View metadata, citation and similar papers at core.ac.uk
brought to you by CORE
provided by KnowledgeBank at OSU

Financial Literacy Education in the United States: Exploring Popular Personal Finance Literature

INTRODUCTION

In the United States, the cause of financial literacy is trumpeted loudly and often these days. Early 2010 saw the creation of a President's Advisory Council on Financial Capability, and in July 2011, they proposed that financial education ought to be taught in all American schools (Livengood and Venditti, 2012: 88). The President's Advisory Council produced its final report in 2013, and was ended that same year, but fast forward to the Council for Economic Education's 2014 "Survey of the States" report and we see that while only six U.S. states require student testing of personal finance concepts before graduation, a full 43 states now include personal finance somewhere in their K-12 standards (7). While most rightly suspect an efficacy issue inherent in including personal finance concepts in educational standards if there is to be no testing on these concepts, even if these mentions in state standards are merely a token of appeasement… this means there is a large body of the public to appease. As a nation, we are worried about our financial literacy, or lack thereof. We have reason to be.

The most recent report from the Financial Industry Regulatory Authority's (FINRA) Investor Education Foundation indicates only 14% of Americans are able to answer five very basic financial literacy quiz questions correctly (2013: 6). It is easy to understand the national unease when one realizes these are quiz questions like: If you had $100 in a savings account and the interest rate was 2% per year, after five years would you have

more, less, or exactly $102 in that savings account (FINRA, 2012: 30)? Americans can celebrate advances made in K-12 financial literacy education, however slight they may be, but we cannot deny that appeasement does not work quite as well as actual education initiatives. This is where American libraries have begun to step into the financial literacy arena.

The question libraries must answer most pressingly is: How should we *define* our role in financial literacy education? Programming has begun to steal the spotlight in our libraries' financial literacy initiatives. The Smart Investing @ Your Library program was launched in 2007 as a partnership between FINRA and the American Library Association (ALA) to provide grants geared towards developing financial literacy programming, and a 2013 article from Smith and Eschenfelder reported that public librarian survey respondents indicated 82% of their institutions had offered some financial literacy programming to that date (303, 313). While librarians are not, nor should they try to be, financial advisors, libraries, as "boundary-spanning organizations" and "local anchor" institutions, are a natural provider of publicly accessible education, and there seems to be no reason this shouldn't include financial literacy education (Dawes, 2014: 326; Monsour, 2012: 37).

Long before programming became the focus, however, one of libraries' oldest and most established roles in the financial literacy struggle, besides providing basic business reference services, has been to serve as a point of access to the books of the popular personal finance genre. These are authors of whom many of us have heard: Dave Ramsey, Suzy Orman, perhaps Napoleon Hill or Thomas J. Stanley and William D. Danko, or, for the more investment-savvy among us, Benjamin Graham and Burton K. Malkiel. For any library providing access to such literature, it is worthwhile to ask just *what* is the democratic education we are providing to our patrons through this literature, and, if we want to embrace our financial literacy roles beyond being a 'book warehouse', how might the content of these books affect the background knowledge and financial beliefs patrons bring with them to financial literacy library programs or reference interactions? How does this, at times contradictory, body of literature affect libraries' other efforts to address financial literacy concerns? Libraries are certainly more than 'book warehouses', but books are often still at the very heart of what we do. It is worth knowing a bit about what lies within these personal finance books that have grown to be considered their own self-help subgenre.

The literature study discussed herein was inspired by another study published in the *Journal of Librarianship and Information Science*: Keren Dali's "Books in their suitcases: Leisure reading in the lives of Russian-speaking immigrants in Canada" (2013). Amongst

her wide-ranging discussion, Dali mentioned that immigrants in her study used books to " 'fill in the blanks' ", or to address practical knowledge deficits, citing specifically the use of Robert Kiyosaki's *Rich Dad, Poor Dad* by two of her survey respondents to address their dearth of financial knowledge. What was perhaps most intriguing about the reaction to Kiyosaki's text was that, while both respondents found it an extremely influential force in their financial lives, one felt Kiyosaki provided invaluable " 'financial literacy for lay people' ", while the other respondent had started an ill-fated business venture based on Kiyosaki's emphasis on entrepreneurship and felt he had learned a hard financial lesson, being misled by both the text and his own enthusiasm for its message (Dali, 2013: 272). It was this starkly disparate reaction to a single personal finance text that led the author of this current literature study to explore further the financial literacy tenets being spouted by a dozen of the 'top' personal finance books, as well as how the books' views on various financial issues both reinforce and contradict one another. It is the author's belief that librarians will benefit from the understanding that, depending on the particular personal finance books patrons have read (if any), they may well come into financial literacy interactions with a very different set of beliefs regarding even the most foundational financial issues. As libraries, both in the U.S. and abroad, work to define their roles within the financial literacy education movement, it will serve them well to understand this literary component in greater depth. This literature study may also prompt librarians to question their own understanding regarding certain financial literacy components.

METHODOLOGY

Defining the 'top' twelve personal finance books to be read in this study was a matter of some debate. While one can certainly find many self-proclaimed lists of the 'best' personal finance books, the author debated: Should one trust the public to determine the 'best' books, or should she read those books deemed 'best' by some marginally authoritative source, such as a big-name business publication (*Forbes, Bloomsberg*, etc.) or a widely-known financial expert? In the end, this determinant of 'best' was deemed moot to the real heart of this study. The author wanted to explore what might be the most *likely* personal finance predispositions of patrons, based on the personal finance books they might have been most *likely* to run across during the course of their own exploration of the topic. So she conducted… Google searches.

Over the course of a week in September of 2014, the author conducted three separate Google searches. She allowed the search engine to provide the top three auto-fill search phrases based on the beginning keywords 'personal finance books'. The three suggested

searches were: “personal finance books”, “best personal finance books” and “best selling personal finance books of all time”. The author then accessed all the unique webpages on the first page of each of the three Google search results lists, and pulled from these webpages a list of all recommended titles. She did not include rankings in her compilation of all resulting book titles, as some webpage lists did not rank titles, and as one webpage suggested titles on a scale ranked from “best to worst” she only included the first half of this list in her results (13 of 26). Of the 150 total individual book titles resulting from these Google searches, the author noted all titles which appeared in her results more than twice, and she read for this study those twelve titles.

