

Financial Knowledge and Skills for Family Economic Stability and Security (Core)

Situation

Despite a spike in unemployment in 2020 related to the economic disruption caused by the COVID-19 pandemic, unemployment in Kansas has been steadily declining with the unemployment rate under 4% during the first half of 2021, which has been consistent over the past 10 years^[1]. Income and earnings declined over the same time period. ^[2] By one definition, 28% of jobs in Kansas in 2013 were low-wage jobs *in occupations with median annual pay below 100% of the poverty threshold for a family of four, \$23,624.*^[3] That means that while many Kansans are working to support their families, many may be struggling.

In terms of financial management activities, in 2015, the majority of Kansas households spent all or more of their income and had no money set aside for emergencies.^[4] While more than half of households did have savings accounts, a basic tool for asset accumulation, about a third of households were either unbanked or underbanked.^{[5], [6]}

Among those households with credit obligations, the majority were current on all obligations, 67% had access to revolving credit, and 54% had prime credit.^[7] While fewer than 10% of homeowners had mortgages that were underwater in 2015, in 2014 a quarter of Kansas mortgage owners were considered to be housing-cost burdened because they *spent 30% or more of household income on monthly owner costs.*^{[8], [9]} Nearly half of renter households *spent 30% or more of household income on rent and utilities and were considered to be housing-cost burdened.*^[10]

Adequate insurance coverage protects household assets from unexpected and potentially costly events such as damage to cars or homes and medical care. Individuals with health insurance are also more likely to seek preventative care, not delay needed treatment, and maintain their ability to work. In 2014, among those Kansas younger than 65 years old, 12% lacked health insurance though 77% were in a working family.^{[11], [12]} *Approximately 25% of Kansans had unpaid medical bills in 2015.*^[13]

Simple calculations show that 10,000 baby boomers will turn 65 each day through 2030.^[14] A recent study reported that five years since the first boomers turned 65, middle income boomers are facing financial challenges.^[15] Many do not understand health insurance or Medicare. Insufficient or inaccurate information can lead to late enrollment penalties, gaps in coverage, strained finances, and delayed health care treatment for those who are newly eligible for Medicare.

^[1] <http://www.bls.gov/eag/eag.ks.htm>

^[2] <http://www.ipsr.ku.edu/ksdata/ksah/income/9inc11.pdf>

^[3] <http://scorecard.assetsandopportunity.org/latest/measure/low-wage-jobs>

^[4] <http://www.usfinancialcapability.org/results.php?region=KS#making-ends-meet>

^[5] <http://scorecard.assetsandopportunity.org/latest/measure/households-with-savings-accounts>

^[6] <http://scorecard.assetsandopportunity.org/latest/state/ks>

^[7] <http://scorecard.assetsandopportunity.org/latest/state/ks>

^[8] <http://www.usfinancialcapability.org/results.php?region=KS#making-ends-meet>

[9] <http://scorecard.assetsandopportunity.org/latest/measure/housing-cost-burden-homeowners>

[10] <http://scorecard.assetsandopportunity.org/latest/measure/housing-cost-burden-renters>

[11] <http://scorecard.assetsandopportunity.org/latest/measure/uninsured-rate>

[12] <http://kff.org/health-reform/issue-brief/the-coverage-gap-uninsured-poor-adults-in-states-that-do-not-expand-medicaid-an-update/>

[13] <http://www.usfinancialcapability.org/results.php?region=KS#making-ends-meet>

[14] <http://www.pewsocialtrends.org/2010/12/20/baby-boomers-approach-65-glumly/>

[15] <http://www.centerforsecureretirement.com/media/292434/168600-paying-for-the-new-retirement-report.pdf>

Public Value

Family resource management programming enriches the lives of Kansans at all ages through research-based education that supports knowledge-based financial management action. Engaged, financially secure, and healthy individuals benefit families and communities.

Outcomes

Short-Term (Knowledge)

1. Program participants report an increase in knowledge about personal financial issues related to earning, saving, spending, borrowing, and protecting against risk facing youth and adults.
2. Program participants report plans to take action or change their lives.

Indicators

- Learned effective financial management concepts
- Developed an effective financial management skill
- Increased confidence regarding effective financial management practices
- Plan to make a change using effective financial management practices

Medium-Term (Behavior): Program participants report taking knowledge-based action to manage their personal finances and other resources.

Indicators: Adopted an effective financial management practice

Long-Term (Change in Condition): Program participants report an enriched quality of life through improved financial stability and security.

Indicators: Achieved financial goals

Outputs

Provide community leadership for family resource management programming to enrich the lives of Kansans at all ages. Address personal financial issues related to earning, saving, spending, borrowing, and protecting against risk using workshops, meetings, presentations, exhibits, individual consultation, and media.

Programs

- When Your Income Drops -- 2020 Family and Consumer Science fact sheets (MF3497, MF3498, MF3499, MF3500, MF3501), PowerPoint, and evaluation instruments
- Check Your Credit -- 2019 Family and Consumer Science Signature Program (e-mail signup, additional resources, standardized evaluation instruments)
- Cash in with Coupons – 2012 Family and Consumer Sciences Annual Lesson Series (Leader's guide (MF2986), fact sheet (MF2985), standardized evaluation instrument)
- Get Financially Prepared: Take Steps Ahead of Disaster – 2013 Family and Consumer Sciences Annual Lesson Series (Leader guide (MF3056), Fact Sheet (MF3055), PowerPoint, Emergency Preparedness Handout, and standardized evaluation instrument)
- Getting Organized – 30-, 60-, and 90-minute program information (Agent guide, participant handouts, PowerPoint, additional resources, standardized evaluation instruments)
- Health Insurance Smarts – Mini-lessons (PowerPoint, fact sheets, leader's guide, evaluation items in evaluation question bank)

- How Are You Doing? A Financial Checkup – 2007 Family and Consumer Sciences Annual Lesson Series (Leader’s guide (MF2720), fact sheet (MF2721)),
- Know Your Credit – 2014 Family and Consumer Sciences Annual Lesson Series (Leader’s guide (MF3082), fact sheet (MF3081), standardized evaluation instrument)
- Spend Some, Save Some, Share Some: Family Budgeting – 2017 Family and Consumer Sciences Annual Lesson Series (Leader’s guide (MF3307), fact sheet (MF3306), standardized evaluation instrument, PowerPoint)
- Understanding Reverse Mortgages: Do They Make Sense for You? – 2015 Family and Consumer Sciences Annual Lesson Series (Leader’s guide (MF3164), fact sheet (MF3163), standardized evaluation instrument)
- With this Ring... We Plan! -- 2018 Family and Consumer Science Annual Lesson Series (Leader's guide (MF3379), fact sheet (MF3378), standardized evaluation instrument)
- Who Get's Grandma's Yellow Pie Plate? (University of Minnesota Extension)

Additional individualized educational efforts may be supported using the following:

- eXtension (website, Ask an Expert platform)
- Consumer Financial Protection Bureau (CFPB; resources for financial educators)
- IRS Stakeholder, Partnership, Education, and Communication (SPEC)
- MyMoney.gov (curricula, lesson plans, tip sheets, tools)
- National Endowment for Financial Education (resources, workshop kits)
- Senior Health Insurance Counseling for Kansas (SHICK)