

Financial *in Later Life* SECURITY

A Cooperative Extension Initiative

Tools for Building
Sustainable Rural Communities
April 2002
Scranton, PA
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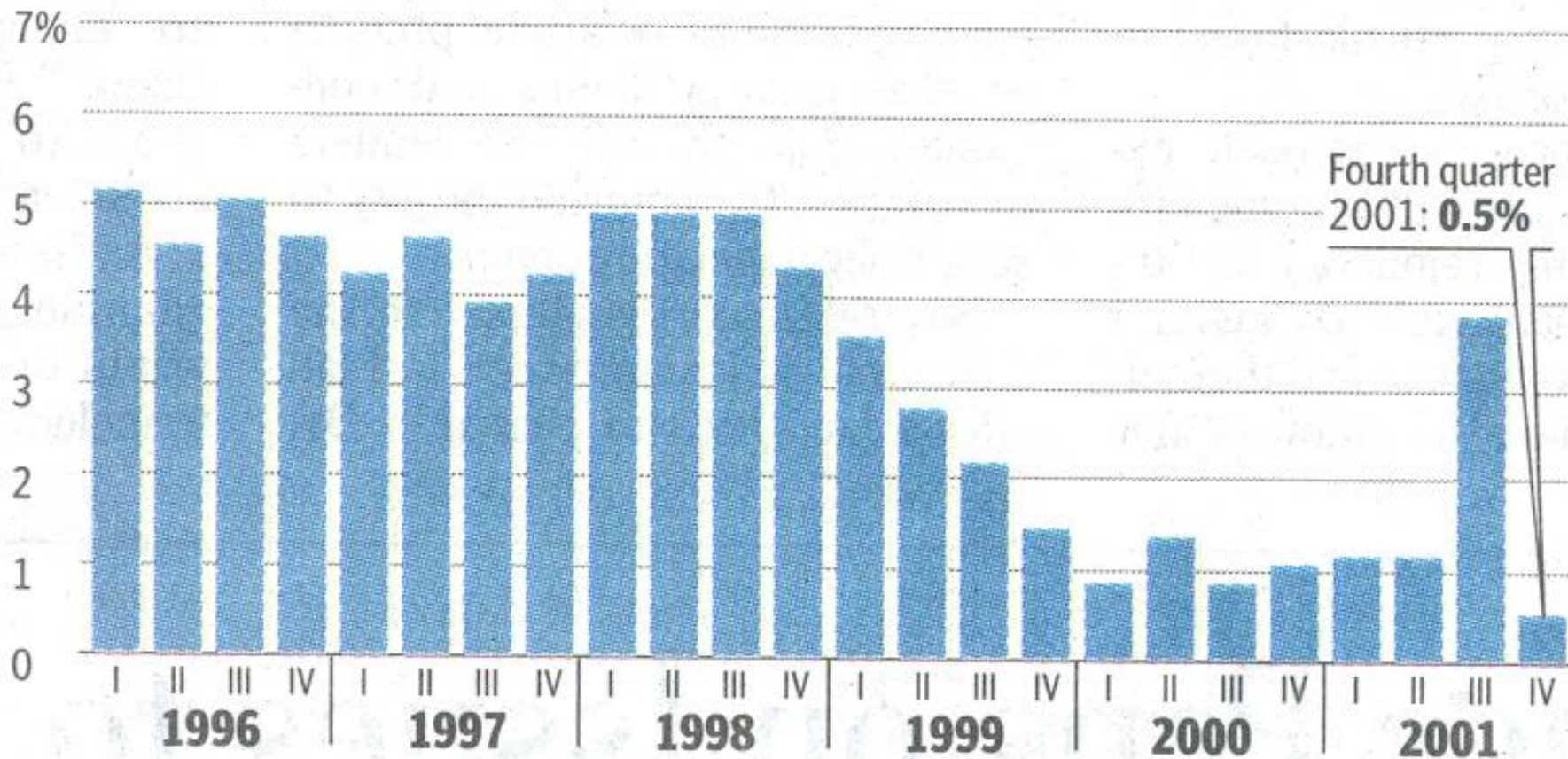
Financial Assets

- ★ 50% of American households have accumulated:
 - < \$1,000 in financial assets
 - < \$35,000 in net wealth

Source: Consumer Federation of America & Primerica. (1999, October 28). New study: Typical American household has net financial assets of \$1,000.