There are a number of assumptions being made in this research, namely:

- The hypothetical patrons have already decided they want to read a *book* on personal finance, as opposed to shorter publications (online articles, etc.);
- The average patron looking to read a book on this topic would know the search term ‘personal finance’; and
- By conducting the Google searches over a period of days and by compiling her own individual book title list from three days and three separate search results lists, the author has addressed, to the extent possible, the fact that webpage search results from Google no doubt vary to some extent, day by day, and that some of the individual book titles suggested on particular webpages may have been chosen for any of a wide number of biased and/or uninformed reasons.

BACKGROUND: THE BOOKS

The personal finance books read for this study were:

- *The Total Money Makeover* by Dave Ramsey (12 search results mentions)
- *The Millionaire Next Door* by Thomas J. Stanley and William D. Danko (7 mentions)
- *Your Money or Your Life* by Vicki Robin and Joe Dominguez (5 mentions)
- *The Intelligent Investor* by Benjamin Graham (5 mentions)
- *Think and Grow Rich* by Napoleon Hill (4 mentions)
- *The Richest Man in Babylon* by George S. Clason (4 mentions)
- *I Will Teach You To Be Rich* by Ramit Sethi (4 mentions)
- *A Random Walk Down Wall Street* by Burton J. Malkiel (4 mentions)
- *Secrets of the Millionaire Mind: Mastering the Inner Game of Wealth* by T. Harv Eker (3 mentions)
- *Rich Dad, Poor Dad* by Robert Kiyosaki (3 mentions)

- *The Money Book for the Young, Fabulous and Broke* by Suze Orman (3 mentions)
- *The Automatic Millionaire* by David Bach (3 mentions)

Six of these books made particular mention within their own text of one of the other books on this list, and in total there were twelve intra-book mentions. The range of original publication dates spanned from 1937 (*Think and Grow Rich*) to 2009 (*I Will Teach You To Be Rich*). Almost all of the books draw to some extent on the foundational 'classics', for example the concept "pay yourself first", as originally described in Clason's *The Richest Man in Babylon* in 1955 (26). Most of the authors base their authority on the fact that they have followed their own advice and now boast either a significant net worth, or else financial independence through other means, rather than deriving their authority through traditional educational attainment (Eker, 2005: 7). As well, most authors assert that their advice is 'simple', if varying degrees of 'easy' to follow (Ramsey, 2009: xiii-xiv).

Two things all of the books address, to one degree or another, are: 1) What *is* 'money'? and 2) What is the end goal? Why should you read this book? What is your reward for behaving wisely and appropriately when it comes to your personal finances? Answers vary somewhat. As to Question 1, the most predominant answer is likely a surprising one to readers: Money is energy. *Your Money or Your Life* addresses specifically that money is *not*: security, power, social acceptance, or evil (Robin and Dominguez, 2008: 39-46). All the books have slightly varying views, and metaphors, for money, but ultimately most convey that money is something for which the majority of us exchange our personal time, generally as wage-earners and/or service professionals garnering what is called 'active income'. (Though this is not necessarily the ideal.) When we then *spend* our money, we should consider that we are likewise spending those same hours of our life, even if it takes only thirty seconds at a cash register to spend money it took us eight hours to earn (Robin and Dominguez, 2008: 62).

As to Question 2, the end goal of these books, and indeed how they define the end goal of 'financial literacy' ranges from not being broke, to financial independence regardless of net worth or income, to being 'rich'. Most people probably assume 'financial independence' and 'rich' are synonymous, but one of the interesting things many of these books do is confront this misperception. Not being 'broke' is easy enough to define, though only *The Money Book for the Young, Fabulous and Broke* states this as its relatively modest goal (Orman, 2005: 13). Likewise 'rich' is a simple, and usually static, concept, generally defined by achieving a certain net worth. 'Financial independence', on the other hand, is a bit more complex, and a far more useful measure of personal financial success and stability. Reaching a state of 'financial independence' means you could choose to

never work another day in your life because the assets you have amassed produce a steady stream of 'passive income' sufficient to support your desired lifestyle. As *Secrets of the Millionaire Mind* states succinctly, "To win the money game, the goal is to earn enough *passive* income to pay for your desired lifestyle", or, to state it more concretely, the goal is to reach the point where your monthly investment income (income for which you do not need to actively work) is greater than your monthly expenses (Eker, 2005: 157; Robin and Dominguez, 2008: 243). For people who are content with a less expensive lifestyle, financial independence could be achieved with a relatively modest net worth. For those with a high-consumption lifestyle, independence may require many millions of dollars in income-generating assets. 'Wealth' as defined by the *time* you could live without working, will have a very different dollar figure attached to it, depending on the individual and his or her desired lifestyle. As Clason (1955) phrased it in his classic, *The Richest Man in Babylon,* " '…a man's wealth is not in the purse he carries. A fat purse quickly empties if there be no golden stream to refill it' " (18-19). Thus the ultimate goal of financial literacy must be to produce an endless golden stream. It is admittedly no small feat.

We must face two issues as regards our overall approach to achieving this feat:

- Should our prescriptions for financial success be based on the assumption that human beings are predominantly **emotional** or predominantly **rational** creatures?; and
- Should our emphasis on income management and asset building be placed more on **spending less** money on consumer items, or **earning more** money overall?

EMOTIONAL? OR RATIONAL?

The ultimate determination of human beings as primarily rational or primarily emotional creatures will frame the rest of our approach to financial management, including how we should, practically speaking, go about spending less, earning more, or both. While all of the books acknowledge there is some emotional component to our financial behaviors, they range as regards just how irrational human beings may be, and therefore how much emphasis must be placed on overcoming our financially unhealthy impulses. Of the twelve books studied herein, a majority cluster around the opinion that we are predominantly, though not exclusively, emotional creatures. We must therefore come up with 'tricks' to help us behave appropriately, rather than relying purely on self-discipline. Dave Ramsey, among others, uses the metaphor of personal finance being a lot like weight maintenance: "What to do isn't the problem; doing it is. Most of us know what to do, but we just don't do it. If I can control the guy in the mirror, I can be skinny and rich" (Ramsey, 2009: 4).

Almost all of the books allow for some irrationality, whether this be cautioning against 'promising' yourself you will be more disciplined with a payment plan than is probably reasonable, or acknowledging that as an investor in the stock market, it is hard not to get caught up in the emotional highs and lows that accompany market movements (Ramsey, 2009: 190; Malkiel, 2012 revised: 235). *Your Money or Your Life* goes so far as to compare frequent overspending to an addiction, and at the far end of the rational/emotional spectrum, there are even two books on this list that build their personal finance philosophy around a *spiritual* paradigm of money management, namely the practice of utilizing what is called the 'Law of Attraction' (Robin and Dominguez, 2008: 151; Eker, 2005; Hill, 2005 revised).

