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## **AARP Foundation and Charles Schwab Foundation Study Shows Positive Changes in Financial Behavior Among People 50+ Following Participation in Educational Program**

WASHINGTON D.C. – July 9, 2014 -- A recent study conducted by AARP Foundation and Charles Schwab Foundation followed the changes in financial behavior of individuals who participated in workshops delivered by community-based organizations using the AARP Foundation Finances 50+ <sup>SM</sup> curriculum. The study, which evaluated participants' behavior before, three months after and six months after the program, suggests the workshops made a positive impact on various aspects of individuals' financial attitudes and behavior. Participants reported decreased anxiety about personal finance, increases in "positive" financial behaviors such as saving, and decreases in "negative" financial behaviors such as overspending, mismanaging debt and paying unnecessary fees.

In 2011, AARP Foundation collaborated with Charles Schwab Foundation in developing AARP Foundation Finances 50+ -- a three-part financial capability program designed with older Americans in mind. One of AARP Foundation's top priorities is to assist Americans over the age of 50 who are struggling financially. Debt, inadequate savings, bad spending habits and other demands like family support and medical bills all contribute to a lack of confidence in one's financial future and a poor prognosis for a financially stable retirement.

In the report, the following "positive" financial behaviors increased significantly six months after the class:

- calculating net worth increased by 43 percent
- reducing financial fees increased by 29 percent
- reducing spending and/or increasing earnings increased by 22 percent
- prioritizing debt payment increased by 23 percent

Also, the study saw significant decreases in negative behaviors including overdrawing accounts and taking out payday loans.

"The AARP Foundation Finances 50+ program is designed to help people 50 and older set financial goals, take action, and sustain the changes that can help them to achieve those goals," said Lisa Marsh Ryerson, president of AARP Foundation. "Our data show that nearly 20 million people over age 50 are struggling to make ends meet. We are committed to making sure older adults have the resources they need to take control of their finances, regardless of their circumstances."

"The financial challenges of older Americans are too often overlooked. But in light of the numbers of older Americans living on the brink of financial disaster, and the expected growth of this population in the coming years, we wanted to do something to make a difference," said Carrie Schwab-Pomerantz, president of Charles Schwab Foundation.

The reported positive changes in financial behavior following the AARP Foundation Finances 50+ workshops indicate a more confident and empowered generation of older Americans. To date, more than 3,500 people have participated in Finances 50+ workshops. The study followed 427 participants from a pool of 2,775 who completed a baseline, three-month follow-up and six-month follow-up survey. Results will aid in expanding the program to organizations and practitioners that serve individuals and families who are interested in improving their current financial situation.

More information about Finances 50+ is available online at [www.aarp.org/finances50plus](http://www.aarp.org/finances50plus) and the study is available at [www.aarp.org/finances50plusevaluation](http://www.aarp.org/finances50plusevaluation)

### **About AARP Foundation**

AARP Foundation is working to win back opportunity for struggling Americans 50+ by being a force for change on the most serious issues they face today: housing, hunger, income and isolation. By coordinating responses to these issues on all four fronts at once, and supporting them with vigorous legal advocacy, the Foundation serves the unique needs of those 50+ while working with local organizations nationwide to reach more people, strengthen communities, work more efficiently and make resources go further. AARP Foundation is AARP's affiliated charity. Learn more at [aarpfoundation.org](http://aarpfoundation.org).

### **About Charles Schwab Foundation**

Charles Schwab Foundation is a private, nonprofit organization funded by The Charles Schwab Corporation. Its mission is to create positive change through financial education, philanthropy, and volunteerism. More information is available at [www.aboutschwab.com/community](http://www.aboutschwab.com/community). The Charles Schwab Foundation is classified by the IRS as a charity under section 501(c)(3) of the Internal Revenue Code. The Foundation is neither a part of Charles Schwab & Co., Inc. (member SIPC) nor its parent company, The Charles Schwab Corporation.

Charles Schwab Foundation and AARP Foundation are unaffiliated entities. (0714-4398)

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