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Financial Security in Later Life: A National Initiative and Model for eXtension

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Financial Security in Later Life: A National Initiative and Model for eXtension

Abstract

A national Extension initiative on Financial Security in Later Life was established to strengthen the Cooperative Extension System's capacity to deliver personal finance education leading to financial security in later life. The initiative articulates the research that provides the foundation for Extension programs and models the use of the Internet for program design, delivery, and evaluation. The contributions of the initiative are enhanced capacity of Extension educators, shared resources, and aggregated evaluations. The development of the initiative provides insights for eXtension.

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Introduction

Recent research findings describe a dismal financial situation for many individuals and families in the present, but of greater significance, a more dire projection of the situation in the future. Consumer credit indebtedness is rampant, and personal bankruptcies continue an upward climb. The personal savings rate is lower than in any other industrialized nation. Few have adequately prepared to achieve financial goals to fund future income needs, retirement, and long-term health care.

The complexity of the financial products and services industry, along with the rapid changes in technology, information availability, and public policy, demands a financially literate consumer. Family financial security contributes to emotional stability in families, strengthened communities,

and a nation better able to leave a thriving economic legacy for future generations.

A national Extension initiative on Financial Security in Later Life <<http://www.csrees.usda.gov/fsll>> was established in 2000 to strengthen the Cooperative Extension System's capacity to deliver personal finance education programs related to later life issues; provide a structural platform for multi-state efforts; and strengthen or establish new national, state, and local partnerships to maximize program development and delivery.

The initiative articulates the research that provides the foundation for Financial Security in Later Life (FSLL) Extension programs and models the use of the Internet for program design, delivery, and evaluation. Initiative successes include enhanced capacity of Extension educators, shared resources, and aggregated program impacts. These successes have implications for using a technological approach in facilitating multi-state and multi-institutional collaboration, documenting impacts, and increasing program visibility.

FSLL has focused primarily on providing professional development training materials, curricula, program materials, and resources to educators on-line. To a lesser extent, the initiative contains programs and information designed to be accessed on-line by consumers. The Web-based educator resources provide needed program materials while allowing educators flexibility in utilizing newer technological delivery formats or more traditional methods such as workshops and seminars to best meet the needs of their audiences. In addition, the initiative provides an on-line system for aggregating the impacts of programs delivered in the various formats.

eXtension is a Web-based information and education network being designed to provide 24/7/365 access to objective, science-based information from universities and partners nationwide directly to consumers. The Financial Security in Later Life Initiative provides many insights for eXtension. The National Initiative Management Team can serve as a model for Communities of Practice and selected FSLL programs are showcased in the eXtension prototype.

Background

A white paper proposing the initiative was submitted to the Extension Committee on Organization and Policy (ECOP) in June, 2000. The initiative was approved by ECOP in October, 2000. In April 2001 the National Initiative Management (NIMT) team was approved, and a planning meeting was held. The team is co-chaired by Nancy Porter, Extension Specialist at Clemson University, and Jane Schuchardt, National Program Leader for CSREES. The list of team members can be found at <http://www.csrees.usda.gov/nea/economics/fsll/edu_team.html>. The NIMT is multi-institutional and multi-disciplinary, and represents 1890 and 1862 land-grant institutions in all regions of the country. The team has continued to evolve, with members moving in and out. The structure of the NIMT provides suggestions for the composition of eXtension Communities of Practice.

At its first official meeting, the team decided on the use of the Internet as the delivery medium and that educational programs and resources would be designed for both Extension educators and consumers. The team decided that the Web-based initiative would not require a login or password for anyone who used it. Individuals would be identified and named as initiative contacts for each participating land-grant university and would be responsible for entering data into a Web database that would allow national aggregation of evaluation data.

