FINANCIAL MANAGEMENT EDUCATION

Why this is Important? According to most recent census estimates, nearly 14% of New Yorkers are below the federal poverty level. In the past year, the state unemployment rate has been as high as 9% and unemployment in some communities is much higher. The average household credit card debt for New Yorkers is over $4,400. Clearly, many individuals and households are challenged in meeting basic financial needs, let alone reaching their financial goals. Knowledge and skills for appropriate use of credit and debt management are crucial for all individuals and households, especially those under financial duress.

What Cooperative Extension Does “Exploring Credit/Debt Management” is a financial management education program conducted by Cornell Cooperative Extension’s professional educators. The program covers information on types of credit, how to select a credit card, strategies for successfully managing credit and paying down debt, as well as how to obtain, read, correct, and improve on one’s credit report and credit score. In 2009, more than 100 workshops reaching 1208 individuals were conducted by educators in 49 counties in upstate New York.

Feedback from more than 200 participants in 2009 workshops documented that:
- more than 90% found the program useful or very useful
- nearly all would recommend the program to others
- participants scored very high (over 90%) on basic credit/debit management knowledge questions
- 60-70% indicated increased confidence in debt management

Follow up with a small sample one year later found that:
- nine out of ten indicated increased confidence that they can manage their credit successfully
- half indicated they developed a plan for spending down their debt
- more than half indicated they were routinely paying over the minimum due

What participants said:
“’I’m checking the balance on the Internet and I know exactly how much I spent.’”
“You have to bite the bullet and make a plan for yourself.”
“Once you set up a plan, there are no more phone calls. I’m not afraid to answer the phone anymore.”
“You have a zero balance is one of the most wonderful things you can hear.”
“I have attended several workshops...maybe the third time you hear it, the light goes on...I can do this.”