We will not discuss the tenets of the two spiritual personal finance books in much depth, other than to mention here that they rely on the causal continuum that thoughts lead to feelings, which lead to actions, which lead to results, which leads Napoleon Hill to conclude in *Think and Grow Rich* that, "There are no limitations to the mind except those we acknowledge. Both poverty and riches are the offspring of thought" (Eker, 2005: 18; Hill, 2005 revised: 68). Indeed, the Law of Attraction, upon which both of these books rely, takes this still one step further to postulate that our brains are "magnetized with the dominating thoughts we hold in our minds. By means with which no one is familiar," Hill summarizes, "these 'magnets' attract to us the forces, the people, the circumstances of life which harmonize with the nature of our dominating thoughts" (2005 revised: 15). The two books bring this law into the realm of personal finance to recommend that to achieve financial security and success, one must "see, feel and believe [oneself] already in possession of the money" one desires, while practicing various, mainly meditative, techniques to keep one's thoughts and desires focused on wealth attainment as constantly as possible (Hill, 2005 revised: 23). This is obviously a short summary of two books worth of content, but suffice for librarians to know these are beliefs some patrons may hold.

Figure 1.1 shows the twelve personal finance books of this study, as plotted on a subjective scale by the study's author, ranging from a purely rational approach to money management, to an approach that acknowledges and works around potential emotional money management components, to money management that relies on a spiritual underpinning.

One of the practical issues wherein this rational/emotional debate becomes paramount is the age-old issue of budgeting. While the ALA's Reference and User Services Association's (RUSA) *Financial Literacy Education in Libraries: Guidelines and Best Practices for Service* emphasizes budgeting under "Spending Guidelines", including

possible workshop topics like "Budgeting for success" and "Building a budget: Wants vs. needs" and potential program outcomes like "Create a simple budget" and "Be able to track spending habits", there is actually fierce debate in the personal finance books regarding the importance of, or even the *advisability* of, traditional budgeting (RUSA, 2014: 11). Of the twelve titles, only two unequivocally advocate for a traditional budget (Ramsey, 2009: 95; Stanley and Danko, 1996: 78). A number don't mention budgeting specifically (two titles are exclusively focused on investing, and two are focused on attracting money through spiritual means) and the other titles are a mix between an outright 'no' to traditional budgeting, or a waffling wherein they advocate some parts of traditional budgeting, but not others (such as keeping track of spending, but not necessarily pre-assigning a dollar limit to various spending categories) (Robin and Dominguez, 2008: 77-79). The thought in many of these books that debate, or outright deride, traditional budgeting is that it is very easy to *say* we will follow a budget, but it is very hard for us to actually follow our own rules. Continuing the idea that personal finance is beset by emotional and impulse issues much like weight management, Suze Orman counsels that, "Budgets are about as successful as fad diets where you lose a ton of weight at first and then gain even more back. … Operating on denial, constant worrying, and incessant monitoring is not sustainable" (Orman, 2005: 146).

Two spins on traditional budgeting the author of this study found particularly interesting were the ideas of "conscious spending" and the almost blanket prescription to 'automate' finances in a way that might make much budgeting moot (Sethi, 2009: 92, 127). The concept of conscious spending was articulated by Ramit Sethi (2009) in *I Will Teach You To Be Rich*. "Spend extravagantly on the things you love," Sethi counsels, "and cut costs mercilessly on the things you don't." He provides a brief example: "My friend Jim once called to tell me that he'd gotten a raise at work. On the same day, he moved into a smaller apartment. Why? Because he doesn't care very much about where he lives, but he loves spending money on camping and biking. That's called conscious spending" (Sethi, 2009: 92). We start to see how many personal finance tenets are interrelated when we read further into the practicalities of conscious spending and realize that the only way to be able to spend without any consideration except 'love' is to *automatically* have all the money you can't spend withdrawn from your checking account before you can get ahold of it. Sethi describes how he sets up automatic payments to pay off debt, pay his bills, contribute to his savings goals, and invest (all his 'fixed costs') all within a few days of his paycheck clearing into his checking account. This way whatever money is left over in his account after this brief window is available for 'variable costs' and conscious spending. He can

spend this money without guilt, without worrying, without even tracking his spending too precisely, other than to be sure he doesn't overdraw his checking account (Sethi, 2009: 92-123).

The interrelations between personal finance concepts deepen when we realize that the portion of your automatic withdrawals that moves into your investment accounts first thing every month is the very embodiment of the absolute personal finance maxim: Pay yourself first! The concept of 'pay yourself first' came about somewhat in consequence to our emotional and irrational nature as well, since the idea is basically if you don't pay yourself first (invest money into your personal future even before paying your bills, etc.) you are unlikely to have money left over at the end of the month for this purpose, regardless of your protestations to the contrary. "What most people do when they earn a dollar is pay everyone else first. They pay the landlord, the credit card company, the telephone company, the government, and on and on. The reason they think they need a budget is to help them figure out how much to pay everyone else so at the end of the month – or the year, or their working life – they will have something 'left over' to pay themselves," conveys David Bach in *The Automatic Millionaire* (2004: 61). The concept of 'pay yourself first', and the key to personal financial success at its root, is to flip this paradigm on its head. "A part of all you earn is yours to keep," Clason (1955) counselled in the book that first articulated the 'pay yourself first' maxim (33). You can dream that you will control your monthly spending enough that you do indeed have plenty of money 'left over' at the end of the month to pay to yourself through funneling it into investment instruments that might provide for your lifestyle in the future, but because of our emotional and irrational spending, the reality is that very few people have any money 'left' for themselves at the end of the month. The idea is: pay yourself first, or you won't get paid. The easiest way to do this, the more modern personal finance books counsel, is to automate it all: your bills and, most importantly, your investment contributions. Bach (2004) goes so far as to say, "If your financial plan is not automatic, you will fail!" (7).

EARN MORE? OR SPEND LESS?

