

FLORIDA EXTENSION INITIATIVE 5:
EMPOWERING INDIVIDUALS AND FAMILIES TO BUILD HEALTHY LIVES AND ACHIEVE
SOCIAL AND ECONOMIC SUCCESS.

STATEWIDE EDUCATIONAL PROGRAMS IN **FAMILY RESOURCE MANAGEMENT**

SITUATION

Though the U.S. personal savings rate has increased after the financial crisis of 2008 and subsequent recession, it still remains low compared to its historical average.¹ A major concern, then, is whether Florida households are providing adequately for short and long-term needs, such as maintaining their home and saving for retirement. Despite observing a slow improvement in some areas of financial management, Floridians have several financial challenges to yet overcome. The main economic indicators relevant to the context of the state of Florida are bankruptcy, identity theft, poverty, foreclosure/housing stability and credit-card and student-loan debt level; thus, these areas are explored further.

The aftermath of the financial crisis left several Floridians with no other choice but to file bankruptcy in order to reorganize debt and better manage their finances. In 2015, seven years after the Great recession, lingering consequences are still present statewide. The Administrative Office of the U.S. Courts reported that the State of Florida had 819,760 non-business² bankruptcy filings in 2015 and 908,812 in 2014. Despite observing a 10% decrease in bankruptcy filings in Florida over a year, it remains alarming that for every 1,000 people in the Sunshine State, 3.23 non-business bankruptcy filings were recorded. Another alarming financial issue in Florida is Identity theft. The 2015 Consumer Sentinel Network Report published by The U.S. Federal Trade Commission listed Florida as one of the states with highest number of identity theft complaints in the nation. In 2015, 44,985 identity theft cases were reported in Florida—that represents a 21.3% increase in one year (37,059 cases reported in 2014).³ On average, identity theft victims in Florida lost about \$1,050 per incident in 2015. Poverty is another area of great concern in the State. According to the Florida Legislature's Office of Economic and Demographic Research, the estimated poverty rate for the state of Florida is 16.5.0% in 2015, about 2% above the national poverty rate, and it ranks 17th among the states with highest poverty rate. But even more startling is the fact that in Florida, the rate of children living in poverty condition was 24.1% in 2015, meaning that approximately one in every four Florida children lives below the federal poverty line⁴. Regarding foreclosure, the picture is discouraging for the Sunshine State as well. In 2015, Florida was positioned among the nation's five states with highest foreclosure rates (1.77% of units with foreclosure filing in Florida, second on the list after 1.91% in New Jersey). RealtyTrac reported that approximately 95,000 Florida homes are in foreclosure, that is 1 in every eight hundred and twenty four housing units statewide, or 1 in seven of the nation's foreclosed homes. As an example of county-specific level foreclosure data for Florida's low-income homeowners, Habitat for Humanity in Duval County (HabiJax) reported that as of 2015 there were 4% or 80 of its 2,000 homes in or near foreclosure—a phenomenon that was attributed to a basic lack of understanding in how to appropriate finances as well as how to care for the home.⁵ One final economic indicator to be considered in this report is debt level; more precisely, credit-card debt and student-loan level. In Florida, the average credit-card debt is \$4,200 per individual. Nevertheless, in some cases, credit-card debt represents almost 17% of their income. Many cities in the state of Florida have ranked in the top 25 cities with highest credit card debt in the nation, e.g. Jacksonville, Tallahassee, Miami and Orlando. Indeed, Jacksonville ranks number two in the nation, having an average credit-card debt of \$5,100. In regard to student-loans debt, Florida has the highest overall rate of loan defaults among college students. In 2012, the overall rate for the sunshine state is 10.5%, putting Florida 1.7% above the national figure (8.8%). The average student loan debt in Florida is approximately \$21,184.

¹ In July 2016, the personal savings rate was 5.7%, while the historical average (years 1959-2016) is 8.33%. Note that personal savings rate is calculated as the ratio of personal savings to disposable personal income (U.S. Bureau of Economic Analysis, U.S. Department of Commerce).

² Section 101 of the U.S. Bankruptcy Code defines nonbusiness or consumer debt as that incurred by an individual primarily for a personal, family, or household purpose

³ For more information about identity theft complaints in the U.S. and Florida, visit <https://www.ftc.gov/enforcement/consumer-sentinel-network/reports>

⁴ The Office of Management and Budget updates the poverty line every year to consider inflation, and for 2015 the federal poverty line is defined as income of \$24,0250 or less a year for a household of four

⁵ Personal Communication: Roger Cortie, Chief Operating Officer, HabiJax, 4 December 2015.

