a single instrument to meet all needs. It may not be adequate and to be thorough, a short check up may not work well. We have to overcome the resistance people have to the potential for bad news about their financial knowledge. Expectations of individuals (as well as those of various organizations) will need to be managed leading us to consider co-production as an option. In other words, completing the check up may require some homework (e.g., knowing amount saved). Not all Americans have the knowledge to use an internet based instrument and not all have easy access to computers leading us to consider a paper format. If this is not a self-administered instrument then we acknowledge the need for knowledgeable and un-biased assistance. Americans receive multiple messages and conflicting guidelines about money. Do we save to plan for our future or spend to stimulate the economy and maintain jobs? How much is enough? Are the banks safe? With the complexity of
the American financial system, advice from experts is often required, but who can be trusted? The categories for these barriers appear in Exhibit 3. Ted Beck’s comments on the plan purpose and situation analysis combined related research from behavioral economics, psychology, and marketing provided the basis for our marketing plan. (See Appendix 1 for a review of the relevant academic literature.) The plan follows a strategic path designed to provide a return on the time and resources the Council will invest. (See Appendix 2 for an outline of our development process.)

### Exhibit 3: Situation Analysis: Weaknesses/Threats

<table>
<thead>
<tr>
<th>Product Design</th>
<th>Investment Community</th>
<th>Test Accessibility</th>
<th>Service Provider Expertise</th>
</tr>
</thead>
<tbody>
<tr>
<td>• May be difficult to manage expectations</td>
<td>• Benefits from complexity</td>
<td>• Computers and the Internet</td>
<td>• Teachers</td>
</tr>
<tr>
<td>• Short test may be impossible</td>
<td>• Opposing guidelines</td>
<td>• Classroom time</td>
<td>• HR Departments</td>
</tr>
<tr>
<td>• Simple test may be difficult</td>
<td>• Save vs. spend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Co-production</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 3. Target Audience

There are 117 million adult households in the United States according to US Census of 2007 [www.uscensus.gov](http://www.uscensus.gov). Our target audience for the financial check up is households with incomes between $21,000 and $100,000, approximately 68 million American households (Exhibit 4).
4. Goals and Objectives

1. Our goal is to encourage 3 million Americans (5% of the target population) to take the financial fitness check up.
2. We expect 1 million or 33% of those who take the financial fitness check up to access non-commercial trusted sources of additional information.
3. 200,000 (20%) will refer the financial fitness check up to someone else.
4. As a result of taking the initial check up, we want to see a significant increase in awareness, knowledge, and perceived control as compared with a comparative control condition, a group that did not take the check up.
4. We would like to see a significant improvement in five post check up related behaviors in a follow-up survey: 1) more frequent budgeting, 2) lower interest payments, 3) more retirement planning, 4) better understanding of insurance needs and insurance products, and 5) more participation in employee benefits.
5. Our Audience: Their Barriers and Motivators

We acknowledge that the current economic crisis may present challenges. There is uncertainty about the future. With a recession close at hand, we observe decreasing value of pension plans and retirement savings, increasing housing troubles and unemployment rates, shrinking access to credit, and rising costs of health care. A perceived divide between the average American as symbolized in the term, “Main Street”, and the financial experts on “Wall Street” adds more complexity at this point in time. Who bears the responsibility to help the average American? This question has been raised by the 2008 presidential candidates, Congress, and the press. With the recent financial support of troubled banks by the US government, there may be Americans who believe that the government should also bear the responsibility to manage the financial situations of all Americans.

In considering the financial fitness checkup, we wondered what consumer reactions would be to a test and resulting score. Exhibit 6 displays categories of barriers. For example, would the test be perceived as difficult and create anxiety that is not uncommon when being examined—especially when math is involved? Would doing nothing be the preferred action? Would a financial test be considered relevant only for people whose financial situation was sound, that is only for the ‘wealthy’ or for those who know how to invest their money? If people are being stretched by the current economic conditions, do they have the capacity to take on one more tasks? Can they focus on the future when the present is overwhelming? We also considered that in addition, there may be Americans who believe they know more than they do and thus have no reason to assess their financial fitness. What does the score mean? Will test takers interpret the score to mean that they can afford to buy a car or a house? How is the financial fitness score linked to other scores, such as a credit score? With continuous incidents of data theft, we wondered how we could reassure Americans that the scores would be kept private.
and secure. The bottom line for the consumer may be – “What’s in it for me? How am I better off if I take this test?”