SPEND LESS

If we were fully rational creatures, the solution for money management for many of us could be as easy as: Spend less. Just make the choice to spend less money than you earn. Reality then would seem to bear out the common conclusion in these books that human beings are not, in fact, perfectly rational creatures. In the United States, we don't, on a whole, spend less money than we earn, regardless of the fact that many of us are fortunate

enough to make enough money that we *could* conceivably choose to spend less than we make. Why? A heavy theme in many of the personal finance books relates particularly to a core cultural problem in America, namely the focus on hyperconsumption: advertising, our friends and family, even the government telling us that we must continually consume to be happy, to be socially admired, and to keep the American economy strong (Robin and Dominguez, 2008: 17; Stanley and Danko, 1996: 131). As Dave Ramsey (2009) summarized the common American lifestyle: "…we buy things we don't need with money we don't have in order to impress people we don't like" (31). People may be more emotionally fulfilled, three of these texts argue, if they practice *frugality*. Though the term has become almost a dirty word in modern American culture, these three books debate the true meaning of the term, and settle generally on the idea that frugality simply means getting the full enjoyment possible out of each thing you purchase; by focusing on truly enjoying each experience and each purchase, one may achieve a "high joy-to-stuff ratio" wherein he or she actually gets *more* joy out of his or her material life, though he or she purchases *less* prodigiously (Robin and Dominguez, 2008: 160; Sethi, 2009: 197; Stanley and Danko, 1996).

There is also a solid rational argument for spending less. "I believe with everything within me that your most powerful wealth-building tool is your income," Dave Ramsey (2009) argues, and most of his personal finance gurus agree (109). Every purchase you make, every additional subscription, every bill you pay, every payment you must make towards paying down debt… All of these things chip away at that wealth building tool, meaning it may not be wielded as effectively. Since increasing one's income is potentially very difficult to do, the only other means of rationally addressing the strength of your wealth building tool is to contract your spending (Stanley and Danko, 1996: 131). The size of your wealth building tool (your net income) can be defined by the equation: gross income – total spending. There are only two ways to make the difference between these two numbers larger. "How do you become wealthy?" Stanley and Danko (1996) ask rhetorically in *The Millionaire Next Door*. "It is seldom luck or inheritance or advanced degrees or even intelligence that enables people to amass fortunes. Wealth is more often the result of a lifestyle of hard work, perseverance, planning, and, most of all, self-discipline" (2). Earning more is certainly a nice boost to your net income, but the real key, the books in the 'spend less' camp argue, is to… spend less.

Of course, personal finance books can't avoid acknowledging that, as a whole, Americans simply don't 'spend less'. As Americans are well-known for spending, in fact, *more* than they earn, on average, the books must address the looming issue of debt. Debt,

unfortunately, is a tool, an issue, or an addiction (depending on which book you consider gospel) that unaccountably muddies the waters between 'emotional' and 'rational' (Orman, 2005: 57-58; Ramsey, 2009: 38; Robin and Dominguez, 2008: 151). While there are inarguably rational uses of debt, and rational ways to address and potentially reverse its accumulation, the problem may be, again, that we are incapable of constraining ourselves to rationality. The books debate whether or not we should use debt at all, and part of the argument for an absolute 'no' to the use of debt is the argument that all use of debt *must* be undertaken rationally, and though we may be able to justify our use and explain the rational benefits of debt, this may be an instance where we find ourselves frequently incapable of following our own rational rules.

To begin, let's discuss the arguments for using debt, and how to use it rationally, and then we'll explore the various ways the books propose readers deal with the situation when they are unable to use debt as rationally as they anticipated, and thus join so many other Americans in contributing to the roughly $11.8 trillion in national household debt (Shah, 2015). Two of the books taking an absolute stance against any and all debt (and the two spiritual books hardly mention it at all), while the others debate more generally how one should use debt and to what extent. The arguments against using debt are perhaps the more obvious: mainly to avoid *having* debt and its accompanying payments, and the fact that by avoiding debt you quite neatly avoid all potential complications that can arise from the inability to pay it back. There are, however, a number of arguments *for* the use of debt as well, and the eight books that acknowledge debt as a potential tool discuss its use mainly in light of building a credit history and a healthy FICO score to finance essential 'big ticket' purchases like cars and homes.

The importance of one's credit history, and therefore FICO score, is debated as a purely black and white issue. If you do not take an absolute stance against the use of debt, then the FICO score of the American reader *is* important. Period. The issue is a bit cyclic, however. You need to use debt to build your FICO score… so you can use debt. If you are of the opinion that it is not reasonable to expect to get through modern life without using debt, then a high FICO score will save you potentially tens, or even hundreds, of thousands of dollars over the course of your lifetime. A FICO score allows U.S. money lenders to judge your trustworthiness as a potential borrower quickly and most lenders rely on this score exclusively to determine the terms of the loans they offer. "To the financial world, you are your FICO score," Orman (2005) summarizes (29). Sethi (2009) argues in the same vein that "…establishing good credit is the first step in building an infrastructure for getting rich. Think about it: Our largest purchases are almost always made on credit, and

people with good credit save tens of thousands of dollars on these purchases. Credit has a far greater impact on your finances than saving a few dollars a day on a cup of coffee" (14-15). Anti-debt guru Dave Ramsey, however, argues that it is possible to live without credit, entirely and indefinitely (2009: 38). If, indeed, you do not plan to make any future purchases using credit, then your FICO score will gain and save you nothing. One of the key components to building one's credit history and FICO score is the use of credit cards. Thus the overall credit debate is often boiled down to the more concrete question of whether or not readers should have plastic cards in their wallet. Credit cards: Godsend or devilish temptation? At the far ends of the spectrum are Suze Orman, advocating the most liberal credit-card use standards, and Dave Ramsey, outright forbidding his readers to touch any debt at all other than a mortgage, and taking a particularly derisive view of credit cards. Beyond regular use as a part of daily life, Orman advocates using credit cards to "fill in the gaps" in living expenses, "[i]f the career that gets your motor running doesn't bring in enough money during the dues-paying years…." Her only restriction is that you accumulate this credit card debt only for the purchase of "*needs*, not desires" and that you "keep those charges to less than 1 percent of your annual gross income" while you pursue a career for which you are passionate (Orman, 2005: 57-58, 84). She even takes her advocacy of rational credit card use so far as to assert you should add your children to one of your credit cards to A) start them off with a strong FICO score; and B) begin to teach them about the rational use of credit cards (Orman, 2005: 47).

