

With the iPhone, the makers didn't just give consumers another phone. They asked what people wanted: a computer in your pocket? You got it, and you also can make a few calls. Schau adds: "The recovery will offer us the potential to apply this thinking, an opportunity when all the rules are suspended. We can create what it means to be successful. Business as usual is out of the question."

Schau teaches integrated marketing communications to Eller undergraduates and to MBA students who design messages, ads, press releases — "anything from the firm is fair game" — and define targets in a branding exercise. "They think it's going to be fun," she says, "but it's a little painful."

Even politics is being shaped by social media, she says.

"We are going back to what politics was in the beginning," Schau says. "You talk to your people and you really listen." She says Rep. Gabrielle Giffords, D-Ariz., who was shot in January at a sidewalk forum, is a master of social media. "She got the word out through Twitter or the Web and we were excited. She asked young and old to co-create her platform, and that's why she was so successful. This tragedy was even more tragic because it hit smack in the face of what people wanted."

As consumers or in politics, Schau says, people are using social media to let the world know what they want. "We find out that people want a lot of control over products, over whom they elect. They want to take part."

Michael E. Staten

Professor and Director of Graduate Studies in the Norton School of Family and Consumer Sciences, Director of the Take Charge America Institute, and Take Charge America Endowed Chair

About Your Money Think interest, budgets, taxes, and credit

I asked my tax-prep expert the other day how much her 20- or 30-something clients know about their own finances. "Absolutely nothing," she exclaims. "They just live for today."

And for Michael E. Staten, a professor in the Norton School of Family and Consumer Sciences, that constitutes a career-long challenge.

Staten has become a master at getting middle schoolers through graduate students to think systematically (or at all) about compound interest, budgets, and planning.

For starters, he poses an old math-class problem. Which would you rather have — \$50,000 in cash or a penny that would double in value each day for a month? (Have your own answer? OK, save it and read on.)

Right answers, he says, aren't as important as getting students to grasp concepts like saving, investing, borrowing, and taxes. Staten directs the Take Charge America Institute for Consumer Financial Education and Research (TCAI), which has designed a national school curriculum on personal finance used in 24,000 classrooms, reaching up to a million students. You can learn more about the project, based at the Norton School of Family and Consumer Sciences, at tcaainstitute.org.

Since 1987, the parent group, Take Charge America, a nonprofit based in Phoenix, has offered credit counseling and debt management, helping people repay about \$3 billion in debts. At the UA, Staten's research focuses on credit issues, and he teaches money, consumers, and the family, a lower-division general-education class, and retail financial services, an upper-division class that raises questions about real estate, student loans, insurance,

and banking. We fired off a few questions of our own:

So if you are in mid-recession trouble, where do you begin?

"First, be patient. The recovery has started, but there's a lot of dead overhang. You may owe more on your home than its value. But things are improving, very slowly. Way too many houses for sale are driving down prices. Only Nevada seems worse than Arizona. The good news is that consumer confidence data show spirits are starting to rebound.

"If you're among the unemployed, the lack of resurgence in hiring highlights the importance of using networks to recreate and reinvent yourself. You have to find where you can be useful. Alumni networks have never been more important. This is a good lesson for young alums in the early stages of a career. Invest in building your network."

Are you talking about social media?

"Yes, the younger age groups are already using Twitter and Facebook, and that spills right over into job seeking. LinkedIn is a good way to do professional networking. (LinkedIn launched in 2003 and reached one million members in 494 days; it claims 90 million members now and says a million new ones join every 12 days.) I do it. Facebook is another example. I haven't joined, but my wife has and she says, 'Mike, just get on it.' She's exactly right."

Kathleen Kahle

Associate Professor of Finance in the Eller College of Management

Rainy-day Savings A strategy for hard times

When President Barack Obama urges top CEOs to get their corporate cash "off the sidelines" and use their stash, perhaps a collective trillion dollars, to create jobs and feed the recovery, he touches a nerve for one UA professor, Kathleen Kahle.

Those strategic decisions by corporations, Kahle says, are similar to the choices made by families around the kitchen table. Will we need that money down the road? If so, we might be smart to stow it, and that might apply to the CEOs.

Which would you rather have — \$50,000 in cash or a penny that would double in value each day for a month?

Day 1	\$ 0,000,000.01
2	.02
3	.04
4	.08
5	.16
6	.32
7	.64
8	1.28
9	2.56
10	5.12
11	10.24
12	20.48
13	40.96
14	81.92
15	163.84
16	327.68
17	655.36
18	1,310.72
19	2,621.44
20	5,242.88
21	10,485.76
22	20,971.52
23	41,943.04
24	83,886.08
25	167,772.16
26	335,544.32
27	671,088.64
28	1,342,177.28
29	2,684,354.56
30	5,368,709.12
31	10,737,418.24

What are some steps to take while we await the recovery?

"One, for all households out there: Establish or rebuild an emergency fund, with a goal of three to six months of take-home pay, in liquid form. Up until 2007, people ignored this — it was an uphill roller-coaster ride and things were always getting better. Now people realize they need this reserve fund to get through the tough times.

"Two, save for retirement. That's especially true for younger alums. Young people can accumulate tremendous wealth with modest savings early on, beginning at 24 or 25. When you are older, you can't take advantage of a long compounding period. We can already forecast that Social Security is going to be truncated, with a higher retirement age and reduced benefits for higher incomes. So take care of yourself now.

"Three, know your credit profile, and know what your credit score means. It affects the terms when you borrow, when you rent, or apply for a job. Bad news may tip the scale to somebody else. If there's stuff in there that's not correct, you can get it out of there. Every consumer can pull one free report from each of the major bureaus every year." (See annualcreditreport.com to check yours.)

Meanwhile, Staten is researching accuracy in consumer credit reports for the Federal Trade Commission and will report to Congress next year on his findings.

Now, of course you chose the penny that doubles daily, compounding into millions of dollars in a month, if you know the basics of personal finance. Try that problem on your 13-year-old. You'll be helping Staten's cause.



Michael E. Staten