



### **Financial Management**

#### **Situation:**

Twenty-two percent of working families in New Hampshire are economically insecure because their earnings and income fall below the basic family budget standard. According to the Center for Economic and Policy Research, this includes public work support and other public benefits. At the same time, families' personal savings rate as a percentage of disposable income has also 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 spreading across the country, many Hillsborough 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.

#### **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 knowledge and skills in a variety of areas, including:

- learning how to identify and develop goals,
- create a spending/savings plan,
- understanding credit and reducing overall debt,
- stretching resources, and
- becoming a more educated consumer.

UNH Cooperative 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, 280 people attended *Making Money Work for You* workshop series, *Credit Check-Up*, *Don't Get Crushed by Debt*, or *Managing Financial Resources* workshops.

UNH Cooperative Extension coordinates the NH Statewide EITC (Earned Income Tax Credit) Alliance where asset building coalitions and statewide partners have as their mission to increase the numbers of taxpayers getting their tax returns prepared for free with a focus of increasing the EITC for those who are eligible. The dollars gained by the individuals/households is typically spent in the communities in which they live. There were 22 free tax preparation sites in Hillsborough County.

In addition to money management education for adults, Family Resource Management Educators promote personal financial education for youth with the NEFE High School Financial Planning Program, in collaboration with NH Jump\$tart Coalition. Last year nearly 3,500 high school students (1,738 from Hillsborough County) received personal finance education in New Hampshire (as reported on the ES237). This total is estimated to be about five percent of the New Hampshire high school student population.

#### **How We Make a Difference:**

Hillsborough County participants who attended money management programs reported they increased their money management skills and expected to decrease their debt.

- At the beginning of the workshops, 66% reported they felt confident about making decisions about money; after the workshops, 100% indicated they were confident about making money decisions.

- At the end of the educational workshops, 33% reported they had managed credit and reduced debt and 67% percent plan to in the future.
- Sixty-one percent limited ore reduced credit card use.
- Before the educational workshops began, 33% reported developing or planned to develop a plan to achieve retirement or future income goal. After the education, 100% reported developing or planned to develop one. Only 56% reported having retirement savings, and 66% reported having retirement savings after education.

Comments from participants indicate what they learned from UNH-CE programs: “Being able to talk to my husband about having a budget set up and having him agree that something needs to be done to get ahead.” and “I will seriously look at a life insurance plan that will work. I feel I have gained enough information to not argue with my husband!”

For Tax Year 2007, the free tax preparation sites in Hillsborough County filed 4,533 returns, resulting in a savings for these taxpayers of \$679,950. In addition, these taxpayers received \$970,545 in EITC, \$497,710 in Child Tax Credit and \$3,937,733 in refunds.

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