

IMPACT

 University of Idaho
Cooperative
Extension System

Owyhee County, P.O. Box 400, Marsing, ID 83639 208-896-4104 FAX 208-896-4105

Money 2000 Participants Increase Saving and Reduce Debt

The Situation

Many Idahoans face an uphill battle when it comes to getting their finances in order. Nationwide fifty-five percent of consumers surveyed had an outstanding credit card balance averaging \$1,900. Thirty-nine percent of respondents under age 35 reported they rarely pay off credit card balances. Idaho ranks 6th in the nation's rate of bankruptcies. The number of Idaho personal bankruptcies through October 2001 increased 12% over the same time period in 2000.

Studies show Americans are not saving adequately to supplement Social Security and pensions. A 2001 survey conducted by the American Savings Education Council and the Employee Benefit Research Institute indicates that the number of Americans who were saving for retirement declined this year after years of growth. Only 46% of respondents indicated they had calculated their income needs in retirement.

Our Response

The Owyhee County Extension System and the Canyon/Owyhee Women's Financial Information Program coalition 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, and 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," "Rx for Financial Security," and "Rx for You Financial Future." The series of classes offered the following financial topics to help residents nurse their budgets back to health.

Rx for Budgeting Stress

"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.

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 is 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?
- What are “credit repairs”?
- 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.

Tax Issues and Retirement

An important part of planning for the future is understanding your retirement distributions. Participants learn how to maneuver the maze of retirement plans, IRA distributions and recent tax law changes.

All About IRA’s

There are different ways to treat retirement plan rollovers including IRA conversions to the new Roth IRA’s and Education IRA’s. The lesson discusses options for saving through IRA’s.

Living on Less...Saving

Getting a grip on spending is a first step in starting to save. Taking time to track expenses and check your cash flow is a valuable tool. Participants armed with a better grip on where their money is going, are serious about saving.

In addition to the lecture series, participants completed the “Coming to Grips with Your Finances” correspondence course being offered as a part of the Money 2000 program. Lessons titles included in the correspondence series are “Your Financial Action Plan,” “Record keeping,” “Using Credit Wisely,” “Insurance,” and “Saving and Investments.” A

quarterly newsletter on financial topics is also being sent to Money 2000 participants.

Program Outcomes

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 enrolled in the Money 2000 program. The group set goals of over \$220,541 to save and reduce debt. During the two years of program participants reported saving an average of \$2,732 and reducing debt by an average of \$2,332. A total of \$133,868 in savings and \$114,268 in debt reduction was achieved by the Money 2000 participants.

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 and Co-Sponsors

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

The Money 2000 campaign to save or reduce debt by \$2000 by 2000 formally concluded. Educational programs directed at the needs and interests of participants in the program will be continued by the coalition. Money 2000 participant surveys indicate high interest in the following topics for future programs.

- Saving and Investing for Retirement
- Spending Wisely
- Basic Money Management
- Insurance Needs

The coalition will continue to offer financial programs for Canyon and Owyhee residents to increase their financial knowledge.

For More Information

Beverly Healy, CFCS
Extension Educator-Family and Consumer Sciences
University of Idaho
Owyhee County Cooperative Extension System
P.O. Box 400
Marsing, Idaho 83639
Voice Phone: 208-896-4104
Fax Phone: 208-896-4105
E-mail: bhealy@uidaho.edu

Money2000-01.doc