This was perhaps one of the starkest contrasts in this literature study, as Dave Ramsey directly derided this very same idea, stating: "People with common sense don't give sixteen-year-olds beer to teach them how to hold their liquor. By giving a teenager a credit card, the parent… introduces a financially harmful substance and endorses its use, which is dumb but unfortunately very normal in today's families. Parents must instead teach the teenager to just say no" (2009: 44). The other books that mention credit cards tend to fall between these two extremes, with Ramit Sethi's *I Will Teach You to be Rich* falling directly in the middle, concluding, "As long as you manage [credit cards] well, they're worth having" (2009: 19). The questions to ask are: 1) Does the average financially illiterate American know how to manage his or her credit card use 'well'?; and 2) Are we rational enough creatures to rely on self-discipline to keep our use to responsible levels? Saying an absolute 'no' to credit cards would have been seen as a radical concept only a few years ago, but recent news articles have begun to mention that it may be a growing trend, especially among younger Americans. A recent Bankrate survey revealed that while only

35% of American adults 30 and over don't have credit cards, 63% of millennials are credit-card free (Skowronski, 2014). It remains to be seen if this trend will continue, or if it is feasible to live credit-card free in modern society indefinitely.

One of the challenges for those who build no credit history will be the choice to either pay cash, or finance big ticket purchases with less than ideal terms. Purchasing a car, or a house, or an advanced education is often a matter of tens to hundreds of thousands of dollars. For many, paying cash for all such purchases is unrealistic. Even Dave Ramsey admits a home mortgage may be necessary, though he argues you should still be able to obtain a mortgage, even without a FICO score, if you find a lender that "does actual underwriting" using the "details of your life" beyond your FICO score, to establish your terms (2009: 39). If individuals are not paying in full for their big ticket purchases, they need to decide how much of the purchase they wish to finance and what loan structure and terms would be ideal or acceptable. As far as cars are concerned, almost all the personal finance books agree that you should never, ever lease a car and if you can at all live with it, buy used and a make and model you can afford (Bach, 2004: 23; Ramsey, 2009: 34; Stanley and Danko, 1996: 115; Orman, 2005: 274). Buying used and an affordable make and model hopefully means you are limiting the amount you finance as much as possible; the books don't generally dive too deeply into the particulars of your financing terms. The real debate between books lies in the realm of the even bigger big ticket purchase of your home.

The issue of home buying has two main facets:

- Should you buy a house at all? Is a house an investment, or not?
- What type of mortgage should you get? Fifteen or thirty year? Fixed, variable, or hybrid interest rates?

This is a complex topic with many varying viewpoints in the literature. Six of the personal finance books read for this study discussed home purchasing in particular depth; of these, four consider homes to be positive investment vehicles while two argue that homes, as investments, produce poor returns and should instead be considered consumer purchases. The four books arguing that homes are high-return investments are falling in line with the traditional maxim that "...landlords get rich and renters stay poor" (Bach, 2004: 7, 160). The two books which argue against this view are taking a somewhat bolder stance to argue against conventional wisdom. Kiyosaki argues that homes are an outright liability, rather than an asset, as they are primarily an outflow of cash for most people (1998: 74). Sethi argues homes are a poor investment because they provide poor overall returns over time. Sethi's assertion outright contradicts gurus like Orman and Malkiel, who argue,

respectively, that homes can be expected to provide a "normal average annual return of about 4 percent" and that "…real estate has proved to be a good investment providing generous returns and excellent inflation-hedging characteristics (Orman, 2005: 279; Malkiel, 2012 revised: 326). Sethi, on the other hand, argues that "…houses really aren't very good investments in general" (2009: 251). This doesn't necessarily mean he thinks readers shouldn't purchase a house, but, "It's a purchase first – a very expensive one – and an investment second." As an investment, Sethi relates, "Yale economist, Robert Shiller, found that 'from 1890 through 1990, the return on residential real estate was just about zero after inflation' " (2009: 253). We can see that personal finance books provide outright contradictory information when it comes to residential real estate purchases as investments or consumer purchases, so this is one area where library patrons may come in with diametrically opposed viewpoints depending on which personal finance books they have read and to which they ascribe, as well as their own experiences in the real estate market and with their personal home purchases.

The personal finance books take the debate about home purchases further with wide-ranging views on mortgage terms, rates, and even the nature of the debt itself. Again Orman and Ramsey are our diametric opposites with Ramsey begrudgingly admitting you may have no choice but to accept a mortgage – but keep the amount you finance as low as possible and pay it off as quickly as possible – while Orman (2005) sighs, "Just like your student loans, mortgage debt is truly good debt" (279). Ramsey's demands when it comes to mortgages are simple and absolute: fifteen years, never payments more than 25 percent of take-home pay monthly, and fixed rate only (2009: 192, 198). Orman generally seems to suggest a thirty-year hybrid mortgage, 'hybrid' meaning a mix between a fixed-rate and an adjustable rate, with the interest rate fixed for three, five, seven, or ten years (you would choose the length of the fixed rate based on how long you anticipated living in the house) and then switching to an adjustable rate thereafter (2005: 290). The other personal finance books bounce all over the place regarding fifteen or thirty-year mortgages, fixed or variable interest rates, percent down and how much of your gross pay you can afford in monthly payments. There is no absolute answer here. It is a complex issue and, as with so many things, the best a librarian can likely do is point patrons towards a goodly number of resources with wide-ranging views and let them assess the issue for themselves.

With the accumulation of any and all debt, the emotional/rational paradigm becomes paramount once more when it comes to various arguments regarding how readers should undertake the task of paying off their debt. If the author believes his or her readers to be rational creatures, paying off debt efficiently is a simple matter of mathematics; one

should pay off the debts with the highest interest rates first. However, every book acknowledges that "money management isn't always rational" (Sethi, 2009: 220). This being the case, Dave Ramsey developed the 'Debt Snowball' method. In this alternative debt payoff method, readers pay off their smallest debts first, regardless of interest rates, so that they can enjoy the mental/emotional boost that come from quick, incremental successes. Assuming you're paying the minimum payments on all your debts to start, after you pay off the smallest debt, you can add that debt's payment, and any additional money you can scrounge up, to the payment towards the next largest debt, and so on, tackling each subsequent debt with larger overall payments (Ramsey, 2009: 117-118). It is a matter of building momentum with your debt payments. The faster one can get out of debt, the sooner those same payments are added back into net income and become once again part of the wealth-building toolbox.