**Exhibit 6. Target Market Barriers: Consumer Analysis**

<table>
<thead>
<tr>
<th>Test Validity</th>
<th>Relevance of Test</th>
<th>Feelings toward Test</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Grades and meaning of score</td>
<td>• Only for the wealthy and for people who know how to invest</td>
<td>• Test anxiety</td>
<td>• Privacy</td>
</tr>
<tr>
<td>• Level of difficulty</td>
<td>• Overconfidence: I know what I know</td>
<td>• Math anxiety</td>
<td>• Credit scores</td>
</tr>
<tr>
<td>• Amount of preparation/</td>
<td>• Not a priority right now</td>
<td>• Not fun</td>
<td></td>
</tr>
<tr>
<td>• Homework</td>
<td></td>
<td>• Helplessness</td>
<td></td>
</tr>
<tr>
<td>• Range of topics</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

New programs and products typically compete with others in the marketplace, so we discussed who or what might be competitors to this new program (Exhibit 7). We listed sources of information about financial fitness as well as those who provide access to funds. These sources include the United States government through numerous government programs, large national and international banks as well as small community-based banks, money organizations such as payday lenders, and financial advisors both independent ones and those linked to financial organizations. Employed Americans have access to resources through their employers including benefits seminars, printed material, and personnel at the human resources offices. People talk to friends and relatives for advice. They listen to leaders in their communities and even join investment clubs to improve their financial situations. Finally, there is a plethora of printed and internet resources that are designed to help people understand how to manage their finances. To design an effective check up, we must compare the costs of taking our instrument with the benefits of what the competition offers.
Exhibit 7. Target Market Barriers: Competitor Analysis

<table>
<thead>
<tr>
<th>Consumer Resistance</th>
<th>Financial Institutions</th>
<th>Employers</th>
<th>Personal Advisors</th>
<th>Press and Books</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Status quo default: do nothing</td>
<td>• Government</td>
<td>• HR office</td>
<td>• Relatives</td>
<td>• Newspapers</td>
</tr>
<tr>
<td>• How will this make me better off?</td>
<td>• Banks</td>
<td>• Benefit orientation</td>
<td>• Community leaders</td>
<td>• Television</td>
</tr>
<tr>
<td>• Inter temporal discounting: benefits now/costs later</td>
<td>• Pay day lenders</td>
<td>• Benefit seminars</td>
<td>• Clubs</td>
<td>• Books on financial literacy</td>
</tr>
</tbody>
</table>

6. Positioning the Financial Fitness Check up

We developed the financial check up and its promotional plan keeping in mind all the reasons why Americans may forgo this opportunity. We need to acknowledge that this financial check up maybe similar to other financial assessments and so promote its value and unique differences. We designed the check up so that it takes very little time, counteracting the user’s potential inclination to do nothing about improving their financial literacy. We created the check up simple enough for everyone, not just financial experts. We removed any required calculations for the initial ten statement check up reducing fear of math as an inhibiting factor. Most importantly, we have used language relevant to the users’ goals as they think about their finances instead of testing finance 101.

The overall positioning statement is:

**Finally, A Financial Fitness Check Up for Everyone!**
7. Elements of the Marketing Mix

The Product

We would like the user to take the financial check up to meet the following goals in five financial areas:

Smart Spending - Instead of focusing on budgeting, we focus on the value of budgeting. If Americans know how much they spend on what, they will learn how to manage their money, so they can spend their money more wisely. We want all Americans to increase their feelings of financial security. These resources will help consumer to avoid overspending by using a budget and making thoughtful financial choices.

Buy More with Less - Understanding how credit works and how credit cards make money offers people an opportunity to buy more with less. Accepting credit means Americans have added interest payments to their bills. These payments take money out of Americans’ pockets; they get less for their money. It could be thought of as ‘paying for nothing.’ We want consumer to understand the cost of making immediate purchase when they truly cannot afford to do so. They will be able to buy more with less by understanding how credit works.

Do What You Want Earlier- By developing a retirement plan and saving now, Americans will be able to retire sooner- to do what they want earlier. Whether that wish is as simple as sleeping later, spending the day working in the garden or taking a lengthy trip, saving more now will help realize that dream sooner

Get More From Work - By knowing their employee benefits, American may ‘find more money at work’. We want them to be encouraged to ask about pre-tax health care and child care accounts, about discounts, and perks.

