

FINANCE—Emergency funds are critical for financial survival of Idaho households

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HARD ECONOMIC TIMES have slammed home several tough messages to American families, among them the critical need for an emergency fund. A 2006 survey found that less than a third of American households had saved even the minimum recommended three-months' reserve.

UI Extension Educator Luke Erickson in Madison County, who wrote his master's thesis on predatory mortgage lending, could see trouble looming while he was launching a workshop on Building Emergency Funds in 2007. Since then, he has taught the workshop 25 times to 1,074 participants—primarily married college-age students. The results of the workshop's surveys:

- **Savings:** 89% of participants were saving money for emergencies every month after the workshop, compared with 24% before
- **Emergency:** 100% understood when emergency savings should and should not be used, compared with 39% before
- **High-yield account:** 80% had a separate high-yield savings account strictly for emergencies, compared with 23% before

"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," Erickson says. "If you don't have one, every new unexpected expense adds to your growing debt load. If you do have one, your unused balance can contribute to sizable savings."

Erickson's workshop is an outgrowth of a *Dollar Decision\$* curriculum developed by colleagues on the University of Idaho Extension family economics team. When team members were told by personnel from Idaho's social service agencies that their clients could benefit from basic financial management classes tailored to their specific needs, they created written and videotaped teaching materials in English and Spanish.

Dollar Decision\$ provides a practical approach to teaching diverse audiences how to track expenses and make ends meet. Delivered to Idaho workforce preparation trainees, life skills and bankruptcy classes, pregnant and parenting teens, prisoners, and Head Start, homeless, and low-income housing populations, the curriculum is in use across the U.S. and Canada.

Workshops help Idahoans retire well

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AFTER 105 IDAHOANS completed an intensive four-evening UI Extension course called "You Can Retire Well" this past fall, 98% increased their knowledge of retirement income-needs assessment, 93% improved their understanding of yearly withdrawal rates and the erosive effects of inflation and taxes, and 83% boosted their awareness of investment types, fees, expenses, and advisors.

Participants in the Jerome and Idaho Falls programs also examined strategies for staying socially and mentally engaged and for sustaining physical and mental health—topics too often overlooked.

Their students' positive responses showed

the teaching team from UI Extension, the Idaho Department of Finance, and the Social Security Administration that the pilot course was successfully meeting a need for non-biased, non-commercial retirement-planning education.

Co-sponsored by AARP-Idaho and the Idaho Department of Finance, "You Can Retire Well" will be repeated in other Idaho locations this year. UI Extension family economics specialist Marilyn Bischoff says, "There's a huge population that should be planning for retirement, and—with the economic crisis—financing retirement is more challenging than ever."

Idaho HS teachers build skills in finance instruction

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JOE ANDERSON, a Mountain Home High School economics and world history teacher, thinks basic concepts of personal finance—like saving—"have eluded the last couple generations of kids." The sooner his 11th and 12th graders understand how the economy works, he says, the sooner they can make economics work for them.

Anderson is one of 100 Idaho teachers and credit-union personnel who completed training last summer in the National Endowment for Financial Education's "High School Financial Planning Program"—a free, seven-part personal finance curriculum for high school students. Promoted on radio and television by Idaho First Lady Lori Otter, the teacher-trainings were delivered by UI Extension faculty and Idaho Credit Union League representatives at five locations.

"Any time you can train that many teachers, the multiplier effect with students is huge," says Lyle Hansen, Jerome County Extension educator and workshop coordinator. Gem State teachers have ordered 58,400 guides for their students in the last 15 years.

DID YOU KNOW?

82%

NUMBER OF IDAHO JOBS PAYING LESS THAN A LIVING WAGE FOR A FAMILY WITH TWO ADULTS (ONE WORKING) AND TWO KIDS.

Source: Northwest Federation of Community Organizations, 2008

www.nwfc.org/pubs/2008.12.09_NW.JG.Tough.Times.pdf