

Providing Money Management Education to Women through Extension – Women and Money: Unique Issues

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Abstract

Changing roles of women have reshaped education and career aspirations, marriage patterns, childbearing, and in many cases, redefined the family. Uniquely positioned, Family and Consumer Sciences has responded to the changing roles and responsibilities of women in these uncertain economic times by developing a curriculum addressing unique money issues facing women today. This ten-hour curriculum provides women with information and encouragement about being financially successful. Establishing the unique issues, the multi-session curriculum builds on financial organization, money communication, goal setting, asset protection, estate planning, and concludes with retirement. The curriculum was field tested in 2012 and 2013. The curriculum is being revised based on educator and participant feedback and will be made available electronically to Extension educators at no cost.

Keywords

Extension, women, money, personal finance, financial education, widowhood

Introduction

Changing roles of women have reshaped education and career aspirations, marriage patterns, childbearing, caregiving responsibilities for children and elderly parents, housing decisions, and in many cases, redefined the family altogether. With ever-changing societal gender roles and

family structures, there comes a need for financial management education to address unique issues women encounter. These issues pervade family transitions and span the life cycle. Approximately 65 percent of women ages 40 to 79 in the United States have experienced a major financial crisis (AARP 2011). For example, they may have experienced a job loss, divorce, the death of a spouse, or a serious illness. Women, in general, earn less (U.S. Census Bureau 2011), are more likely to be a caregiver and leave the work force more often to provide caregiving (Family Caregiving Alliance 2012), have saved less for retirement (Institute for Women's Policy Research 2012), are more likely to experience poverty (U.S. Census Bureau 2011), and live longer than men (National Center for Health Statistics 2012).

While women comprise almost half of the labor force, they continue to earn less than men regardless of level of education (U.S. Census Bureau 2011). In 2010, the median full-time earnings for men was \$47,715 and for women \$36,931 (U.S. Census Bureau 2011). Women earned 77 cents for every dollar a man earned. Families are affected when women earn less than men as they may face increased challenges in making ends meet today with less income while also creating challenges for planning for the future, including retirement. Women experience higher poverty rates compared to men (U.S. Census Bureau 2011). This may be explained in part because of lower earnings throughout the life cycle and because unmarried or divorced mothers are more likely to be custodial parents. Women's finances may be more subject to life transitions and may improve more slowly and less completely compared to the finances of men. In 2010, more than four million more women than men lived in poverty (U.S. Census Bureau 2011). Single-parent families are more likely to be headed by women, and these families face a greater risk of poverty (U.S. Census Bureau 2011). Specifically, 32 percent of female-headed households were poor, compared to 16 percent for their male counterparts and 6 percent for married couple families with children (U.S. Census Bureau 2011).

These distinctive differences impact women in the present but also across their life cycle. For example, lower earnings decrease funds available to save for retirement in the present, but also affect their future Social Security retirement benefit amounts as those benefits are based on years worked and earnings. Due to low earnings across the life cycle, decreased likelihood of recovering from financial shocks, and increased longevity among others, women likely have a greater need for long-term wealth management skills compared to men. Financial independence is important to older women, but they worry about their ability to maintain it as they age (Into 2003).

In general, women have a lower level of financial literacy than men. For example, on average women scored lower than men when responding to financial knowledge questions (Delavande et al. 2008). The financial concepts included portfolio diversification, institutional knowledge, and understanding how annuities work among others (Delavande et al. 2008). Chen and Volpe (2002) found that female college students scored lower than male college students on financial

questions regarding general knowledge, savings and borrowing, and insurance and investment. Lusardi and Mitchell (2008) found that women over 50 had significantly lower financial literacy than men.

Uniquely positioned, Family and Consumer Sciences has responded programmatically to the changing roles and responsibilities of women in these uncertain economic times by developing education programming that addresses the distinctive money issues facing women today by providing education that will aid in their current financial management and future planning.