Protect Yourself and Your Stuff - By understanding their insurance needs and the products that are available, Americans can make good choices. We want them to comprehend insurance, compare options and costs, and then make choices that fit their needs and means. We would like to see all Americans develop a financial safety net. Today’s economic conditions do not permit us to do what we did before; Americans need to protect themselves. Regardless of how much money they make, they will learn to manage their money enabling them to have enough for ‘a rainy day’—for emergencies.

The transition from financial knowledge to consumer goals is highlighted in Exhibit 8.
Exhibit 8. Product Analysis: What are Americans buying with Financial Literacy?

<table>
<thead>
<tr>
<th>Brand</th>
<th>Features</th>
<th>Consequences</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Financial</td>
<td>• Budgeting</td>
<td>• Smart spending</td>
<td>• Peace of mind</td>
</tr>
<tr>
<td>• Fitness</td>
<td>• Purchase capability</td>
<td>• Buy more with less money</td>
<td>• Self-esteem</td>
</tr>
<tr>
<td>• Check Up</td>
<td>• Emergency fund</td>
<td>• Find more money at work</td>
<td>• Control</td>
</tr>
<tr>
<td>• Treasury</td>
<td>• How credit works</td>
<td>• Protect yourself and your stuff</td>
<td>• Independence</td>
</tr>
<tr>
<td>• President’s Council on Financial Literacy</td>
<td>• How credit cards work</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Interest compounding</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Mortgage basics</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Insurance needs and products</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Employer benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Retirement plan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Components of the product include two parts in two formats. The initial financial fitness check up is composed of a core product of 10 statements. The augmented product includes links to trusted sources which provide additional information in five key areas. We have designed both an online format and a paper format. The paper format provides this resource to those Americans who do not have internet access.

Website
1. I track my expenses.
2. My purchases are based on what I can afford.
3. I compare price and interest when considering a loan for a large purchase.
4. When I pay my credit card bill in full, my purchases don’t cost as much.
5. I know how to keep my credit rating high.
6. I save consistently.
7. I am saving for what I want to do when I stop working.
8. I have an emergency fund that covers at least 3 months living expense.
9. I know key questions to ask when shopping for insurance.
10. I take advantage of benefits from my employer beyond my pay and health insurance.

Website: Financial Fitness Score

Finding Out Your Financial Fitness

How many times did you check True? Here’s your financial fitness:

• Score 8-10: Congratulations, you are in excellent financial fitness – to stay ahead of the game check the back cover to get more information on the items where you checked – False…

• Score 5-8: You are in solid financial fitness, but could use some help to get in top shape. You should go to the back cover to get more information on the items where you checked – False…

• Score 2-4: You are financially unfit right now, but don’t lose hope. Check the sources on the back cover to get more information on the items where you checked – False… They will help in get you on the right track.

• Score 0-1: You are primed for a financial heart attack. Go as fast as you can to each of the sources on the back cover. Improve your financial fitness. You can do it!
Website: Trusted Sources for More Information

Spending Smart
Tracking expenses worksheet
Debt recovery

Buying More with Less
Understanding credit and quiz

Managing Money
http://www.aarp.org/money/wise_consumer/

Doing What You Want Earlier
Estimating what you need: (English and Spanish)

Investing: Online workshop
http://www.invertironexito.org/english/index.html

Mutual funds
http://www.sec.gov/investor/tools/mfcc/mfcc-int.htm

Find More Money at Work

Protect Yourself

Website: Exit Page

Are you sure you want to exit now?
Yes    No

If Yes,
Would you like to send a link to a friend?
Yes    No

Do you feel you are more aware of your financial fitness than before?
Yes    No
1. I track my expenses.
2. My purchases are based on what I can afford.
3. I compare price and interest when considering a loan for a large purchase.
4. When I pay my credit card bill in full, my purchases don’t cost as much.
5. I know how to keep my credit rating high.
6. I save consistently.
7. I am saving for what I want to do when I stop working.
8. I have an emergency fund that covers at least 3 months living expense.
9. I know key questions to ask when shopping for insurance.
10. I take advantage of benefits from my employer beyond my pay and health insurance.

Directions: Choose the best answer for each question.

How many times did you check True? Here’s your financial fitness:

• Score 8-10: Congratulations, you are in excellent financial fitness — to stay ahead of the game check the back cover to get more information on the items where you checked – False…
• Score 5-8: You are in solid financial fitness, but could use some help to get in top shape. You should go to the back cover to get more information on the items where you checked – False…
• Score 2-4: You are financial unfit right now, but don’t lose hope. Check the sources on the back cover to get more information on the items where you checked – False… They will help in get you on the right track.
• Score 0-1: You are primed for a financial heart attack. Go as fast as you can to each of the sources on the back cover. Improve your financial fitness. You can do it!

