

Financial Resource Management

Situation:

With the current financial crisis spreading across the country, many Sullivan County families face increasing financial pressure due to sudden unemployment, changes in their mortgage situation, and increased fuel costs. Both young and old need financial education, so they might build good spending/saving habits and plan for future financial security in retirement. Families need access to reliable information as they make financial decisions, as well as education on how to develop good family finance habits.

Sullivan County's inmate population and alternative sentencing program population have additional financial educational needs complicated by their restitution and legal fees, outstanding debt and lack of control in spending and saving their money.

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 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:

- 91 adults and 120 high school students from Sullivan County participated in workshops focused on developing money management skills.
- Two "Basic Money Management" program series, with six to seven sessions, were presented at the Sullivan County Department of Corrections Transitional Housing Unit, reaching 35 participants. Two, five-week program series called, "Making Money Work for You," were delivered to the public and the Sullivan Academy Alternative Sentencing Program.
- UNH Cooperative Extension coordinates the N.H. Earned Income Tax Credit Alliance (EITC) where asset building coalitions and statewide partners work to increase the numbers of taxpayers getting their tax returns prepared free and to increase the amount of EITC for those eligible. The dollars gained by the individuals/households are typically spent in the communities in which they live. There were four free tax preparation sites in Sullivan County, and Gail Kennedy, Extension Educator, Family and Consumer Resources, shares information about EITC with county agency staff, through the local cable access channel, and newsletter articles.
- Gail Kennedy also taught a workshop, "Legal Issues: Are You Prepared?" in cooperation with a local attorney with 56 participants over the past two years. In 2008, another seminar was added, "Advanced Care Directives: Who Will Decide?" taught in conjunction with the Corporate Compliance Officer for Valley Regional Hospital.
- 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 (120 from Sullivan County) received personal finance education in New Hampshire.

How We Make a Difference:

- Eighty-seven percent of participants reported increasing their money management skills as a result of the workshop series.
- Before the educational workshops began, six percent of participants reported having an emergency fund. After the education, 40 percent planned to establish emergency savings.

- Sixty percent reported they had managed credit and reduced debt compared to 25 percent before taking part in the educational series.
- Forty-seven percent increased savings on a regular basis. Participants reported increasing savings an average of \$100 a month.
- Initially, only 31 percent said they followed a spending plan, but after their participation, 67 percent said they were following a spending plan and another 36 percent indicated they planned to do so.
- Fifty-six percent initially said they would always or often follow a spending savings plan. At the end of the educational experience, 82 percent indicated this was true.
- Prior to the program, only 18 percent had obtained a copy of their credit report; afterward, 64 percent already had obtained a copy and another 36 percent said they planned to do so.
- For Tax Year 2007, the free tax preparation sites in Sullivan County filed 318 returns that resulted in a savings for these tax payers of \$47,700, using \$150 as the average cost of a return prepared by a paid preparer. In addition, these taxpayers received \$24,632 in Earned Income Tax Credit, \$26,081 in Child Tax Credit and \$165,284 in refunds.

***The University of New Hampshire Cooperative Extension is an equal opportunity educator and employer.
University of New Hampshire, U.S. Department of Agriculture and N.H. counties cooperating.***