



## An Innovator for the Ages

*“Never underestimate your power to change yourself; never overestimate your power to change others.”*

*-H. Jackson Brown*

Although we discuss financial education as our primary course of communication on a daily basis here at the Heartland Institute of Financial Education, April of each year marks the month that our country formally recognizes the importance of financial literacy.

This year, we felt it was appropriate to recognize the efforts of someone who has become a true innovator in the advancement of financial literacy, through a unique and powerful approach to financial education.

Xuan Nguyen grew up in a large, poor family in Vietnam during the Vietnam War. When his father died young, his family situation only got worse. He and his brothers had to work to help provide support for their mother and yet somehow, between work and school, Xuan was the only one in his family to finish college.

He was also the only member of his family to escape to the United States when the war

ended in 1975. At a refugee camp, he met Hoa, a friend from college, who would ultimately become his wife. They married and moved to California in 1978, where he worked many odd jobs, laboring to make a living before landing a position as a social worker. In this new role, he helped other, newly arrived refugees and immigrants resettle in America.

And yet, his family back in Vietnam continued to struggle financially and Xuan found himself with the additional burden of helping them, while supporting his own growing family. By the time he reached the age of 36, he was dealing with increasing debt and the constant worry about the future.

Then, in 1985, he discovered the world of financial services. To say that things were easy from then on would be untrue. But, to say that Xuan found his future is absolutely correct. While he struggled during the first months of his new occupation, he approached it like he did everything else in his life. Scared, but intent, he worked relentlessly, running nonstop to be successful in this new venture.

During this time, he saw many changes in the financial services world. During the '70's through the '90's, the industry grew

**APRIL FINANCIAL  
IS LITERACY MONTH**



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dramatically, moving back and forth between varying strategies regarding insurance and investment products, along with the emergence of the developing concept of financial planning. When the 2000's arrived, the first three years greeted us with a downward spiraling stock market that didn't see a bottom for three straight years. This was the longest drop since the 1930's! Xuan watched all of this as he built his own organization, called World System Builder, which focused on the financial services business, while also helping people find a fulfilling career. He recruited new members, recognizing the importance of developing a duplicable system to guide his many associates.

But during all of this, he understood the importance of financial education. He and Hoa had added three new members to their own family, and he began to apply the concepts of financial wellness at home. Early on, he also began developing his own version of Finance 101 with the people in his growing organization. As his company grew, he taught the concepts of financial wellness, providing guidance on the financial planning basics and designing his own training materials. But by the time 2014 arrived, he knew that it wasn't enough. In the midst of an industry that continues to be focused on the sale of financial

products, Xuan made a critical decision and a bold move.

He decided he wanted all of his associates.....top-to-bottom, inside-out.....to begin practicing, not just talking about financial education. And that was no small undertaking. Consider the fact that Xuan, by this time, had over 20,000 associates who were part of his organization! He knew he must start at the top. Working through all of his leaders, he began with a simple message; just selling products is not enough. We must teach our clients the fundamentals of financial planning. We must make it simple and clear. We must provide them with the opportunity to learn and to take action. But even that wasn't enough. He also made it clear that each one of them, every associate and every advisor, should do a better job of practicing what they preached, that financial wellness begins in your own house.

Xuan wrote a book entitled, "Saving Your Future", which detailed the key elements of financial education. Next, he went on to help design and write a series of educational courses that could be taught to people everywhere. He directed his associates to convert their business offices into financial education centers all across the United States and Canada, with an emphasis on getting basic financial knowledge and how-to education to hundreds of thousands of North Americans.

In the beginning, it was slow. Like trying to make adjustments in any large organization, change is not readily accepted. But, anyone who

knows Xuan Nguyen knows he is a leader with conviction. By 2016, evidence of successful class offerings were beginning to resonate throughout the organization and by the time his associates gathered for the annual convention in New Orleans in March of 2017, it was becoming more aware than ever that they were taking up the challenge of teaching financial education.

And, if this new approach is effective, meaning that more people learn about financial education and in so doing, actually improve their own financial situation, it's worth investigating why this will be successful.

After all, throughout much of the world today, many opportunities already exist for people to learn about personal financial management. Books and financial guides abound offering sage financial advice and strategies. Internet sites can be counted in the thousands, providing a marketplace of "virtual financial know-how" complete with step-by-step programs and recommendations. Employers, too, have discovered ways to provide some help for employees by utilizing limited services of retirement plan providers that sometimes are complemented by providing employees with access to on-line services.

The problem, however, is that all of these services, lumped together, are not effectively utilized by those who need them the most. As a result, the financial literacy of our society, in

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general, and the financial well-being of millions of people continue to slip further into a state of disorder.

And yet, even as we study the reasons for this progressive dilemma, we discover that workers themselves regard financial stress as their number one concern, fully five times greater than worries about their personal health. Studies have proved that financially distressed individuals bring their financial troubles to the workplace, thus negatively impacting the employer's bottom line. This research was done before the Great Recession of 2008. Now, as you might expect, financial stresses are even worse for workers and their families because the economic aftermath has been a very slowing growing economy.

Xuan asked himself the question: So, if workers "see" the problem of how financial woes negatively impact them and some educational solutions exist to help solve this problem, why are we, as a nation, continuing to slide downward, from a personal financial standpoint? And, what can be done about it?

First of all, he needed to make certain he really understood the problem. Many Americans today are living beyond their means. Many adults are inclined to spend more than they make, or at least, more than they have in their checking account. They accomplish this effortlessly through very easy access to credit.