PROGRAM OBJECTIVES

People attending a financial management class will report increased knowledge of key financial topics such as: budgeting, tracking expenses, working with financial institutions, or planning for future goals. An end of class traditional paper or online follow-up evaluation will be used to measure this objective.

People attending a financial management class will report being better able to evaluate credit offers. An end of class traditional paper or online follow-up evaluation will be used to measure this objective.

People attending a financial management session, workshop, web conference, or class will report they are more confident in their ability to manage money. An end of session or online follow-up evaluation will be used to measure this objective.

Floridians of all income levels will increase their access to key financial services.

Young Floridians will increase their understanding of core financial management topics.

The number of trained volunteers, partners, and educators working with Extension in financial education will increase.

Program participants will continue to use or increase their use of positive financial practices by adopting one or more of the following practices (Three-five month follow up evaluation sent electronically and /or by postal mail will be used to measure this objective):

- Tracking personal expenses
- Using a spending plan
- Opening an account with a mainstream financial institution
- Engaging in protective behaviors to prevent against identity theft
- Depositing money into savings and investing vehicles
- Reducing debt

Floridians of all ages will enroll as a “Florida Saver” and commit to a specific savings or debt reduction goal. Enrollment form and database will be used to measure this objective.

In an effort to avoid loss and/or improve the value and health of the home, occupants will learn how, and take steps to,

- eliminate mold in their home
- improve the ventilation in their home
- save electricity in their home
- improve the relationships in their home
- make upgrades required to continue aging safely in their home
- close their home up safely when departing for extended periods of time

EDUCATIONAL METHODS

General and focused educational and one-on-one mentoring programs designed to increase knowledge about personal financial management and change behaviors. Programs include Florida Master Money Mentor, Florida Saves 2020, Fresh \$tart Florida, Small Steps to Health and Wealth, Distressed Homeowners Assistance Program, Personal Finance Web Series, Homeflow, and other programs to be created or adapted for use in Florida.

Social Messaging through the use of Social Media, exhibits, EDIS publications, Family Album Radio, Videos, and Apps.

Classroom enrichment and teacher training

In-depth educational programming

One-on-one mentoring for low income and rural families

Social marketing to change some of the perceived norms

In-service training for Extension faculty and volunteers

Electronic media on SolutionsForYourLife.com and extension.org websites

Print materials including EDIS, press releases, Family Album Radio scripts

Video and other media to be used for online messaging, especially for youth

RESULTS

Changes in knowledge regarding:

- Basic money management and budgeting including planning for changes in resources
- Credit/debt management and identity protection
- Basic savings and investing strategies including the importance of paying yourself first and having an emergency fund
- How to prepare for financial impact of natural disasters
- Utilizing financial services
- Financial scams and how to avoid being victimized
- How to maintain and upgrade a home
- How to maintain and improve relationships in the home

Intent to change any of the behaviors discussed in classes or programs

Change in positive financial practices measured at follow-up, including:

- Using a spending and savings plan
- Responsible money management (reduced late payments, living within means, avoiding overdraft and late fees)
- Take measures to improve identity security (checking credit report, shredding mail, etc.)
- Opening a bank account
- Begin saving or Increase amount saved
- Reducing debt
- Taking the Earned Income Tax Credit, if eligible
- Understanding how to save on heating & cooling costs
- Understanding how to save on electricity & water costs
- Understanding why balanced air pressure is important to the health of a home and its occupants
- Understanding how indoor air quality affects the health of a home and its occupants

NEEDS

Our program would benefit from a specialist in youth financial literacy. There is a currently a significant need for this expertise.

Additional multicounty or regional Agents who could emphasize financial education, housing maintenance, and volunteer management would be fulfilling a significant need not currently met because of lack of capacity in several hard-hit counties.

In-service Trainings to stay up to date on changes to markets, regulations, strategies, and other issues affecting consumers.

Funding support for new high-impact programs such as the Volunteer Income Tax Assistance Program that typically provides an increase in tax refunds in participating counties by using volunteers to provide free tax assistance to low- and moderate-income families. Continuing funding for current initiatives such as the Florida Master Money Mentor, Homeflow, and Florida Saves continue to be a priority.

As data is returned from Homeflow, aggregate statistical analysis will need to be conducted, maintained, and shared with program users. Any assistance with database management and analysis would greatly enhance the effectiveness of this program.

SUPER ISSUES

What Super Issue does this Priority Work Group relate to?

- ❖ Awareness and appreciation of food systems and the environment.
- ❖ Resource sustainability and conservation in Florida communities.
- ❖ Financial management for individuals and enterprises.
- ❖ Science, technology, engineering, and math (STEM) opportunities for youth.
- ❖ Help Floridians develop healthy lifestyles.