

IMPACT

University of Idaho
Extension

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Idaho Families Build Emergency Funds

The Situation

Research indicates that less than 30% of American households have even the minimum recommended amounts of savings reserves (3 months worth) that could be used in times of financial emergencies, indicating a very fragile and debt-prone financial future for a majority of American families (Bhargava & Lown, 2006).

The costs associated with unexpected life events such as a job loss, an unexpected medical bill, can be significantly amplified by reliance on debt as a safety net. Planning an emergency fund can be one of the single most effective tools for helping a family become and stay debt free, and build a strong financial future.

Our Response

Local advisory groups indicated a need for a mainstream presentation to address this topic. In response, the presentation “Building Emergency Funds” was developed by University of Idaho Extension Educator, Luke Erickson.

The goals of this presentation were to help individuals and families prepare for financial emergencies by building emergency funds, becoming knowledgeable on how to best use them, learning how to find a high return on savings, and building the habit of regularly saving for emergencies.

The Bank of Commerce, Partners for Prosperity, Brigham Young University-Idaho, and Utah State

University have all collaborated on separate occasions to sponsor and teach emergency and financial preparedness events at which “Building Emergency Funds” has been highlighted.

To make the presentation more accessible it has been posted online along with instructors notes on the Madison County, ID extension webpage at this address: <http://extension.ag.uidaho.edu/madison/finemerg.htm>.



Handouts with pertinent information will be added to the website soon to make the power point a more complete educational package.

Program Outcomes

“Building Emergency Funds” has been taught on 25 occasions to a total of 1,074 participants. Evaluations from participants yielded the following results on the impact of the education:

Before		After
32%	I understand how to prepare financially for emergencies	86%
39%	I understand when emergency savings should and should not be used	100%
23%	I have a separate, high-yield savings account strictly for emergencies	80%
24%	I save money for emergencies every month	89%

Qualitative data were also gathered from participants yielded the following comments given in response to the question “What will you change after attending this class?”:

“We are going to start building a financial emergency plan.”

“We are going to be prepared for emergencies and work on paying down our debts.”

“This class encouraged me to save more.”

“We have decided to open a savings account for emergencies, and be wise with our money.”

“I won’t rely on debt for financial emergencies.”

“It validates what we (my husband and I) have learned and gives some “teeth” to it.

A former participant of a class volunteered the following statement indicative of outcome impact:

“My daughter-in-law had a series of complications due to a recent surgery. During the following weeks we tried to bring the family together to support her. We helped family members pay for their travel and accommodations during this time period, and we were very thankful for the emergency savings we had built up as a result of your [emergency savings] class. We had enough to meet these extra expenses that otherwise would never have fit into our monthly budget!”

For More Information

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