Distance Education Philosophy

New technology enables Extension to provide learners with access to resources that otherwise might be unavailable, inconvenient, or not a good match to individual learning needs or preferences (Gilbert, 2003). The use of new technology involves changing how we teach and learn, going beyond traditional pedagogy and traditional structures in Extension and higher education.

Six core principles from adult and distance education disciplines offered philosophical guidance for the use of technology as a tool for the Financial Security in Later Life Initiative. These principles included: (a) ensuring quality; (b) recognizing adult learning fundamentals; (c) knowing potential learners and/or target audiences; (d) delivering user-friendly resources; (e) making a difference in knowledge, skills, and/or behaviors; and (f) taking appropriate risks. These principles also served as criteria for the peer review of materials developed by others that were submitted for inclusion in the initiative program toolkit.

Ensuring Quality

Educational resources contained in the initiative are informed by theory and research from the discipline of family economics as well as distance education. Target audiences expect and receive unbiased, up-to-date, and trustworthy educational resources. Extension is ideally suited to help consumers make informed decisions about later life financial security given that no financial products or services are being sold. When theory and research from distance education is used to inform how to organize and deliver distance education, the potential exists for providing even higher quality education than many consumers can get in other ways (Moore & Anderson, 2003).

Recognizing Adult Learning Fundamentals

Multiple educational strategies and experiential learning approaches are critical to address different ways of learning for adults in non-formal settings (Moore & Anderson, 2003; Stahl, 1999). The use of case studies, interactive activities, and other visual and written techniques will engage the learner in the content. Developing a Web site requires recognizing that users will come and go as they please and that they may enter or leave at many different places. Developmental learning approaches that may be appropriate for in-person workshops must be rethought in distance education (Chickering & Ehrmann, 1996; Moore & Anderson, 2003).

Knowing Potential Learners and/or Target Audiences

The need for anytime access to educational resources by target audiences is a driving force behind the use of new technologies (Gilbert, 2003). Initiative strategies have been guided by understanding the diversity within and between two key target audiences or end-users: (a) Extension educators and community partners and (b) adult consumers, especially baby boomers.

Delivering User-Friendly Resources

This initiative is only one of many resources competing for the attention of adult learners. If an educational resource is not easy to understand and use, practical, and relevant in its content, format, design, and delivery options, the learner will go elsewhere (Moore & Anderson, 2003; Stahl, 1999). Designing, piloting, and revising are required steps during the development process to achieve user-friendliness in a non-credit, on-line learning environment.

Making a Difference in Knowledge, Skills, and/or Behaviors

Evaluating the effectiveness of distance education offers many challenges, especially for non-credit and non-formal learning options with adults. Understanding if a Web site is really making a difference requires using different measures and tools to measure impact (Moore & Anderson, 2003).

Taking Appropriate Risks

When designing an innovative and creative educational system, it is necessary to take risks. This is especially true when using new technology and reaching new audiences (Gilbert, 2003). Uncertainty about the process and outcomes has been frequent, and much learning from mistakes has occurred, but it has made working on this initiative rewarding.

Implementation

Members of the NIMT developed various sections of the on-line Web site maintained at CSREES. The home page of the initiative's Web site is divided into an Educator and a Consumer section. The Program Toolkit in the Educator section leads to a variety of programs with resources, including curricula, PowerPoint presentations, print-on-demand brochures, streaming video, coordinator's manuals and program guides, participant workbooks, self-help guides, Extension publications, and ordering information. NIMT members developed programs specifically for the initiative and served as peer reviewers to accept programs developed by others for inclusion in the Program Toolkit. Criteria for programs included congruency with initiative distance education philosophy, a format that allowed access to all materials via the FSL Web site, an evaluation translation map matched to initiative objectives, and a clear fit with the initiative's research-based framework.

Selected Examples from Program Toolkit for Educators

Financial Security in Later Life: A Guide for Community Educators contains instructions for community educators on how to develop, promote, implement, and evaluate educational programs. A resource directory listing existing educational resources by content area with brief descriptions and ordering information is also provided (Bechman, Badenhop, & Rowe, 2002).