EARN MORE

Let's not forget the other half of the net income formula though: income – spending. We have discussed the books that emphasize decreasing spending, but what about those books that focus on increasing one's gross income? Figure 1.2 plots the twelve personal finance books of this study on a subjective scale, as determine by the study's author, ranging from a strong emphasis on spending less, to a balanced approach advocating both spending less and earning more income, to those books that most strongly emphasize increasing one's income as the primary means of attaining financial success. Excluding the two books that focus on attracting wealth through meditation (Napoleon Hill's *Think and Grow Rich* and T. Harv Eker's *Secrets of the Millionaire Mind*), the books that focus on earning more are primarily concerned with doing so through investing and thus accumulating assets to provide an ever-increasing stream of passive income. The focus on investing and passive income comes about in consequence of the fact that a focus on active income would necessarily limit gross income growth. Active income is a capped figure, constrained both by how much money we can demand for every hour of our active work, and how many hours we are capable of working. This makes exponential wealth growth impossible; as Eker states in his Wealth Rule #1: " 'Never have a ceiling on your income' " (2005: 125). Passive income, on the other hand, can continue growing forever, as long as you continue to purchase income-generating assets. "The best thing about money," Kiyosaki conveys, "is that it works 24 hours a day and can work for generations" (1998: 91).

Two things these investment-focused books want to clear up at the outset are matters of terminology. The two main issues of confusion are: 1) The actions of 'saving' and those of

'investing' are often mistaken for one another; and 2) Similarly, many people mistakenly perceive that 'speculating' and 'investing' are the same thing, though they are not. The difference between 'saving' and 'investing' is mainly a matter of time frame and therefore the risks appropriate to take with the money you hope to use for a future purpose. "Saving is for a short-term goal that you hope to reach within five years or so. Investing is for the long term," Orman explains. "The big difference is the risk you are willing to take with your money. If you need your money in less than five years, your money does not belong in stocks… You want to play it safe with your savings" (2005: 144, 165). If the time frame is even less than five years, such as an 'emergency savings fund' for things like unexpected medical or car repair bills, then the money should be in something completely safe and completely liquid, like a savings account (Ramsey, 2009: 137).

All the books (except the spiritual ones) agree that though virtually no Americans have emergency funds, we all *should*, though the books vary in their opinion of how large this account should be and where it should be saved (Bach, 2004: 137-139; Malkiel, 2012 revised: 306; Ramsey, 2009: 102, 133-134, 139; Robin and Dominguez, 2008: 287; Stanley and Danko, 1996: 10). This is an issue wherein the books generally accept the view of readers as emotional beings, and they tend to suggest you save to your 'sleeping point'. An emergency fund can range from a generally-agreed upon minimum of three months-worth of living expenses to as high as it takes for the individual saving to feel he or she is prepared for any emergency he or she anticipates or fears (Ramsey, 2009: 134; Bach, 2004: 139). To some extent this might depend on the nature of the individual's financial situation – those with greater risk (freelancers, etc.) may wish to save more, for example – but it is also a matter of achieving the necessary savings for one's own peace of mind (Ramsey, 2009: 139). Readers should bear in mind though, the books counsel, that if one chooses to save all his or her money in a savings account, he or she is losing money every day as inflation currently outpaces the interest that can be earned on such accounts (Sethi, 2009: 170). Even as far back as 1955, Clason advised, " 'Gold in a purse is gratifying to own and satisfies a miserly soul but earns nothing. The gold we may retain from our earnings is but the start. The earnings it will make shall build our fortunes' " (43).

The difference between 'speculating' and 'investing' is a very similar matter of differing time frames and levels of risk. "A speculator buys stocks hoping for a short-term gain over the next days or weeks. An investor buys stocks likely to produce a dependable future stream of cash returns and capital gains when measured over years or decades," as Malkiel summarizes (2012 revised: 28). In an ideal world, while speculating can involve wild risks, including using debt to leverage for an even greater return (or loss) of money, "[an]

investment operation is one which, upon thorough analysis, promises safety of principal and an adequate return" as Benjamin Graham summarized (Graham, Dodd and Cottle et. al., 1962 4th ed., as cited in Graham, 2006 revised: 18). It could be argued that true safety of principal in almost any investment is a pipe dream, especially these days, but the primary differences between 'investing' and 'speculating' involve the amount of thoughtful analysis undertaken, the *degree* of risk being taken with the principal, and the anticipated investment horizon.

As well as defining the differences between saving vs. investing and investing vs. speculating, the investment-focused personal finance books must also undertake to clarify for readers the terms and concepts of 'diversification' and 'asset allocation', as both means of risk reduction are essential for any investor's portfolio. Both investors, and the librarians pointing them towards resources, should understand the difference between diversification and asset allocation. Most of us have heard of 'diversification' along the lines of the cliché 'don't put all your eggs in one basket' and the general understanding that diversification works a kind of magic whereby a portfolio of risky stocks can be combined in such a way such that the portfolio as a whole is less risky than the individual stocks included therein (Malkiel, 2012 revised: 203). Unfortunately, one can only reduce risk so much by diversification alone. Continuing to add new stocks to a portfolio eventually hits a law of diminishing returns; after about 50 stocks, risk will not be further reduced by adding more stocks, at least not from companies operating in the same economy (Malkiel, 2012 revised: 208).

For risk reduction, what's even *more* important than diversification is asset allocation. As Sethi explains it, diversification is buying *deep* into one category of assets (buying many different stocks, for instances), but asset allocation is buying widely *across* all the asset classes (stocks, bonds, etc.) (Sethi, 2009: 170). Buying across asset classes provides greater variety than could ever be found within any one class. Investment guru Burton K. Malkiel conveyed one estimate that "…more than *90 percent* of an investor's total return is determined by the asset categories that are selected and their overall proportional representation. Less than *10 percent* of investment success is determined by the specific stocks or mutual funds an investor chooses" (Malkiel, 2012 revised: 359-360, italics added). The various instruments are supposed to hedge against different risks as well; while stocks are, in principle at least, a hedge against inflation, for instance, bonds are generally used as a hedge against poor market performance (Malkiel, 2012 revised: 213-214, 344; Sethi, 2009: 172). Library patrons, and readers of all stripes, can read in far more detail about counterweights, correlation coefficients, beta and a bevy of other

investment details and concerns in either *The Intelligent Investor* by Benjamin Graham or *A Random Walk Down Wall Street* by Burton J. Malkiel. For those who are interested, Malkiel also goes in-depth into market history, investment bubbles, and the age-old debate between the firm-foundation and the castle-in-the-air investment theories, while Graham wastes little time on castle-in-the-air, focusing instead on extensive discussions regarding various investor psychological makeups and how 'defensive' versus 'enterprising' investors might utilize the firm foundation theory exclusively (Malkiel, 2012 revised: 31, 33; Graham, 2006 revised).