We are encouraged from advertising and marketing to buy what we want, when we want it, and pay the bill—the consequences—later. Not enough

of us have a budget or spending plan that provides financial guidance and discipline. Too few seem to possess even the knowledge of how to construct plans for spending, saving and investing. Many of us spend freely, evidently believing that credit will stretch our bank accounts and somehow provide more money for more purchases. In truth, millions of workers have entered into a dangerous game of imaginary finances with very real consequences.

Overspending and the poor use of credit are not the only culprits that add fuel to our monetary fire. Besides paying for basic family living expenses, many families are unprepared financially to pay for the costs of expensive health care, disability, unemployment, college, or even death. This pattern of living invites disaster.

Surveys and research prove that many households fail to make adequate provisions for retirement, educational costs and most adverse events. Poor savings and investing habits, combined with insufficient retirement planning result in many people actually running short of financial resources soon after retirement.

These individuals undoubtedly lack the necessary information or motivation to make effective decisions for themselves. They may feel it is too difficult to understand the process of preparing for a financially successful retirement or even to calculate the amount of money needed. Many also say they cannot afford to cut back

expenses to save for retirement. And to exacerbate the problem, they do not know where to turn for the kind of help that gives them something better than another computer printout. What they need is real solutions for their personal situations.

But Xuan realized they also need guidance; education on not only "why" but "how" to take action and improve their situation. He knew that education was the key. When you put "education first," it helps to drop the barriers that people instinctively have when it comes to admitting problems and being willing to understand and embrace solutions.

And something else became obvious to him as well. While all of the aforementioned resources and answers from books, computer software and the Internet might be helpful in solving our financial challenges, they are not enough. A one-time explanation of any financial management process, with little or no follow-up, generally proves to be inadequate. So education plus follow-up is critical.

What the great majority of adults need is face-to-face, hands-on instruction, complete with financial guides and worksheets, that allow individuals to personalize their financial situation. Most adults want to know, to learn, and actually to go



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back to school—but this time to a really excellent school that teaches personal finance, with follow-up sessions that allow the adult learner to ask questions and to personalize their new knowledge.

Xuan had already experienced this by observing and being involved with worksite education courses; that is, financial education courses that are taught to employees at their work location. By duplicating this process, he realized that the same thing that is accomplished through the workplace could be fulfilled within financial centers that can be made available for adults everywhere. In this regard, the learning may be accomplished in a setting that allows adult learners to interact with expert instructors and with fellow attendees, in the same manner that workplace learning provides interaction with fellow employees.

It's important to remember that adult learners are volunteers in financial education programs, not mandatory attendees. There is an important difference between why high school or college students attend class and why adults choose to attend class. When

adults decide to take part in a quality financial education course, most of them will implement many of the things they learn, and this will improve their financial situation. Their financial distress will decrease and their financial well-being will increase.

We compared what Xuan is doing with another innovator of his time, Malcolm Knowles. Malcolm Knowles might well be considered the founding father of adult learning. He contrasted the concept of andragogy, meaning the art and science of helping adults learn, with pedagogy, the art and science of helping children learn. Knowles' original studies and writings arose from the assumption that there are significant, identifiable differences between adult learners and learners under the age of eighteen. Primarily, the differences, according to Knowles, relate to an adult learner being more self-directing, having a repertoire of experience, and being internally motivated to learn subject matter that can be applied immediately; learning that is especially closely related to the developmental tasks of his or her social role. Each adult brings to the learning experience preconceived thoughts and feelings that will be influenced by each of these factors. Assessing the level of these traits and the readiness to learn should be included each time a teaching experience is being planned. Knowles advocated creating a climate of mutual trust and clarification of mutual

expectations with the learner. In other words, a cooperative learning climate is fostered, exactly the path that Xuan is taking.

Knowles labeled andragogy as an emerging technology which facilitates the development and implementation of learning activities for adults. This emerging technology is based on five andragogical assumptions of the adult learner:

1. **Self-Concept:** As a person matures, he or she moves from dependency to self-directness.
2. **Experience:** Adults draw upon their experiences to aid their learning.
3. **Readiness:** The learning readiness of adults is closely related to the assumption of new social roles.
4. **Orientation:** As a person learns, he or she wants to apply it immediately in problem solving.
5. **Motivation:** As a person matures, he or she receives their motivation to learn from internal factors.

These five assumptions dovetail with the thoughts and theories of a few others, certainly with Xuan's approach. They point to three keys to transformational learning: experience, critical reflection and development. Each assumption also provides important considerations for creating an effective learning opportunity for adults. The level of maturity and experience of each adult learner will have a major impact on an instructor's ability to create and transfer knowledge and work with the learner on a follow-up basis. This is why Xuan recognized the need for both effective instruction and follow-up.

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When high quality financial education programs are offered to adults who never received this type of learning experience in either high school or college, the learning and implementation process is simplified because it provides easy access to resources, materials and certified instructors. The most important ingredient in a successful financial wellness program is the qualified instructor, armed with effective materials, who utilizes the principles of adult learning to facilitate positive changes in people's financial lives. A quality financial program should empower an adult to become a confident and satisfied saver and investor. He or she should know how to budget and manage credit wisely, purchase adequate insurance protection, plan college for their children and invest with confidence. This kind of thinking gives a person control over their financial future. Then they can take actions to accumulate the funds vital to achieving financial goals. Eventually, most people can become financially independent.

Time will tell just how effective Xuan Nguyen's financial education program will be. Certainly, he's taking on a big task, with a big



group of associates. And while patience has never been considered one of his primary virtues....persistence has! Xuan has embraced a bold objective, which will require time and all of the persistence that he can muster. He has never feared or eschewed change. As a matter of fact, he is considered to be a change agent....that is, somebody that brings about, or helps to bring about change. But he is proving to be more than a change agent. He may well be an "Innovator for the Ages".

Alan J. Gappinger, CEO

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