Personal savings

As a percentage of disposable personal income



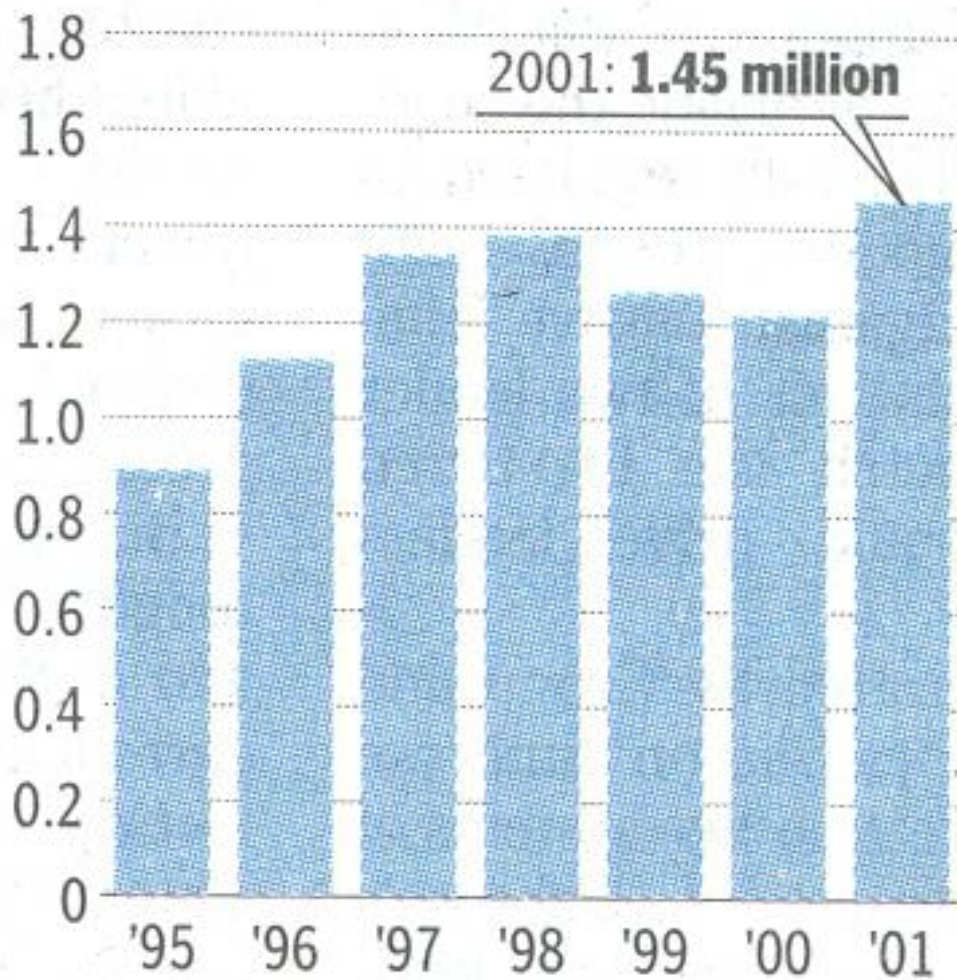
SOURCE: Bureau of Economic Analysis

THE WASHINGTON POST

February 6, 2002

Consumer bankruptcy filings

In millions per year



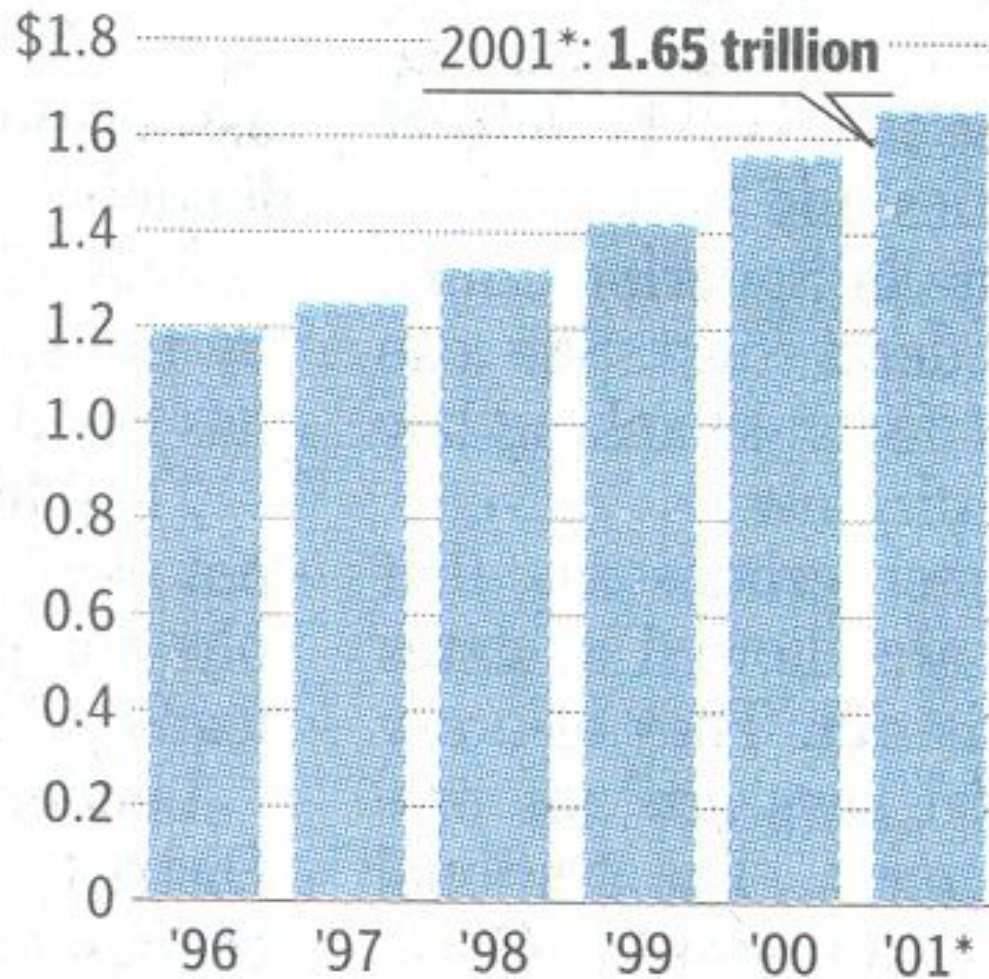
SOURCE: Lundquist Consulting Inc.

THE WASHINGTON POST

February 6, 2002

Consumer credit outstanding

In trillions of dollars, seasonally adjusted



*Through November.

SOURCE: Federal Reserve

Increasing Personal Responsibility for Financial Future

- ★ Employer-provided pensions
 - ✧ Fewer traditional pension plans
 - ✧ More self-directed plans
 - ✧ Many small employers without plans

Increasing Personal Responsibility for Financial Future

★ Civilian wage and salary workers:

✧ 62% currently have access to pension

✧ 38% do not have a pension plan

Increasing Personal Responsibility for Financial Future

- ★ Employers..... < 25 employees
 - ✧ *19% have access to pension plan*
- ★ Employers..... =25-99 employees
 - ✧ *48% have access to pension plan*
- ★ Employers..... >100 employees
 - ✧ *83% have access to pension plan*

Increasing Personal Responsibility for Financial Future

- ★ Retirement gap
 - ✧ Women
 - ✧ Minorities
 - ✧ Rural populations

Vision

- A nation of financially literate and secure individuals
- Knowledge, attitudes, skills, and confidence to apply planning strategies
- Improved community sustainability and prosperity

Goals

- ★ Make responsibility for later life financial security a priority for individuals
- ★ Enhance the capacity of local educators and their partners to deliver effective programs
- ★ Increase economic vitality and quality of life for families and communities

Target Audience

- ★ Baby Boom cohort
- ★ Women, minorities, and immigrants
- ★ Individuals facing retirement income gap
- ★ Farm families
- ★ Employees of small businesses
- ★ Limited resource individuals and families