It is possible though that many library patrons might not have a particular interest in investment theory and complex mathematical formulas. For this group, most of the other personal finance books limit their investment discussion to one main debate – index funds vs. actively-managed mutual funds – and almost all of them agree, quite simply, that index funds are the way to go. Mutual funds are basically one-stop diversification. Orman (2005) describes them vividly as "…a suitcase that holds dozens – and often hundreds – of individual stocks. If you like what is packed inside the suitcase, then you simply purchase shares of that mutual fund and, voila, you are the proud owner of a small fraction of each one of the holdings in that suitcase" (225). The debate in the books is not whether or not the average investor should purchase mutual funds – the answer to that question is a resounding and near-universal 'Yes!' – but whether the best mutual funds are actively managed or passively managed via matching a market index. Again the answer is near-universal: Index funds are the best option for the vast majority of investors, so the books say. While actively-managed mutual funds may 'beat the market' and thus beat those mutual funds that simply purchase a share in all the holdings of a market index (like the S&P 500, etc.), actively-managed funds are generally *not* a superior return on investment for the man or woman who purchased a stake in the fund, as their ultimate return is less 'management fees' etc. The conclusion is that actively-managed mutual funds will have variable returns year-by-year and that even if an investor happens across a management team that can consistently earn higher returns than the market average (a rarity), the management team would have to beat the market by a percentage greater than the percentage they take from the end-user in fees, or the layman investor is no better off than if he or she had purchased an index fund, and with a rather greater level of risk invovled (Graham, 2006 revised: 244-249; Malkiel, 2012 revised 17, 292-294, 393; Orman, 2005: 228; Robin and Dominguez, 2008: 280-281; Sethi, 2009: 176-180).

Only one book derides both index funds and actively-managed mutual funds in equal measure, and in fact recommends that readers ignore the precepts of diversification

altogether. In *Rich Dad, Poor Dad*, Robert T. Kiyosaki argues that, “The main reason over 90 percent of the American public struggles financially is because they play not to lose. They don’t play to win.” As he sees it, “…playing it safe and going ‘balanced’ on your investment portfolio is not the way successful investors play the game. If you have little money and you want to be rich, you must first be ‘focused,’ not ‘balanced.’ … Put a lot of your eggs in a few baskets,” he advises (1998: 151). Of course, this flies in the face of the advice in *all* the other investment-focused personal finance books read for this study, but even so, this is a viewpoint some of our library patrons may hold, and it isn’t entirely incorrect. In the commentary to Benjamin Graham’s 2006 revised edition of *The Intelligent Investor*, Jason Zweig points out: “Nearly all the richest people in America trace their wealth to a concentrated investment in a single industry or even a single company… The *Forbes* 400 list of the richest Americans, for example, has been dominated by undiversified fortunes ever since it was first compiled in 1982.” Zweig points out the flaw in this path to riches though, at least for the vast majority of us: “However,” he counsels his readers, “almost no small fortunes have been made this way – and not many big fortunes have been *kept* this way…” Only 64 of the original names on the 1982 list were still part of the Forbes 400 richest Americans in 2002, which means only 16% managed to *keep* the money they amassed in undiversified investing over a twenty year period (185). Big risks can indeed result in big rewards. But they can also result in big losses. Readers and library patrons must keep both potential outcomes in mind, if they are to make a wise decision.

Some of the other investment themes explored in depth in these personal finance books could be summarized as:

- **Love the bear; be wary the bull.** Basically this means that investors should view bear markets (prices down) as a ‘sale’ on stocks and most of the personal finance books recommend that, if anything, a market slump is generally a time for readers to *increase* their investments, as long as they’re in stable mutual funds and still have a long term investment horizon. Alternatively, bull markets (prices up) are dangerous because it is all too easy to purchase stocks that are dangerously overpriced (Graham, 2006 revised: 17, 87, 223; Kiyosaki, 1998: 190; Malkiel, 2012 revised: 367, 369; Sethi, 2009: 71-72, 212).
- **“Lethargy bordering on sloth,”** as Warren Buffett phrased it, is the ideal investment style (Malkiel, 2012 revised: 262). This refers to how actively investors should trade their holdings; which is to say, very inactively. This is not to say that an investor should never sell a ‘losing’ stock, but rather that he or she should not do

so precipitously. Also, if the whole market is going down, then of course an individual holding is following the bear. Investors should love the bear (see bullet point above).

- **Dollar cost averaging.** This is one tenet on which *all* the investment-focused books agree: Regular, periodic investments reduce your investment risk significantly, maybe more than anything else you can do. When prices go up, your periodic investment will buy fewer holdings; when prices go down, that same periodic investment will buy more holdings (Orman, 2005: 233). In this manner, you avoid the risk that any bulk purchases were done at a time of temporarily inflated prices (Malkiel, 2012 revised: 365). You are further diversifying your investments across time (Sethi, 2009: 197, commentary by J.D. Roth).
- **Expected return.** This is something on which almost *none* of the investment-focused books agree. Across the lot of them, a reader could obtain varying expected yearly net returns from market investing, including: 6%, 7%, 8%, 8.5%, 9% and 12% (Graham, 2006 revised: 85; Malkiel, 2012 revised: 322, 386; Ramsey, 2009: xv; Sethi, 2009: 70). The highest figure comes from Dave Ramsey, and it is one of the major criticisms of his work, but the fact remains that from the lowest to the highest expected net return, we have a 6% spread. Over a thirty-year investment horizon this means potentially hundreds of thousands of dollars difference, and thus leaves a wide range in how much you need to be investing regularly to reach your retirement goals. This is no trivial disagreement. However, we might consider that this is just another example of the largest issue of all when it comes to investing: No one can predict the future. There is simply no way to know what the market will do tomorrow, next year, or thirty years from now. The best an investor can do is diversify within each asset class, across asset classes, and across time, and hope for the best. There are no guarantees in investing, just as there are no guarantees in life.

