Money 2000 offers Rx for financial security

The Situation
Many Idahoans face an uphill battle when it comes to getting their finances in order. Recent statistics rank Idaho 12th in the nation in credit card debt. According to the American Bankruptcy Institute, Chapter 7 personal bankruptcies in Idaho increased 10 percent in 1998 over the previous year. Idaho bankruptcy filings, both business and personal, have increased an incredible 129 percent over the past 5 years (1994-98). One in every 56 Idaho households filed for bankruptcy in 1998, more than the national average of 1 in every 68 households.

According to the Commerce and Human Resources Committee of the Idaho Legislature, consumers owe state businesses approximately $5.4 billion, and consumer debt is growing an average $340 million per year. Debt loads are at an all-time high for Idahoans, and savings rates are falling.

Our Response
The Owyhee County Extension System and the Canyon/Owyhee Women’s Financial Information Program coalition have teamed up to offer the statewide Money 2000 program. Money 2000 uses existing extension programs and publications, and customizes them to fit individuals’ needs. Those needs include reducing credit card debt, saving for retirement, investing, managing retirement funds, coping when income drops or divorce occurs, shopping smart, and other financial management skills.

Under the umbrella of Money 2000 are popular Idaho extension programs “Rx for Financial Wellness” and “Rx for Financial Security”. The series of classes offered the following financial topics, to help residents nurse their budgets back to health.

Rx for Budgeting Stress
“Our Rx for Budgeting Stress” helps residents create a financial action plan that enables them to make wise decisions now and in the future to achieve financial success. Participants assess family values and learn how to set and reach specific spending and savings goals. Participants learn to grow richer each month by paying themselves first, a part of creating a savings plan.

Rx for Recordkeeping Pains
Participants indicated they too are deluged with paper and need help with an organized recordkeeping system. The recordkeeping lesson offers help to locating important papers when
needed and with organizing family papers and records including:
- Determining how long and where to keep records
- Setting up a home filing system
- Preparing a household inventory
- Overhauling yearly

**Rx for Credit Headaches**
Most of us don’t think about credit until something sparks our interest and we need to apply for a loan. The credit lesson answers questions including:
- What is a credit report?
- How are credit granting decisions made?
- How do I get a copy of my credit report?
- What should I do if I find an error in my credit report?
- Can “credit repairs” fix bad credit?
- How does divorce affect a person’s credit?
- How can I remove my name from marketing lists?

**Insuring Yourself Against Financial Risk**
Everyone is faced with financial risk. This lesson teaches how insurance protects individuals from financial hazards including tips on auto insurance, homeowner’s insurance, liability needs, and life insurance.

**Planning and Investing for Retirement**
Outlive your job and not your money. This lesson helps participants with assessing retirement resources, needs vs. wants, setting retirement goals, investing through tax-deferred growth and dollar-cost averaging to help beat the clock.

**The State of Your Estate**
If you have an estate of any size, making a plan for the transfer of assets is an important tool to maximize your assets. Participants learn about the transfer process, wills, probate, and hidden problems.

In addition to the lecture series, participants are completing “Coming to Grips with Your Finances” a correspondence course being offered as a part of the Money 2000 program. Lessons titles included in the correspondence series are Your Financial Action Plan, Recordkeeping, Using Credit Wisely, Insurance, and Saving and Investments. A quarterly newsletter on financial topics is also being sent to Money 2000 participants.

**Achievements**
The Money 2000 program is seeking to increase the financial well being of Idaho residents through a campaign to encourage increased savings and reduced debt. Individuals and families learn to make wise consumer decisions about saving, spending, and investing.

Forty-nine residents are currently enrolled in the Money 2000 program. The group has set goals of over $113,874 to save and reduce debt by the year 2000. During the first 6 months of 1999, program participants reported saving an average of $683 and reducing debt by an average of $583.

After attending workshops on budgeting and record keeping, one participant reports that she stopped accumulating debt and is working hard to pay off outstanding balances. She is also passing along the learnings from the workshop in her job as probation officer for the Idaho Department of Corrections. She teaches parolees money management as a part of a life skills class. She stated, “We had a lady here whose goal was to open a savings account. She actually saved enough money to purchase a car.”

**Cooperators**
The Canyon/Owyhee Women’s Financial Information Coalition
Caldwell Meals on Wheels
Caldwell Public Library
Church Women United
Columbia Social Services
Community Volunteers
Consumer Credit Counseling
Idaho Power Company
Jack Dancer & Associates
Mercy Medical Center Home Health
Treasure Valley Comprehensive Referral Center
Western Idaho Community Action Program
The Future

Because of the success of the program, a continuation series is planned to start in January of 2001 and will build on the financial knowledge gained in beginning sessions. Money 2000 participant surveys showed high interest in the following topics slated for the series:

- Living on Less
- All About IRA’s
- Tax Issues and Retirement

Progress reports will monitor savings and debt reduction rate of participants and at the same time offer help to those who would like assistance to achieve their financial goals.

For More Information

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