Strategies

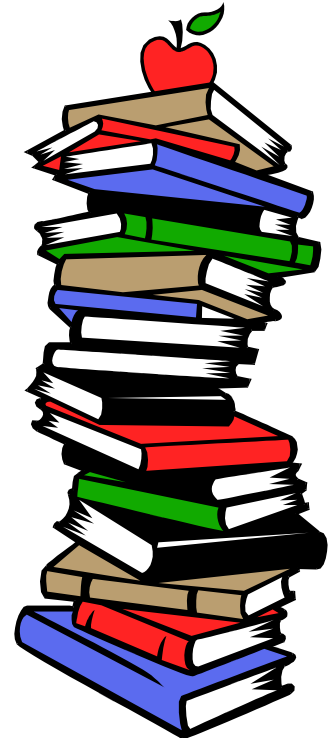
- ★ Far-reaching communications and marketing
- ★ Research insights
- ★ New/adapted educational strategies
- ★ Comprehensive evaluation
- ★ Targeted resource development
- ★ Strategic partnerships
- ★ Nationwide leadership with local application

Outcomes

- ★ Educators will have increased ability to plan, deliver, and evaluate educational programs
- ★ Participants will experience financial security in later life

For Educators

- ★ Educational strategies
- ★ Research summaries
- ★ Marketing tools
- ★ Funding sources
- ★ Evaluation guidelines
- ★ Capacity building



For Consumers

- ★ A toolkit including:
 - ❖ Planning for long-term care web site
 - ❖ Financial legal check-up workshop
 - ❖ Personal savings program
 - ❖ Basic investing course
 - ❖ Retirement planning checklist



Encourage Participants to:

Take the Road to Financial Security in Later Life

★ PLAN

✧ For a long and vital life

★ ACT

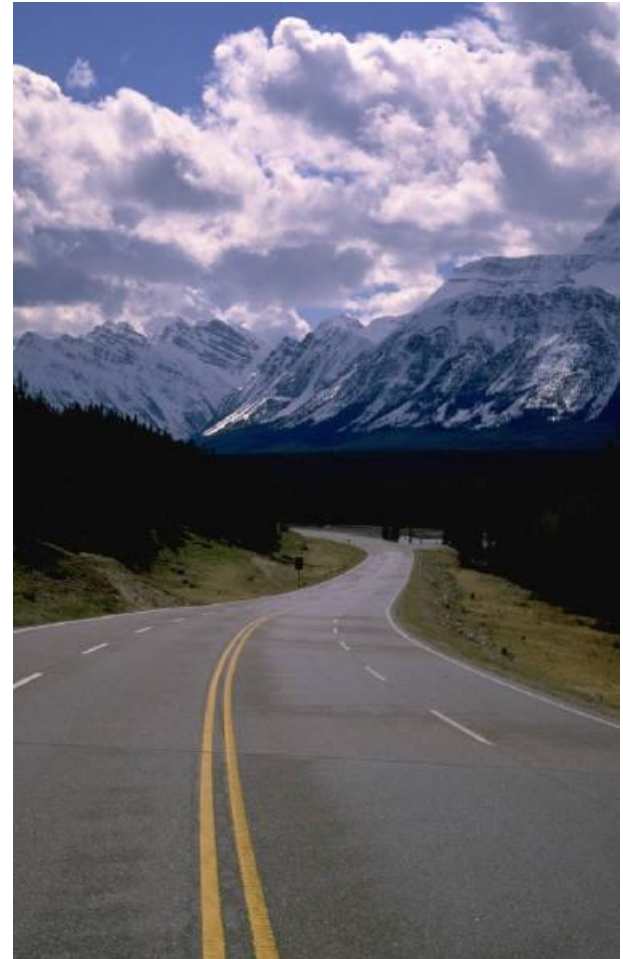
✧ Do it now!

★ EVALUATE

✧ Your plan as changes
are needed

★ ACHIEVE

✧ Financial security for
yourself and others



Partners to Date



Consumer Federation of America



AMERICAN SAVINGS
EDUCATION COUNCIL

Financial Security in Later Life Web Site

- www.reeusda.gov/financialsecurity

