

Financial Management

Situation:

Twenty-two percent of New Hampshire's working families are economically insecure because their earnings and income fall below the basic family budget standard. At the same time, families' personal savings rate as a percentage of disposable income has declined since the late 1980s, according to the U.S. Dept. of Commerce. In the last three years, the rate has hovered close to zero.

With the current financial crisis across the country, many Cheshire County families face increasing financial pressure due to sudden unemployment, changes in their mortgage situation, and increased fuel costs. Families need access to reliable information as they make financial decisions, as well as education on how to develop good family finance habits.

UNH Cooperative Extension's Public Value:

Personal finance management programs with research-based, well-designed curriculum lead to financial choices that reduce the probability a family will need public assistance.

UNH Cooperative Extension's Response:

UNH Cooperative Extension's Family Resource Management programs focus on increasing financial management knowledge and skills, including learning how to identify and develop goals, creating a spending/savings plan, understanding credit and reducing overall debt, to stretch resources, and become a more educated consumer. Extension's curricula of *Making Money Work for You*, *Taking Charge of Your Finances*, *Credit Check Up*, and *Don't Get Crushed By Debt*, along with basic budgeting workshops, have made a tangible difference in New Hampshire residents' lives. In 2008, 96 people attended *Making Money Work for You* workshop series, *Earned Income Tax Credit (EITC)*, *Don't Get Crushed by Debt*, *Advance Care Directives* or *Managing Financial Resources* workshops.

UNH Cooperative Extension coordinates the N.H. EITC Alliance where asset building coalitions and statewide partners help increase the number of taxpayers who receive free tax preparation, with a focus of increasing the EITC for those eligible. Dollars gained by these individuals/households is typically spent in the communities where they live.

In addition to money management education for adults, Family Resource Management Educators promote personal financial education for youth with the National Endowment for Financial Education (NEFE) High School Financial Planning Program, in collaboration with NH Jump\$tart Coalition. Last year nearly 3,500 high school students (70 from Cheshire County) received personal finance education.

How We Make a Difference:

Ninety-one percent of Cheshire County participants attending money management programs reported they increased their money management skills and expected to decrease their debt. At the end of these workshops:

- 47 percent reported they had managed credit and reduced debt and another 40 percent plan to do so.
- Before the workshops, only 37 percent reported following a spending plan. After, 77 percent said they were following a plan and another 24 percent indicated they planned to do so.
- Before the workshops began, 24 percent reported developing or planned to develop a plan to achieve retirement or future income goals. After, over half reported developing a plan or intended to develop one. Seventy-six percent reported having retirement savings after the workshop.
- For Tax Year 2007, the three free tax preparation sites in Cheshire County filed 422 returns, resulting in a savings for these taxpayers of \$63,300. In addition, they received \$58,678 in EITC, \$12,649 in Child Tax Credit and \$238,622 in refunds.

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