The inside pamphlet pages may be used as an insert for magazines.
**Integrated Promotion and Distribution**

We recommend a wide range of partners and a variety of communication mechanisms. Exhibit 9 identifies a variety of partners. Partners can act as critical messengers, so they will serve as an integral part of the distribution mechanism.

**Exhibit 9: Strategic Partners**

<table>
<thead>
<tr>
<th>Council Partners</th>
<th>Educational Institutions</th>
<th>Financial Institutions</th>
<th>Other Associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Society for Human Resource Management</td>
<td>• Middle School</td>
<td>• Military bases</td>
<td>• Employers</td>
</tr>
<tr>
<td>• Junior Achievement</td>
<td>• High School</td>
<td>• SHRM</td>
<td>• New Employee Orientation</td>
</tr>
<tr>
<td>• JumpStart</td>
<td>• Community Colleges</td>
<td>• FBL</td>
<td>• Benefit Seminars</td>
</tr>
<tr>
<td>• Operation Hope</td>
<td>• Trade schools</td>
<td>• AARP</td>
<td>• Senior Centers</td>
</tr>
<tr>
<td>• Add other council member orgs.</td>
<td>• School finance clubs</td>
<td>• American Library Association</td>
<td>• Religious Institutions</td>
</tr>
<tr>
<td>• Treasury</td>
<td>• School banks</td>
<td>• NERC, National Congress for Community Economic Development</td>
<td>• Transportation</td>
</tr>
<tr>
<td>• SSA</td>
<td>• Library groups</td>
<td>• NWA</td>
<td>• Entertainment</td>
</tr>
<tr>
<td>• IRS</td>
<td>• bzzz.com</td>
<td>• NECA</td>
<td>• Marriage (Finance counselors)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Organization of state pension fund managers</td>
<td>• Health Organizations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Financial Institutions</td>
<td>• Food Industry</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Financial Planning Association</td>
<td>• Housing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Organization of State Pension Fund Managers</td>
<td>• Environment (Time to go green)</td>
</tr>
</tbody>
</table>

Both free and paid media are identified for promotion. A mix of traditional vehicles (such as magazines) and new technology (such as online communities) should be included to reach all types of people. We recommend a range of marketing mechanisms from ads in traditional newspapers such as USA Today, magazines such as People and viral marketing approaches such as communications on bzzz.com. We believe that linking to a wide variety of other sites such as Hulu.com, Facebook.com, Fortune.com, AARP.com, NAASA.org, FINRA.org, and H& R Block will enhance participation. Online communication via online communities are powerful and ubiquitous means of communication, so we want to encourage users to talk about taking the check up and to develop a location on facebook.com, twitter.com and e-bay as part of the promotional campaign.

We have developed four unique “hooks” or slogans-each a key message- designed to capture the public’s attention and overcome resistance. Each slogan is designed to reach specific segments of the American public, so each has its own communication strategy, partners, and distribution channels. (See Appendix 4)The four slogans are:

1. Finally a financial fitness check up for everyone.
2. We’ll Get You There Faster: Finally a financial fitness check up for everyone.
3. Suspend Disbelief: Finally a financial fitness check up for everyone.
4. Let Hope Rise: Finally a financial fitness check up for everyone.
The first slogan, ‘Finally a financial fitness check up for everyone,’ is aimed at to be inclusive, to reach everyone in a general population.

We recommend working with employee organizations, the Armed Forces, the Society for Human Resource Mgmt, FINR, AARP, the American Library Association, NCCED (National Congress for Community Economic Development, National Education Association, financial institutions, and the Financial Planning Association.
The second slogan, ‘We’ll Get You There Faster,’ uses images to attract people who are going places and those interested in sports and athletics. It uses the theme of speed and movement.

Partners would include the transportation industry (airlines, buses, trains, subways), athletes who can act as spoke people, athletic associations, athletic events (e.g., NASCAR and High School Races).
The third slogan, ‘Suspend Your Disbelief: Finally A Financial Fitness Check Up for Everyone,” is aimed at the suspicion that there is a helpful financial information that is easily understood and that it is available at no charge.

We view entertainment centers as location where the slogan could be promoted as well as at educational institutions. Additional partners would include other financial literacy games.
Women are the prime target for the fourth slogan, Let Hope Rise: Finally a financial fitness check up for everyone!