Take the Road to Financial Security in Later Life is the cornerstone curriculum for the initiative, developed to increase knowledge of issues regarding later life financial security and to help consumers assess their preparedness and create a plan of action to meet their personal needs and goals.

Legally Secure Your Financial Future: Organize, Communicate, Prepare is designed to educate participants to evaluate their legal status related to later life issues, develop a personal action plan, and take important steps to safeguard their families' financial future.

America Saves, a national campaign to encourage all Americans to save and build wealth and to reduce debt, represents a partnership between the Consumer Federation of America and the Land-Grant/Cooperative Extension System.

Critical Conversations About Long Term Care educates program participants about key conversations to have with family members to recognize the risks, understand the costs, sort out goals and expectations, and understand financing alternatives and consequences.

The Educator section also includes Frequently Asked Questions and a Background section

consisting of the research-based framework, white paper, 5-year action plan, and list of members of the management team. Moreover, state plans developed by 35 states are summarized and posted in the state plan summary section. The list of initiative contacts throughout the United States is also included here to facilitate communication among educators, specialists, and consumers.

An annotated bibliography and research summaries can be accessed through the Supporting Research link. The Marketing Tools page includes electronic files with a one-page handout, logo graphic, brochures, and displays/banners available for loan to facilitate program delivery.

The Extension Links and Helpful Links for Extension Educators sections expand access to Web pages of other programs, resources, and government and non-government organizations. These linkages provide a broader scope than simply using the focused program components of the initiative. A section on Funding Resources provides a way to investigate potential funding sources in specific geographic areas.

Web-Based Programs Designed for Delivery Directly to Consumers

Take the Road to Financial Security in Later Life helps consumers plan for normal later life events such as: living a third of their life after age 60; planning for retirement or changes in work; changing health and independence, including long term care; and dealing with financial issues facing aging parents.

Investing for Your Future is an on-line, 11-unit course that teaches basic concepts about investing directly to consumers. It is designed for the beginner with small dollar amounts to invest. On-line users can access monthly investment information messages and utilize an Ask the Experts feature (O'Neill, et al., 2002)

Financing Long-Term Care: A Resource Center for Families is an on-line resource that provides consumer information on risks, costs, and financing alternatives related to financing long-term-care. A variety of decision-making tools are included, such as interactive planning and assessment tools, fact sheets, myths and facts, conversation starters, and an on-line self study (Stum, 2000; Stum, 2001).

Planning for a Secure Retirement is an on-line retirement planning course for consumers. It is based on 10 modules that answer questions related to retirement planning and include specific goals, activities to complete, and sources for more information (DeVaney & Bechman, 2001).

A Retirement Estimator for Farm Families is a Web site designed for farm families who are thinking about retirement. It encourages farmers and spouses to think about their life expectancy and changes in income and expenses after retirement. It includes a worksheet to compare income and expenses in retirement (DeVaney, 2004a).

Who Will Get Grandpa's Farm? Communicating about Farm Transfer is an on-line program to help farmers discuss the transfer of farm operations with family members. The site uses streaming video segments to show a farmer talking to his father, son, wife, and brother (DeVaney, 2004b).

Capacity-Building Events

In March 2002, a roll-out conference was held in Myrtle Beach, South Carolina to launch the Financial Security in Later Life National Initiative. Over 240 specialists, educators, and partners from 46 states were introduced to the initiative's goals and objectives and the Web-based resources developed. They were given an overview of the specific programs that are included in the initiative toolkit.

An initiative-sponsored satellite videoconference was held in December, 2003 to highlight best practices and to provide on-going capacity building for Extension educators and their community partners. There were over 220 registered downlink locations in 45 states and the District of Columbia. Video conference information was available through the initiative Web site with on-line registration, coordinator and participant materials, agenda, supplementary information, and evaluation. The videoconference is also available via streaming video on the Web site for individuals who were unable to participate in the live conference.