CONCLUSION

The author undertook this study to understand the popular literature component to the financial literacy movement in the United States. It was anticipated that, as members of institutions that provide access to self-help personal finance books, librarians may benefit from a greater understanding of the knowledge, beliefs, and potentially the contradictory information contained within these bound pages. There were a bevy of personal finance issues we did not have room to cover herein. It may be useful to explore

what the personal finance literature conveys as regards these issues – retirement planning, student loan debt, tax strategies, entrepreneurship and the use of financial planners, among others – in future articles. One particularly prime area for further research is how the information within the personal finance literature compares and contrasts to the RUSA's *Financial Literacy Education in Libraries: Guidelines and Best Practices for Service,* though the author's initial impression is that there is not as much overlap between these guidelines and the popular literature as might be expected. While there are similar concepts, the *Guidelines* seem clearly directed towards a predominantly struggling socio-economic patron base, while the literature is directed almost exclusively to middle and upper-middle class readers. While the *Guidelines* include potential program outcomes like "Understand the importance of establishing and maintaining a relationship with a government-insured financial institution, and know what it means to be unbanked" the books reassure readers that money market accounts are no longer 'for the rich'; you can open such an account with a minimum deposit of as 'little' as $1,000 to $2,000 (Bach, 2004: 143; RUSA, 2014: 12).

There is also the fundamental issue of where the *Guidelines* and the personal finance books fall on the issue of whether or not patrons or readers need to understand *why* they should take certain actions, or whether they only need to understand *how* to enact a variety of financial decisions. The books tend to fall on the side of simply accepting that their readers are not financially literate, and likely won't be changing their stripes anytime soon. The books even go so far sometimes as to provide scripts, encouraging readers to ask particular questions, use particular words and listen for particular words in the answers they receive, like the books are coaching their readers through an insurmountable language barrier (Bach, 2004: 201; Graham, 2006 revised: 276-278, commentary by Jason Zweig). Not surprisingly, the library *Guidelines* tend to emphasize understanding; in fact the word 'understand' appears more than eighty times in the RUSA document (RUSA, 2014).

Ultimately, it is the author's belief that the personal finance self-help genre has a lot of invaluable insight to offer both patrons, and those who serve them, as long as this financial literacy teaching is taken in context and considered carefully in light of other resources. While these books each address a unique blend of topics, and these topics range from intense theoretical discussions regarding modern portfolio theory to down-and-dirty hashing out of mortgage terms to discussions of how best to meditate your way to riches, all these books also tend to assume their readers belong to a certain socioeconomic bracket and have a certain educational background. As librarians, we can't assume the same about our patrons. While we are certainly no longer 'book warehouses' it behooves us to

understand where these books fit into the wider financial literacy context, and how we as libraries and librarians can address both personal finance genre readers and non-readers alike.

References

Applied Research & Consulting LLC on behalf of Financial Industry Regulatory Authority (FINRA) Investor Education Foundation (2012) 2012 National Financial Capability Study State
by-State Survey Instrument. Report. Available at:
http://www.usfinancialcapability.org/downloads/NFCS_2012_State_by_State_Qre.pdf (accessed
20 March 2015).

Bach D (2004) *The Automatic Millionaire: A Powerful One-Step Plan to Live and Finish Rich*. New York: Broadway Books.

Clason GS (1955) *The Richest Man in Babylon.* New York: Plume.

Council for Economic Education (2014) Survey of the States: Economic and Personal Finance Education in our Nation's Schools. Report. Available at: http://
www.councilforeconed.org/wp/wp-content/uploads/2014/02/2014-Survey-of-the-States.pdf (accessed 19 March 2015).

Dali K (2013) Books in their suitcases: Leisure reading in the lives of Russian-Speaking immigrants in Canada. *Journal of Librarianship and Information Science* 45(4): 261-293. DOI: 10.1177/0961000612448208.

Dawes TA (2014) Academic libraries' impact on financial education: A year of programs and projects. *C&RL News* 75(6): 326-327. Available at: http://crln.acrl.org/content/75/6.toc (accessed September 2014).

Eker TH (2005) *Secrets of the Millionaire Mind: Mastering the Inner Game of Wealth*. New York: Harper Business.

Financial Industry Regulatory Authority Investor Education Foundation (2013) Financial Capability in the United States: Report of Findings from the 2012 National Financial Capability
Study. Report. Available at:
http://www.usfinancialcapability.org/downloads/NFCS_2012_Report_Natl_Findings.pdf (accessed 20 March 2015).

Graham B with commentary by Sweig J (2006, revised ed.) *The Intelligent Investor: The Definitive Book on Value Investing*. New York: Harper.

Graham B, Dodd D, Cottle S, et. al. (1962, 4th ed.) *Security Analysis.* Columbus, OH: McGraw-Hill.

Hill N (2005, revised and enlarged, original 1937) *Think and Grow Rich*. New York: Penguin Group Inc.

Kiyosaki RT. with Lechter SL (1998) *Rich Dad, Poor Dad: What the Rich Teach Their Kids About Money That the Poor and Middle Class Do Not*. New York: Warner Books.

Livengood SP and Venditti KL (2012) Financial literacy: A primer for librarians, educators and researchers. *C&RL News* 73(2): 88-91.

Malkiel BG (2012, revised) *A Random Walk Down Wall Street: The Time-Tested Strategy for Successful Investing.* New York: W.W. Norton & Company.

Mantell S (2004) Making Cents of Investing. *Publishers Weekly* 251(50): 26-30.

Monsour M (2012) Library Innovate With New Financial Education Programs. *Public Libraries* 51(2): 36-43.

Orman S. (2005) *The Money Book for the Young, Fabulous and Broke*. New York: Riverhead Books.

Ramsey D (2009) *The Total Money Makeover*. Nashville, TN: Thomas Nelson.

Robin V and Dominguez J (2008, 2nd ed.) *Your Money Or Your Life: 9 Steps to Transforming Your Relationship with Money and Achieving Financial Independence*. New York: Penguin Group Inc.

Sethi R (2009) *I Will Teach You To Be Rich*. New York: Workman Publishing.

Shah N (2015) Americans Borrowing More, but Fissures Appear. *Wall Street Journal*. Available at: http://www.wsj.com/articles/u-s-household-debt-rises-slightly-in-to-11-83 trillion1424188820 (accessed 15 June 2015).

Skowronski J (2014) More Millennials Saying 'No' to Credit Cards. *Fox Business*. Available at: http://www.foxbusiness.com/personal-finance/2014/09/08/more-millennials-saying-no-to-credit-cards/ (accessed 1 June 2015).

Smith CA and Eschenfelder K (2013) Public Libraries in an Age of Financial Complexity: Toward Enhancing Community Financial Literacy. *The Library Quarterly* 83(4): 299-320.

Stanley TJ and Danko WD (1996) *The Millionaire Next Door: The Surprising Secrets of America's Wealthiest*. New York: Pocket Books.

Figure 1.1

Figure 1.2