

Adult Financial Literacy Pays Off

Issue:

In 2002, personal bankruptcy hit an all-time high. As layoffs continue, the economic security of U.S. families is diminishing. Middle- and low-income families are hit the hardest during these times, increasing the need for the development of solvency strategies.

What has been done:

In cooperation with the state Office of the Treasury, UD Extension offers Basic Financial Management Education programs statewide. These classes provide information on debt reduction, basic budgeting, developing savings plans, and estate planning. UD Extension also trains professionals who work with limited-income families, further extending the reach of Extension's research base and resources. An eight-hour training was offered for counselors who work with newly disabled individuals who will receive SSI benefits. These counselors are charged with assisting clientele in living within their means while preparing for the future when they will not be SSI-eligible. The workshop enabled the counselors to build their skills in working with clientele, developing workable spending plans, understanding credit laws and determining methods for decreasing debt. In addition, professional development for teachers was provided in the areas of financial literacy that teachers say they need the most guidance -- credit and investing. These classes increased the teachers' comfort level with these concepts and provided take-away resources they could utilize in their own classrooms.

Impact:

In the 30 workshops offered statewide, 348 individuals were reached with basic credit and money management education. Evaluation data shows that as a result of the workshops, 65 percent of participants will set financial goals, 65 percent will develop a spending plan, 95 percent will analyze their current debt situation and 74 percent will establish a debt repayment plan to "speed up" debt repayment. Forty-five teachers attended financial literacy workshop and 95 percent of the teachers report that they will incorporate financial concepts into their lesson plans. One hundred percent of the Department of Labor counselors will assist clientele in developing improved spending plans, and 100 percent indicated that they felt more comfortable assisting clientele with financial matters.

Primary Impact: Extension

Funding Sources: JPMorgan Chase Foundation, (teacher training)
or Fee for service

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