Impact of the Initiative

Educators can access on-line evaluation and accountability resources on the initiative's Web site. These evaluation resources match the initiative accountability indicators. Quantitative program data can be reported by initiative contacts via the password-protected FSLL database. Also, anecdotal impact statements and success stories can be reported to a text-based section of the initiative database. The on-line evaluation cannot be accessed by consumers, and the aggregation of impacts does not include consumer's evaluation of on-line courses.

As of May, 2005, 24 states have reported Financial Security in Later Life impact data on-line. Program data are reported directly into the FSLL database by initiative contacts based on results provided to them by Extension educators. Based on these reports, 38,132 individuals have

participated in one or more of eight initiative-related programs. Of those program participants who were surveyed after completing a program, the following results were reported:

- 89% increased their financial literacy related to later life issues;
- 59% reported that they planned to utilize recommended financial management practices;
- 48% of program participants surveyed indicated that they planned to manage their use of credit, reduce debt, and/or reduce household spending in light of their long-term goals for later life;
- 38% of the participants surveyed said they planned to establish or revise investment goals;
- 46% of program participants reported that they planned to develop an integrated plan to accumulate, protect, and distribute or transfer assets;
- 23% of those who were surveyed after the program ended reported that they had already begun to manage their use of credit better, to reduce debt, and/or reduce household spending in light of their long-term goals for later life;
- 53% (3,707 individuals) of a group who were surveyed after completing initiative programs reported that they had developed plans to achieve retirement and/or future income goals;
- Of those who were surveyed using additional follow-up survey techniques (24,299 individuals), 43% reported that they have utilized one or more recommended financial management practice from an initiative program; and
- 93% of participants surveyed indicated that they would recommend the FSLL program(s) they completed to others.

Conclusions and Implications

The NIMT members believe that their effort has led to the following positive conclusions and implications: increased collaboration among faculty and institutions, successful impact of programs on consumers, enhanced visibility of Extension, and a model for eXtension. This approach requires an acceptance of new strategies for program development, delivery, and documentation that admittedly has some limitations. However, this effort provides many insights for eXtension.

Collaboration

Faculty from several institutions have worked together to develop programs and materials for an initiative delivered primarily through distance education. National, state, and county faculty are involved in addressing the need to prepare financially for later life. A multi-media approach has been utilized in most programs, and materials can be easily updated as changes occur in the content of the programs. This is a cost-effective approach, and it should serve as a model for future collaborative efforts in addressing critical issues across the Cooperative Extension System.

Impact and Visibility

Program impact provided on-line can be easily documented and aggregated nationally from the central Web site. Furthermore, the increased visibility of Extension programs and the links with national, state, and local Web pages have increased the ability of educators to collaborate with external partners.

Accepting Change

This high tech, low touch approach requires less face time and personal contact at all levels of the organization. There is some fear that this technological approach will eliminate the need for personnel. However, this technological approach should be accepted as a means to increase program delivery efficiency, quality, and program impact assessment, as well as reaching new audiences.

Limitations

Distance education requires changes in the design, implementation, and evaluation of programs. Unfortunately, some end users, both consumers and educators, lack the capability to effectively access and use technology, which can lead to frustration. Although this initiative has been cost-effective on a national scale, this format shifts some costs to the end user (e.g., investing in technology hardware, learning how to use the technology, etc.). The on-line evaluation system has not yet attempted to collect and aggregate program impacts and evaluations by consumers.

A Model for the Future

The Financial Security in Later Life Initiative provides many insights for eXtension. The National Initiative Management Team serves as a model for Communities of Practice, and selected FSLL

programs are showcased in the eXtension prototype. This initiative has allowed the Cooperative Extension System to more efficiently serve educators as well as current and new consumers in ways that provide accurate and just-in-time information for learning and decision making.

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