Program Overview

The curriculum development team consisted of a state specialist and three county faculty members. A focus group of county faculty was conducted to inform the lesson topics and activities. The collaboration between state and county faculty aided in the development of an evidence-based curriculum that aligns with the target audience's needs at the county level. *Women and Money: Unique Issues* is designed as a ten-hour series and is generally offered over five days. Program participants learn how financial familiarity and management positively influence their quality of life and understand how emotions influence how they use their money. Participants will strengthen their skills and change behaviors that in the past might have rendered them insecure, ill-informed, indifferent, unaware, or unable to save. The curriculum is available electronically including PowerPoint presentations, lesson plans, activities, and evaluation instrument. Extension publications and supporting literature are available.

Purpose

Societal dynamics and their effects on gender roles and family structures underscore a distinct need for financial management education to address the unique issues that women may encounter. *Women and Money: Unique Issues*, developed by the University of Florida, is a new curriculum series designed to provide women with information and encouragement about being financially successful. This series encompasses financial management for women across the life cycle and through family transitions. Establishing the unique issues, the multi-session curriculum builds on financial organization, money communication, goal setting, asset protection, estate planning, and concludes with retirement planning. Desired outcomes include increasing the participants' confidence in their ability to manage finances by (1) identifying family transitions and life-cycle issues affecting personal finances, (2) organizing personal finance documents, (3) strategizing asset protection, (4) setting specific, measurable, adaptable, realistic, and time bound (SMART) financial goals, (5) understanding investment options, and (6) developing an estate plan.

Lesson 1: Introduction to Women and Money. This lesson explores the unique issues women may face throughout their life cycle. Topics covered include life events such as marital status changes, caregiving, employment, earnings, retirement planning, gender, and generational comparisons.

Learning Objectives:

- Participants will learn about life-cycle issues affecting women's personal finances.
- Participants will be able to understand major differences between generational retirement experiences.
- Participants will become aware of key statistics regarding women's personal finances in Florida.

Lesson 2: Money Basics. This lesson includes organizing important documents, setting S.M.A.R.T. financial goals, exploring emotional uses of money, tracking spending, and developing a spending and saving plan.

Learning Objectives:

- Participants will understand the importance of financial organization.
- Participants will identify criteria that comprise well-targeted goals and how values and emotions affect goal achievement.
- Participants will develop a spending plan.

Lesson 3: Protecting Your Assets. This lesson focuses on the risk management process including insurance products such as life, health, disability, long-term care, auto, homeowner's, flood, and renter's insurance. Also included in this lesson is information about detecting and recovering from identity theft and avoiding fraud, scams, and deception.

Learning Objectives:

- Participants will become familiar with multiple insurance products.
- Participants will learn how to identify essential insurance products.

- Participants will learn how to select insurance professionals.
- Participants will learn how to exercise their rights if they become a victim of fraud.
- Participants will learn how to obtain their credit reports for free.

Lesson 4: Basic Investing. This lesson covers basic investment principles including building wealth through investment strategies, risk tolerance, portfolio building, consulting a financial advisor, and retirement investing options including employer-provided retirement plans and individual alternatives.

Learning Objectives:

- Participants will learn about basic investment principles and terminology.
- Participants will be able to understand major differences between different risk levels of investments.
- Participants will be aware of retirement investment options available to them.

Lesson 5: Estate Planning. This lesson includes creating an estate plan including the following elements: health care and financial advanced directives, communicating personal wishes, estate tax considerations, and facing the loss of a spouse.

Learning Objectives:

- Participants will learn about basic estate plan elements.
- Participants will learn about basic estate tax considerations and deductions.
- Participants will become aware of key issues to address when facing the loss of a spouse.

Impact

The series was field-tested four times in 2012 in Central Florida. Participants' ages ranged from 21-83 years. Ninety-one participants completed the program in 2012. Evaluations indicated that (1) 100 percent of the participants learned about unique money issues facing women today; (2) 100 percent of the participants identified and set financial goals; and (3) 97 percent of the participants developed household spending plans. The program was used in eight additional Florida counties in late 2013 and the data is currently being analyzed. The curriculum is being

revised based on educator and participant feedback and will be made available electronically at no cost to Extension educators.

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